



City of Medford Tax Classification Hearing

Fiscal Year 2026

Jared Yagjian, MAA

Medford Board of Assessors

November 18, 2025

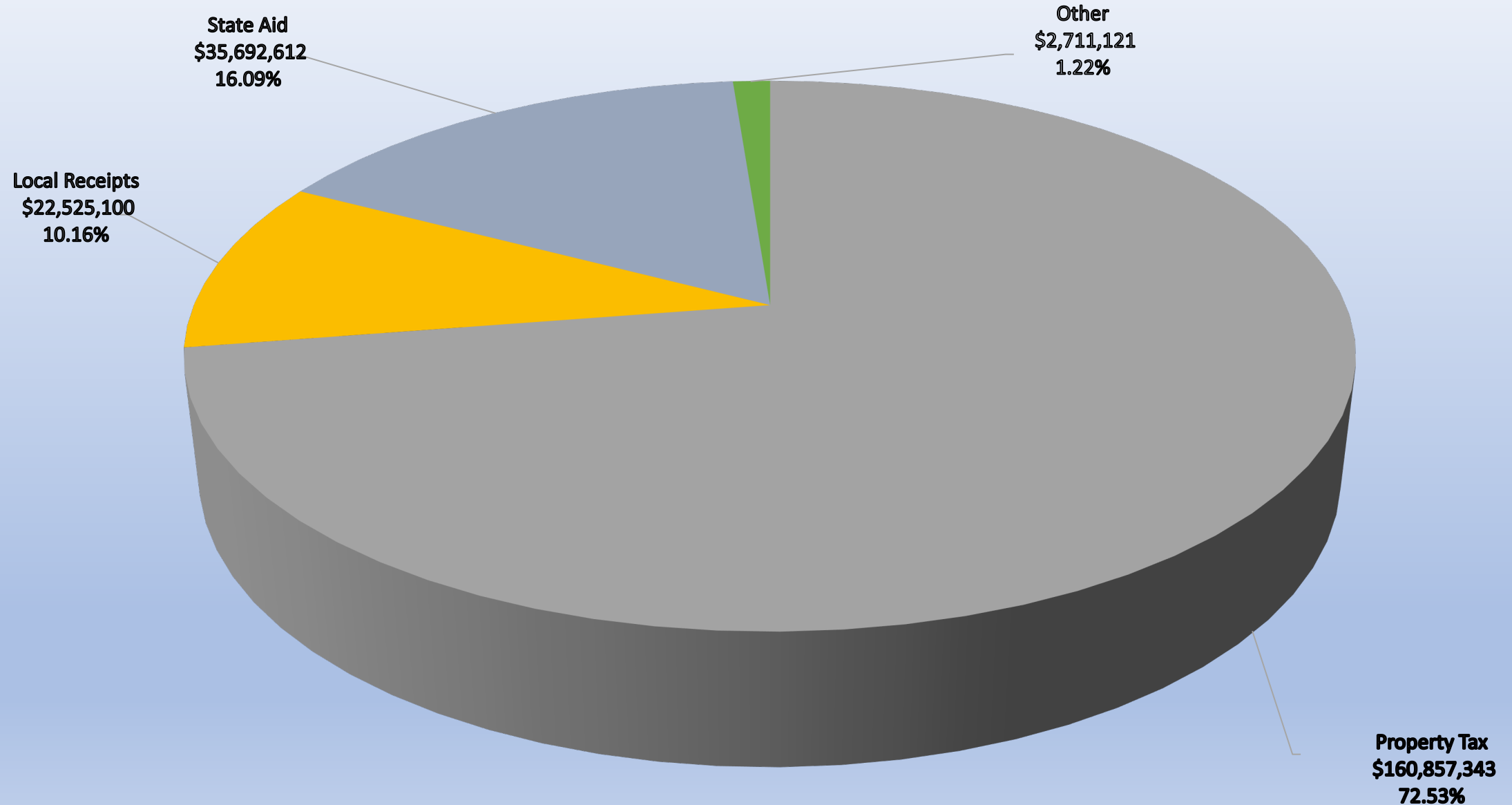
Purpose of the Hearing

To adopt the City's Tax Policy by allocating or classifying the tax levy among the property types

Action Required by the City Council

1. Vote for a single tax rate or maintain up to the 175% shift of the tax levy from the Residential class to the Commercial/Industrial and Personal Property classes
2. Vote whether to adopt a residential exemption
3. Vote whether to adopt a small commercial exemption

FY26 Budgeted Revenue as amended (\$221.8m)



Property Assessment Review

- Arm's-length sales data from Calendar Year 2024 were used to establish the Fiscal Year 2026 Assessments. MGL requires that Assessors value properties at a median assessment to sales (ASR) ratio of 90% to 110%
- The Massachusetts Department of Revenue certified Medford's assessed values for real property and personal property on October 17, 2026

Property Assessment Review (continued)

LA-3 Final Certification Statistics

LA-3 Final Certification Statistics

Status: FORM APPROVED

FINAL CERTIFICATION : FORM APPROVED

MEDFORD - 176 2026

Jurisdiction Fiscal Year

Submitted with Time Trend ☐

Approved with Time Trend ☐

Sales Data From 1/1/2023 To 12/31/2024

Class Analyzed	101	102	104	105	111-112	130-132	300's	400's
Parcels	7,854	3,849	3,861	461	118	681	592	87
Arms Length Sales	185	243	127	12	3	0	13	1
Total Sales Reported	252	258	183	22	5	32	22	2
AL Sales / TS Reported (%)	73.41	94.19	69.40	54.55	60.00	0.00	59.09	50.00
AL Sales / Parcels (%)	2.36	6.31	3.29	2.60	2.54	0.00	2.20	1.15
Median Assessment Sales Ratio	0.94	0.95	0.96	0.94	0.95		0.94	0.92
Average Deviation	4.98	3.28	6.32	7.17	6.42		6.17	
Coefficient Of Dispersion	5.30	3.45	6.58	7.63	6.76		6.56	
Average Proposed Assessment	880,584	732,741	1,023,072	1,315,675	4,201,400		1,324,838	687,900
Average Sale Price	939,488	773,395	1,075,355	1,394,417	4,473,333		1,481,942	750,000
Agg Ratio	0.94	0.95	0.95	0.94	0.94		0.89	0.92

Source: DLS LA-3 Final Certification Statistics

Property Assessment Review (continued)

Percentage Change in Average Assessments by Property Type

Property Type	FY 25 Average	FY 26 Average	Percentage Change
Single Family	\$ 804,889	\$ 860,609	6.92%
Condominium	\$ 578,211	\$ 610,936	5.66%
Two Family	\$ 973,750	\$ 1,018,827	4.63%
Three Family	\$ 1,105,853	\$ 1,182,090	6.89%
Apartments	\$ 6,419,575	\$ 7,440,075	15.90%
Commercial	\$ 1,995,783	\$ 2,075,889	4.01%
Industrial	\$ 2,321,172	\$ 2,390,749	3.00%
Personal Property	\$ 639,300	\$ 769,958	20.44%

*The percentage change is inclusive of new growth in each property type.
Calculated from LA-4 data.

FY 2026 Average Assessed Values in Surrounding Communities

<u>Municipality</u>	<u>Single Family</u>	<u>Condominiums</u>	<u>Two Family</u>	<u>Three Family</u>	<u>Apartment</u>	<u>Commercial</u>	<u>Industrial</u>
Arlington	\$1,119,993	\$670,337	\$1,164,892	\$1,230,854	\$4,869,809	\$1,424,364	\$1,420,238
Everett	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Malden	\$666,317	\$449,436	\$860,936	\$991,891	\$5,873,547	\$1,864,505	\$2,631,519
Medford	\$860,609	\$610,936	\$1,018,827	\$1,182,090	\$7,440,075	\$2,075,889	\$2,390,749
Somerville	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Stoneham	\$801,126	\$448,806	\$795,765	\$932,833	\$12,955,581	\$1,552,035	\$2,168,490
Winchester	\$1,649,878	\$784,874	\$1,299,081	\$1,477,539	\$13,327,864	\$1,586,609	\$3,080,407

Percent Change Fiscal Year 2025 to Fiscal Year 2026 of Assessed Values in Surrounding Communities

<u>Municipality</u>	<u>Single Family</u>	<u>Condominiums</u>	<u>Two Family</u>	<u>Three Family</u>	<u>Apartment</u>	<u>Commercial</u>	<u>Industrial</u>
Arlington	3.99%	5.55%	2.94%	2.74%	3.71%	6.31%	2.42%
Everett	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Malden	5.87%	5.33%	7.06%	6.97%	8.61%	8.89%	10.37%
Medford	6.92%	5.66%	4.63%	6.89%	15.90%	4.01%	3.00%
Somerville	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Stoneham	4.62%	7.61%	5.02%	6.28%	19.14%	3.18%	3.48%
Winchester	3.36%	5.11%	4.02%	8.61%	5.87%	5.26%	6.98%

% Change is inclusive of new growth

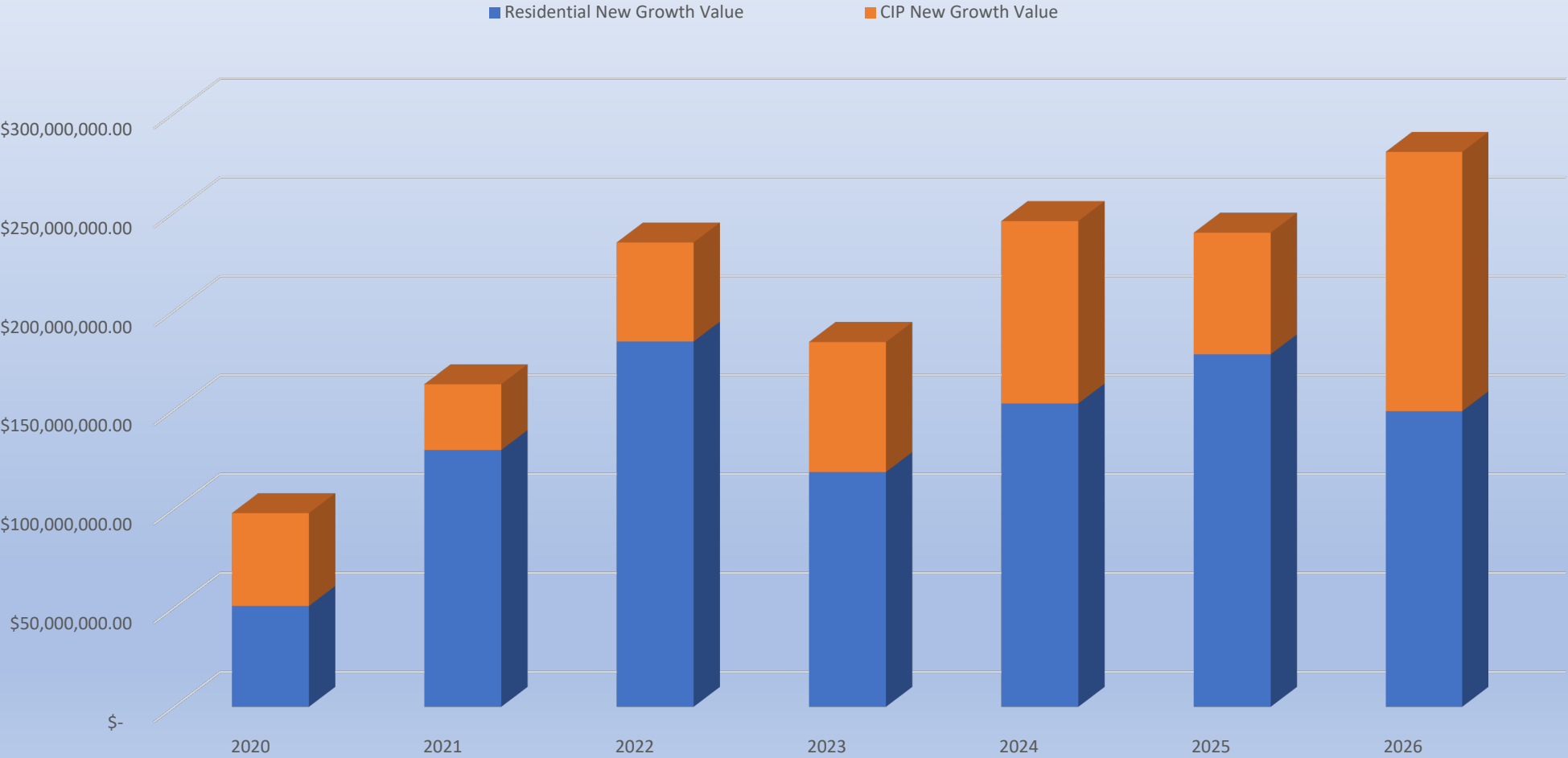
New Growth

- New Growth is defined by the DOR as a dollar increase in the annual levy limit that reflects additions to the community's tax base since the last fiscal year
- New Growth was certified on October 17, 2025 at \$280,388,145 in Assessed Value, or \$3,534,431 in Tax Levy Growth (based on the FY25 tax rates)
- Residential new growth made up \$1,313,886
- while commercial, industrial and personal property new growth totaled \$2,220,545

New Growth

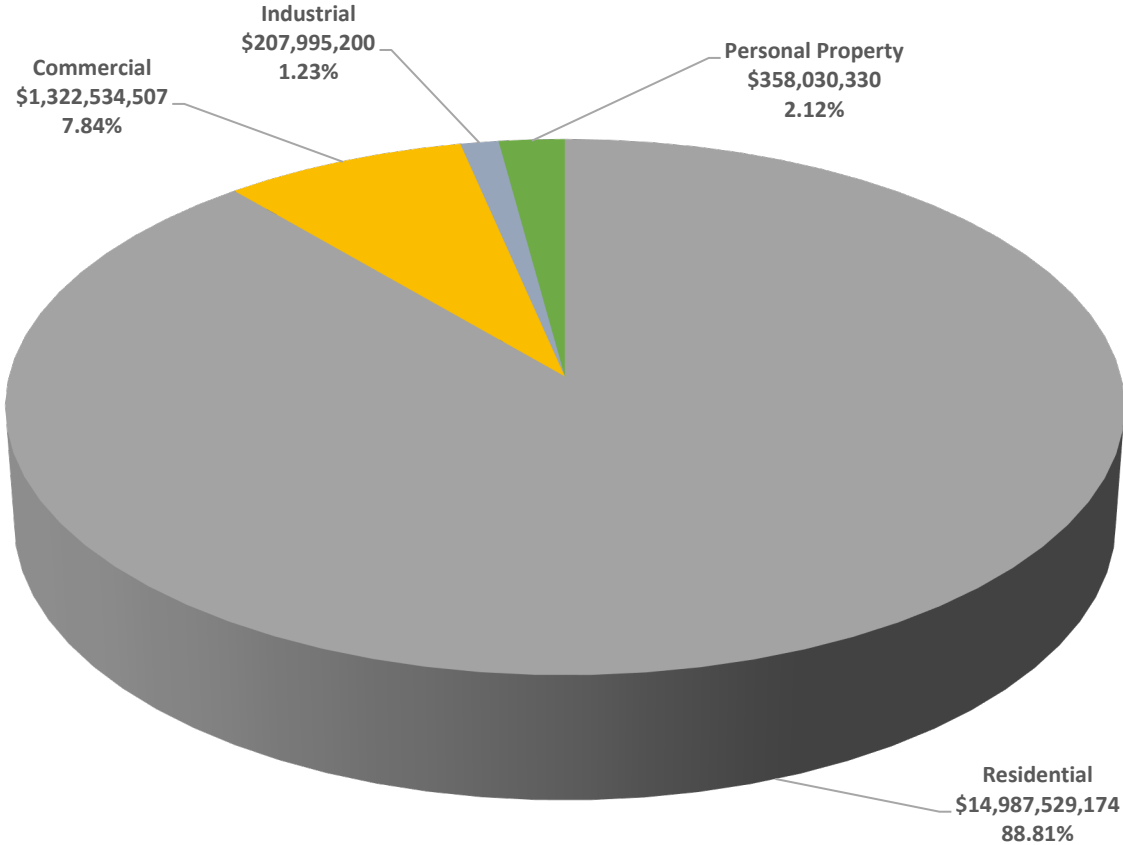
Property Class	New Growth Valuation	PY Tax Rate	
			Tax Levy Growth
SINGLE FAMILY (101)	17,424,100		
CONDOMINIUM (102)	12,628,000		
TWO & THREE FAMILY (104 & 105)	14,918,000		
MULTI - FAMILY (111-125)	101,175,500		
VACANT LAND (130-132 & 106)	0		
ALL OTHERS (103, 109, 012-018)	3,159,608		
TOTAL RESIDENTIAL	149,305,208	8.80	1,313,886
OPEN SPACE	0		
OPEN SPACE - CHAPTER 61, 61A, 61B	0		
TOTAL OPEN SPACE	0		
COMMERCIAL	26,293,245		
COMMERCIAL - CHAPTER 61, 61A, 61B	0		
TOTAL COMMERCIAL	26,293,245	16.94	445,408
INDUSTRIAL	2,120,500	16.94	35,921
PERSONAL PROPERTY	102,669,190	16.94	1,739,216
TOTAL REAL & PERSONAL	280,388,143.00		3,534,431

New Growth Value



Fiscal 2026 Value by Class

Fiscal 2026		
Class	Value	% of Value
Residential	\$14,987,529,174	88.81%
Commercial	\$ 1,322,534,507	7.84%
Industrial	\$207,995,200	1.23%
Personal Property	\$358,030,330	2.12%
Total Value	\$16,876,088,911	100.00%



How the Tax Rate is Calculated*

FY2026 Property Tax Levy	\$160,857,343.05	
<hr/>	<hr/>	=0.009532
FY2026 City Taxable Valuation	\$16,876,089,211	

\$9.53 per thousand dollars of assessed value if a uniform rate is selected

The Full Shift of 175% will yield a \$8.63 residential tax rate and a

\$16.68 Commercial/Industrial/Personal Property Tax Rate

*All rates are estimates until Medford receives DOR approval for FY26. Shift may need to be rounded for levy limit purposes.

Historical Percent of Levy by Class

Fiscal Year	Residential Percentage of Levy	CIP Percentage of Levy
2017	80.01	19.99
2018	80.68	19.32
2019	81.52	18.48
2020	81.98	18.02
2021	81.64	18.36
2022	82.16	17.84
2023	82.05	17.95
2024	80.75	19.25
2025	80.68	19.32
2026	80.42	19.58

Selection of Minimum Residential Factor

- A residential factor of 1 will result in the taxation of all property at the same rate (single tax rate)
- A residential factor of less than 1 increases the share of the levy raised by Commercial, Industrial and Personal Property (CIP) owners and reduces the share paid by residential property owners (split tax rate)
- The minimum residential factor for the City of Medford for Fiscal Year 2026 is .905493, as calculated by the Massachusetts Department of Revenue guidelines

Residential Factor/Split Rate*

- MGL Ch. 40 § 56 allows a shift of up to 1.75 of the tax burden between the classes of property
- Adoption of a Residential Factor(RF) of 1.0 results in a single tax rate
- Adoption of a RF of .905493 results in a maximum split tax rate
- The impact on the Property Class Rate is as follows:

CIP Factor	Residential	CIP	Residential Levy	Com/Ind/PP Levy
1.00	\$9.53	\$9.53	\$142,856,209	\$18,001,134
1.50	\$8.93	\$14.30	\$133,855,641	\$27,001,702
1.75	\$8.63	\$16.68	\$129,355,358	\$31,501,985

*All rates are estimates until Medford receives DOR approval for FY26.

FY 26 Average Property Tax Bill Examples

Single Tax Rate:

Tax Bill

Avg. Single Family House Value = \$860,609 x \$9.53/1000 = \$8,202
Avg. Commercial Value = \$2,075,889 x \$9.53/1000 = \$19,783

Split Rate with CIP 150%:

Tax Bill

Avg. Single Family House Value = \$860,609 x \$8.93/1000 = \$7,685
Avg. Commercial Value = \$2,075,889 x \$14.30/1000 = \$29,685

Split Rate with CIP 175%:

Tax Bill

Avg. Single Family House Value = \$860,609 x \$8.63/1000 = \$7,427
Avg. Commercial Value = \$2,075,889 x \$16.68/1000 = \$34,626

*Average Tax Bills are rounded

**All rates are estimated until Medford receives DOR approval for FY26

Historical Recap of Average Single-Family Tax Bill

Fiscal Year	Average Single-Family Value	Percentage Value Change YOY	Average Single Family Tax Bill (Split Rate: CIP 175%)	\$ Change YOY	% Change YOY
2016	\$424,189	7.53%	\$4,747	\$132	2.86%
2017	\$475,910	12.19%	\$5,026	\$279	5.88%
2018	\$508,238	6.79%	\$5,204	\$178	3.54%
2019	\$565,215	11.21%	\$5,426	\$222	4.27%
2020	\$615,010	8.81%	\$5,646	\$220	4.05%
2021	\$612,965	-0.33%	\$5,768	\$122	2.16%
2022	\$654,409	6.76%	\$5,903	\$135	2.34%
2023	\$718,458	9.79%	\$6,215	\$312	5.29%
2024	\$768,849	7.01%	\$6,551	\$336	5.41%
2025	\$804,888	4.69%	\$7,083	\$532	8.12%
2026	\$860,609	6.92%	\$7,427	\$344	4.86%

Residential Exemption

This option must be established early in the fiscal year so that residents can apply prior to the setting of the tax rate

- Must be owner-occupied, primary residence to qualify and **must apply with an application as well as supporting documents**
- The reduced value remains within the residential levy percent resulting in a higher residential tax rate
- Residential properties above the breakeven would see an increase in property taxes
- Using FY26 calculations and assumptions:
 - The 35% Exemption had a breakeven of approximately \$1,038,727
 - The Residential tax rate would increase to \$12.29 per \$1000 with this exemption.
- As of FY26, 20 of 351 communities have adopted a residential exemption:
 - *Barnstable, Boston, Brookline, Cambridge, Chelsea, Concord, Eastham, Everett, Malden, Mashpee, Nantucket, Oak Bluffs, Provincetown, Somerville, Tisbury, Truro, Waltham, Watertown, Wellfleet, West Tisbury (10 of the 20 communities are located on Cape and Islands)*

Granting a Small Commercial Exemption

- The City Council may adopt a small commercial exemption
- This exemption is for commercial parcels (property class three) occupied by businesses with an average annual employment of not more than (10) people during the previous calendar year and with assessed values of less than \$1,000,000
- The intent of the exemption is to give a tax reduction to small commercial property owners at the expense of the larger commercial and industrial parcels
- Council can choose an exemption that reduces the taxable valuation of each eligible parcel by a percentage of up to 10%

Classification Vote Summary

1. Selection of a Minimum Residential Factor
 - A Factor of 1 yields a single rate and would result in a \$9.53 rate
 - A Factor of .905493 yields a split tax rate of \$8.63 for residential and \$16.68 for Commercial/Industrial/Personal Property
2. Vote on whether to adopt a Residential Exemption
 - With a low number of non-owner-occupied properties, this shifts a portion of the residential levy from lower-valued residential properties to higher valued properties
 - This decision must be made early in the fiscal year to allow for applications and tax rate setting
3. Vote on whether to adopt a Small Commercial Exemption
 - This exemption is for commercial properties valued under \$1 million and occupied by business(s) with less than ten employees
 - This exemption benefits property owners, typically not small business tenants
 - This shifts up to 10% of the value of those properties to other commercial and industrial properties
 - This decision must be made early in the fiscal year to allow for applications and tax rate setting