There are four broad types of property: land, improvements to land (immovable man-made objects, such as buildings), personal property (movable man-made objects), and [intangible property](https://en.wikipedia.org/wiki/Intangible_property). [Real property](https://en.wikipedia.org/wiki/Real_property) (also called real estate or realty) means the combination of land and improvements. Under a property tax system, the government requires and/or performs an [appraisal](https://en.wikipedia.org/wiki/Real_estate_appraisal) of the monetary value of each property, and tax is assessed in proportion to that value. Forms of property tax used vary among countries and jurisdictions. Real property is often taxed based on its classification. Classification is the grouping of properties based on similar use. Properties in different classes are taxed at different rates.

Examples of different classes of property are residential, commercial, industrial and vacant real property.

Real Property Tax Rates

| **Class** | **Tax Rate per $100** | **Description** |
| --- | --- | --- |
| 1 | $0.85 | Residential real property, including multifamily |
| 2 | $1.65 | Commercial and industrial real property, including hotels and motels, for the first $3 million of assessed value |
|  | $1.85 | Commercial and industrial real property, including hotels and motels, for assessed value more than $3 million |
| 3 | $5.00 | Vacant real property |
| 4 | $10.00 | Blighted real property |

Assessors in Massachusetts must assign all real property in the city or town according to its use: residential, open space, commercial, or industrial. Personal Property constitutes a separate class and is taxed under the commercial rate. Each parcel must always be assessed at full and fair cash value.

**Class One - Residential**

Includes all property containing one or more units for human habitation. The class includes accessory land and buildings such as swimming pools, tennis courts, garages and sheds. Single-family homes are in this class, as are large apartment buildings.

**Class Two - Open Space**

Includes land maintained in an open or natural condition, which contributes significantly to the benefit and enjoyment of the public. Such land cannot be held for the production of income and may be required to meet additional qualifying factors established by the Board of Assessors.

**Class Three - Commercial**

Includes any property held for the purpose of conducting a business, such as office buildings, retail stores, etc. Personal Property, also, falls within the category of the Commercial class.

**Class Four - Industrial**

Includes any property involved in manufacturing or processing. It also includes real property used for storage, transmission, and generation of utilities regulated by the Department of Public Utilities.

Any property in an industrial or commercial zoning district or used as industrial or commercial property on which there exists any one or more of the following conditions or activities is a blighted property for the purposes of this chapter:

(a) Abandoned Building or Structure.

(b) Attractive Nuisance. Property which is in an unsecured state so as to potentially constitute an attraction to children, a harbor for vagrants, criminals or other unauthorized persons, or so as to enable persons to resort thereto for the purpose of committing a nuisance or unlawful act.

(c) A building or structure which is in a state of disrepair:

(d) Property Inadequately Maintained.