

ASSESSING NEWS AND NOTES
Wakefield Daily Item
November 2, 2009

Our annual classification hearing with the Board of Selectmen was held on Monday, October 26th. This public hearing is a requirement of Massachusetts General Law and necessary in order to establish tax rates and send tax bills in a timely manner. Classification was adopted by the selectmen and, after November's town meeting, will be approved by the state's Department of Revenue. Our anticipated fiscal year 2010 tax rates will be:

\$10.88 Residential and \$21.97 Commercial / Industrial

Our department engaged in a full revaluation of the town for FY 2010 using calendar year 2008 sales as a basis for most residential sales and 2007-2008 for other classes where there were too few sales to analyze. The average single family home valuation decreased from \$398,900 to \$395,800 or about 1%. Commercial and industrial properties remained relatively flat while condominiums trended mostly downward.

Data obtained from MLS Property Information Network, Inc. indicated that the average sale price for a single family home in Wakefield was \$407,871 during 2008 and the average days on market was 85. Also of note, homes sold at an average of 96% of their original asking price over the same period.

The average single family tax bill is expected to increase approximately \$145 to \$4306 and the average commercial tax bill is expected to rise about 3% or \$855. To date all valuation adjustments have received preliminary approval from the state's Department of Revenue and our FY 2010 tax levy estimates are in accordance with proposition 2 1/2.

One question that is often asked is "how or why did my taxes rise more than 2 1/2 %?" Well, Proposition 2 1/2 is a restriction on the tax levy which is the total amount the town can generate in tax revenue. Simply put, the town can generate an additional 2 1/2% more tax revenue than the previous fiscal year plus allowance for taxes on new construction (new growth) plus any overrides or debt exclusions voted by the town.

The form used to calculate the tax levy can be found on the assessing page of the town's website at www.wakefield.ma.us under the link entitled Fiscal Year 2010 Classification Guide. Last year's tax levy was \$45,730,617 and the proposition 2 1/2 increase to that is \$1,143,265 plus a new growth figure of \$655,169 which is actually a total increase of 3.93 % over last year's tax levy. The calculation of our new growth figure is often difficult to maximize since for every \$1,000,000 in new residential construction, the new growth figure is only \$10,430 since it is based upon FY 2009's tax rate. This is in accordance with Proposition 2 1/2.

The other reason taxes may rise more than 2 1/2 % is that valuations change at different rates i.e. single family homes performed well over the sales period while older condos

were mostly adjusted downward. Also, the valuations of commercial and industrial properties impact the residential share of the tax burden due to the fact that if those values stay flat or decrease, our capacity to shift taxes also decreases.

It is important to note that the Board of Selectmen have chosen a residential factor in the computation of the tax rate that affords residential tax payers the lowest possible share of the tax burden allowed under state law. Last year the average single family tax bill was \$4106 and this fiscal year it is expected to rise to \$4306 or \$146. Also, over the past 10 years the average single family tax bill increase was 4.292 % or \$146.80.

Property owners must be mindful that the assessments they see on their tax bills due February 2010 are reflective of real estate market activity during 2008. Assessments are one year behind today's market and sales activity from 2009 will be used for assessments next year.

Shortly after the actually tax bills are mailed in December, assessment information will be updated on our website at www.wakefield.ma.us/departments/assessing There you find additional forms and information which is of interest to property owners.

EXEMPTION NEWS

Just a quick note to our statutory exemption recipients that may have forgotten to file their paperwork; there is still time so please do stop by our office. Also, if you are wondering if you may be eligible for any of the following exemptions, please give us a call at 781-246-6380:

Senior Exemption 65+, Disabled Veterans, Surviving Spouse, Blind or Tax Deferral

All exemptions are subject to various qualifying criteria.