

ASSESSING NEWS AND NOTES  
Wakefield Daily Item  
October 25, 2010

Our annual classification hearing with the Board of Selectmen was held on Monday, October 24th. This public hearing is a requirement of Massachusetts General Law and necessary to establish tax rates and send tax bills in a timely manner. Classification was adopted by the selectmen and the tax rates for Fiscal Year 2012 are expected to be:

\$11.90 Residential and \$24.19 Commercial / Industrial / Personal

Our department engaged in an interim revaluation of the town for FY 2012 using calendar year 2010 sales as a basis for residential properties and 2009-2010 for other classes where there were too few sales to analyze. The average single family home valuation increased slightly from \$400,100 to \$400,800. Commercial and industrial properties remained mostly unchanged from last year increasing by only .009% as a whole class.

Data obtained from MLS Property Information Network, Inc. indicated that the average sale price for a single family home in Wakefield was \$408,700 during 2010 and the average days on market was 79, down from the prior year of 83. Also of note, homes sold at an average of 97.1% of their original asking price over the same period.

The average single family tax bill is expected to increase approximately \$185 to \$4770 or 4.0% and the average commercial tax bill is expected to rise about 5.1% or \$1,383. To date all valuation adjustments have received final approval from the state's Department of Revenue and our FY 2012 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](http://www.wakefield.ma.us) under the link entitled Fiscal Year 2012 Classification Guide as exhibit C. Last year's tax levy was \$51,017,633 and the proposition 2 1/2 increase is \$1,275,441 plus a new growth figure of \$752,781 which is actually a total increase of 3.82 % 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 \$11,460 since it is based upon FY 2011'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. Single family homes showed no signs of decreasing over the calendar year 2010 review period while most commercial properties in the town remained largely unchanged.

The valuations of commercial and industrial properties impact the residential share of the tax burden due to the fact that when those values decrease or remain stagnant; 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 \$4585 and this fiscal year it is expected to rise to \$4770 or \$185. Also, over the past 12 years the average single family tax bill increase was 4.45 % or \$161.

The table below compares the average single family tax bills for Wakefield and surrounding communities for Fiscal Year 2011.

COMMUNITY	RES TAX RATE	CIP TAX RATE	AVG SINGLE FAMILY TAX BILL	STATE HI-LO RANKING
WAKEFIELD	\$11.46	\$23.32	<b>\$4585</b>	<b>107</b>
LYNNFIELD	\$13.49	\$14.61	\$7112	39
READING	\$13.80	\$13.80	\$6109	50
SAUGUS	\$10.62	\$23.36	<b>\$3446</b>	<b>213</b>
STONEHAM	\$12.21	\$19.63	\$4720	101
MELROSE	\$12.46	\$19.01	\$4955	92

As you can see, with the exception of Saugus which has a majority of the US Route 1 business district within its jurisdiction, the Town of Wakefield had the lowest average single family tax bill for FY 2011.

The next table compares the tax shifting capacity and actual community tax shift for Fiscal Year 2011. Moreover, the last two columns show both the before and after effects of shifting on both the residential and commercial sectors.

COMMUNITY	MAXIMUM ALLOWABLE SHIFT	FY 2011 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE	
			Before	After	Before	After
WAKEFIELD	1.75	1.75	84.2	<b>72.4</b>	15.8	27.6
LYNNFIELD	1.50	1.076	91.8	91.3	8.2	8.7
READING	1.50	1.0	90	90	10	10
SAUGUS	1.75	1.75	78.6	<b>62.6</b>	21.4	37.4
STONEHAM	1.50	1.50	88.2	82.3	11.8	17.4
MELROSE	1.50	1.48	94.1	91.3	5.9	8.7

Once again and with the exception of Saugus, after the tax shift, the residential taxpayers of Wakefield are charged the lowest share of the tax burden as allowed by law.

Property owners must be mindful that the assessments they see on their tax bills due February 2012 are reflective of real estate market activity during 2010. Assessments are one year behind today's market and sales activity from 2011 will be used for assessments next year.

Shortly after the actual tax bills are mailed in December, assessment information will be updated on our website at [www.wakefield.ma.us/departments/assessing](http://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.

For Senior Tax Work Off program details, please call the Senior Center at 781-245-3312.