

# CITY OF MALDEN FISCAL YEAR 2025 CLASSIFICATION PRESENTATION

Presented by  
Nate Cramer  
Director  
City of Malden Assessor's Office  
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# Required Action

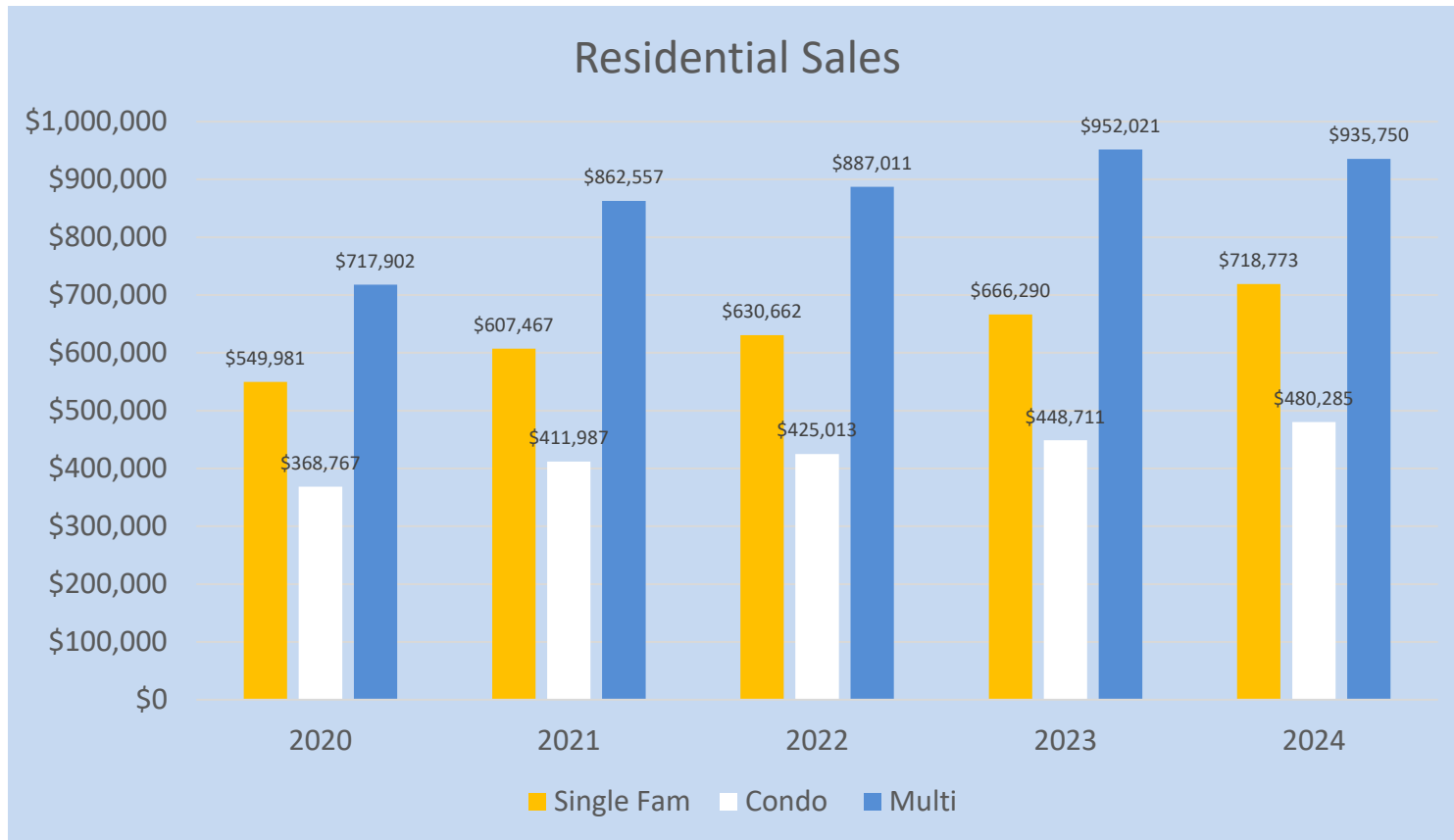
- Selection of a Minimum Residential Factor.
- Whether to grant a Residential Exemption.

# MINIMUM RESIDENTIAL FACTOR



- A Residential Factor of 1 would yield a single tax rate of \$10.08 per thousand of value.
- Tax Levy: \$113,126,839/ Value: \$11,219,660,408 = (0.01040) X 1000 = Single Tax Rate of \$10.08
- Chapter 200 allows communities to select a factor less than 1 thereby shifting more of the tax burden onto the CIP classes of properties.  
(CIP= Commercial/Industrial/Personal Property)
- Historically, Malden has chosen the maximum allowable shift factor to afford residential taxpayers the lowest share of the tax burden allowed by state law.

# Time Frame- Calendar 2022 to 2023



# MRF OPTIONS

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CIP SHIFT	MRF	RES %	CIP %	RES TR	CIP TR
1	1	88.9397	11.0603	\$12.45	\$10.08
1.25	.9695	86.4263	13.5737	\$12.07	\$12.60
1.50	.9391	83.7115	16.2885	\$11.69	\$15.12
<b>1.74</b>	<b>.9099</b>	<b>81.1054</b>	<b>18.8946</b>	<b>11.33</b>	<b>17.54</b>
1.75	.9086	80.9968	19.0033	\$11.31	\$17.65

**Blue** represents the maximum allowable shift for FY 2025

**The above data includes a 30% residential exemption**

# ESTIMATED TAX BILLS RESIDENTIAL

FY25 Average Residential Value is \$792,121

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1	1	88.9397	\$12.45	\$9,861
1.25	.9695	86.4263	\$12.07	\$9,561
1.50	.9391	83.7115	\$11.69	\$9,260
<b>1.74</b>	<b>.9099</b>	<b>81.1054</b>	<b>11.33</b>	<b>8,975</b>
1.75	.9086	80.9968	\$11.31	\$8,959

- **Bold represents the max allowable shift for FY 2025.**
- **The Maximum Allowable Shift results in an \$886 savings to the average residential taxpayer.**
- **These amounts DO NOT include the residential exemption**

# ESTIMATED TAX AMOUNTS CIP

FY25 Average Comm/Indust/PP Value is \$1,424,960

CIP SHIFT	MRF	CIP %	CIP TR	EST TB
1	1	11.0603	\$10.08	\$14,363.60
1.25	.9695	13.5737	\$12.60	\$17,954.50
1.5	.9391	16.2885	\$15.12	\$21,545.40
<b>1.74</b>	<b>.9099</b>	<b>18.8946</b>	<b>17.54</b>	\$24,993.80
1.75	.9086	19.0033	\$17.65	\$25,150.54

# FY 2024 EST TAX RATES & HISTORY

At the Maximum Allowable Shift with the selected MRF of .9099, our estimated tax rates will be:

\$11.33 Residential

\$17.54 Commercial/Industrial/Personal

*Note: These rates can change slightly during the approval process.*

## Prior Year Tax Rates

	2024	2023	2022	2021
Residential	\$11.69	\$12.19	\$12.35	\$12.29
CIP	\$18.20	\$18.68	\$19.17	\$19.14



# **RESIDENTIAL EXEMPTION**

- Only 17 communities state-wide have adopted
- Malden adopted in 2008
- Exemption in FY2024 was \$2,598.33
- Of the 12,626 residential properties, about 7,998 currently qualify for the exemption
- There is a break-even point.....

# Res-Exemption Break Even

Properties valued above \$1,250,478 don't realize the benefit and begin to pay more as value rises.

Land Use	Count
101- Single Family	8
102- Condos	0
104- 2-Fam	14
105- 3-Family	21
109- Multiple Houses, One lot	10
111 – 4-8 Unit Apts	73
112 – 9+ Unit Apartments	100
121-125- Boarding, Etc.	2

# AVG TAX BILL FY 2024 – FY 2025

	2024	2025
Avg. Residential Value	\$743,873	\$792,121
Res Tax Rate	\$11.70	\$11.33
Avg. Res Tax Bill	\$8,703 <small>*Does not include residential exemption</small>	\$8,975 <small>*Does not include residential exemption</small>
Avg. CIP Value	\$1,287,943	\$1,424,960
CIP Tax Rate	\$18.20	\$17.54
Avg. CIP Tax Bill	\$23,440	\$24,994

# NEARBY COMMUNITIES THAT ALSO HAVE THE RESIDENTIAL EXEMPTION (FY24)

COMMUNITY	RES TAX RATE	CIP TAX RATE	AVG RESIDENTIAL VALUE	Exemption Amount (Value)	AVG Res Tax BILL WITH EXEMPTION
<b>BOSTON</b> (35%)	\$10.90	\$25.27	\$946,404	\$331,241	\$6,705
<b>CAMBRIDGE</b> (30%)	\$5.92	\$10.46	\$1,643,373	\$493,012	\$6,810
<b>EVERETT</b> (25%)	\$11.46	\$24.00	\$685,652	\$171,413	\$5,893
<b>SOMERVILLE</b> (35%)	\$10.52	\$18.20	\$1,100,993	\$385,327	\$7,529
<b>CHELSEA</b> (35%)	\$11.90	\$23.75	\$724,617	\$253,616	\$5,605
<b>MALDEN</b> (30%)	<b>\$11.69</b>	<b>\$18.20</b>	<b>\$740,867</b>	<b>\$222,260</b>	<b>\$6,063</b>

# FY 2024 TAX SHIFT NEIGHBORING

COMMUNITY	FY2024 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE		Avg SF Tax Bill* <small>*includes Res Exemption</small>
		Before	After	Before	After	
MALDEN	1.75	88.94%	80.64%	11.06%	19.36%	\$4,748*
SAUGUS	1.75	82.88%	70.45%	17.12%	29.55%	\$6,581
EVERETT	1.75	74.08%	54.64%	25.92%	45.36%	\$4,768*
MELROSE	1.72	94.95%	91.31%	5.05%	8.69%	\$7,857
MEDFORD	1.75	88.99%	80.76%	11.01%	19.24%	\$6,551

# **ACTION**

## **-Maximum Allowable Shift**

Historically 1.75 (1.74= .9099 MRF)

## **-Residential Exemption @ 30%**

Historically 30%



**Nate Cramer**

Director of Assessing

[ncramer@cityofmalden.org](mailto:ncramer@cityofmalden.org)

215 Pleasant Street  
2nd Floor - Room 240

Malden, MA 02148

781-397-7100