

# TOWN OF STONEHAM

## FISCAL YEAR 2026 CLASSIFICATION PRESENTATION

November 18, 2025



Presented by  
**Stoneham Board of Assessors**

William Jordan, *Chairman*

Frank Vallarelli, *Secretary*

Eric Josephson, *Member*

Cheryl Kozlowski, *Director of Assessing*

Nicholas Coscia, *Administrative Assistant*

# TAX CLASSIFICATION HEARING - PURPOSE

We are here in accordance with Mass General Law Ch. 40 Sec. 56, to present information to the Select Board so that they may determine the percentages of the tax levy to be paid by each class of real and personal property and whether to allow a residential exemption and/or a small commercial exemption for FY26.

The Select Board must vote a Residential Factor, which will determine the percentage of the tax levy to be allocated and paid by the residential property owners.

## Votes Required by the Select Board

- 1. Selection of a Minimum Residential Factor**
- 2. Granting of a Residential Exemption**
- 3. Granting of a Small Commercial Exemption**

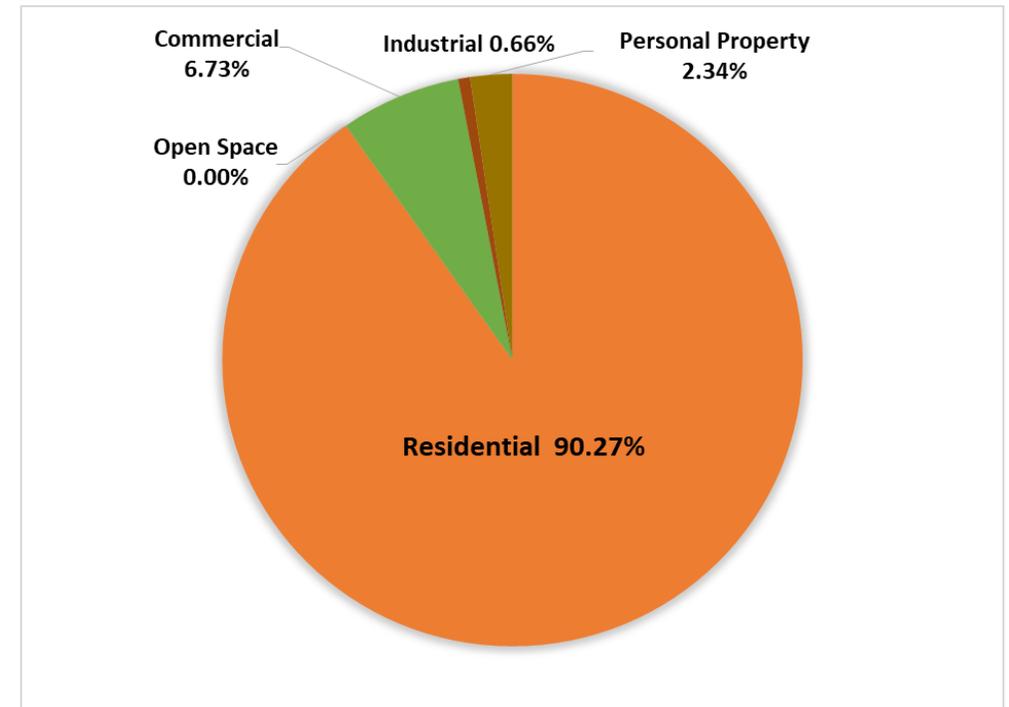
# IMPORTANT TERMS

TERM	DEFINITION
<b>Levy</b>	The property tax levy is the revenue a community can raise through real and personal property taxes.
<b>Levy Limit</b>	The maximum a community can levy in a given fiscal year equal to prior year's levy limit plus 2.5% plus new growth plus override / exclusion if applicable.
<b>Levy Ceiling</b>	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
<b>New Growth</b>	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
<b>Override</b>	A permanent increase to a community's levy limit.
<b>Override Capacity</b>	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
<b>Debt Exclusion</b>	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
<b>Capital Outlay Expenditure</b>	A temporary exclusion for the purpose of raising funds for capital project costs.
<b>Excess Levy Capacity</b>	The difference between the actual levy and the levy limit.

# Selection of a Residential Factor

Selecting a residential factor of “1” would adopt a single tax rate for all Residential, Commercial, Industrial and Personal Property classes. If a factor of “1” were to be adopted, the single tax rate for all classes would be **\$10.94**.

CLASS	Valuation by Class	% of Shares of Total Tax Levy No Shift
Residential	5,917,194,818	90.2694%
Open Space	0	0.0000%
Commercial	440,944,424	6.7268%
Industrial	43,369,800	0.6616%
Personal Property	153,532,518	2.3422%
TOTAL VALUE	6,555,041,560	100.000%



## Selecting a Residential Factor

Selection of a residential factor less than “1” will shift the tax burden from the Residential / Open Space (RO) class to the Commercial, Industrial, and Personal Property class (CIP). The greater the shift selected (*see Table below*) the greater the RO percentage of the tax levy will shift to the CIP property class.

For Fiscal Year 2026, The average single-family property value is **\$801,126** and the average commercial/industrial property value is **\$1,594,696**.

*The FY25 Average Single Family Value was \$765,700 x \$10.23 = \$7,834  
The FY25 Commercial/Industrial Value was \$1,544,982 x \$19.40 = \$29,973*

Factor	CIP SHIFT	RES %	CIP%	FY26 RESIDENTIAL Tax Rate	FY26 CIP Tax Rate	FY26 AVERAGE SF Tax Bill	AVERAGE SF Tax Bill Difference from FY25	FY26 AVERAGE CI Tax Bill	AVERAGE CI Tax Bill Difference from FY25
1	100	90.2694	9.7306	10.94	10.94	\$ 8,764	\$ 930	\$ 17,446	\$ (12,527)
0.946102	150	80.4041	14.5959	10.35	16.42	\$ 8,292	\$ 458	\$ 26,185	\$ (3,788)
0.935323	160	84.4310	15.5690	10.24	17.51	\$ 8,204	\$ 370	\$ 27,923	\$ (2,050)
0.924543	170	83.4579	16.5421	10.12	18.61	\$ 8,107	\$ 273	\$ 29,677	\$ (296)
0.919153	175	82.9714	17.0286	10.06	19.15	\$ 8,059	\$ 225	\$ 30,538	\$ 565

*This table summarizes various shift options and their effect on the average SF tax bill and the average commercial tax bill*

Board of Assessors recommends the Select Board adopt the **Minimum Residential Factor of 0.919153** with corresponding **CIP Shift of 175%** to afford the residential **taxpayers the maximum amount of tax relief**. The adoption of this recommendation allows the town to assess and collect an equitable amount of taxes from the residential, industrial and personal property sectors.

# Granting a Residential Exemption

The Select Board may grant a residential exemption for all residential properties that are **owner occupied** and can range up to **35%** of the average assessed value of all class one residential parcels.

The amount of the tax levy paid by the residential class remains the same. However, because the residential portion of the levy is distributed over less assessed value, this results in a **higher tax rate for the entire residential class**. The higher tax rate creates a shift within the residential class that reduces the taxes paid by the homeowners with moderately valued properties. **Those taxes are then paid by residential property owners valued higher than the break-even point (see below), non-owner occupied residential properties and owners of vacant land who would not be eligible for the exemption.**

If the full 35% exemption were adopted, the residential tax rate would rise from \$10.06 to an estimate of \$14.49.

	PROPERTY BELOW BREAK-EVEN POINT	BREAK-EVEN POINT	PROPERTY ABOVE BREAK-EVEN POINT	Non-Resident at Break-Even Point Value	Non-Resident Properties below Breakeven	
WITHOUT EXEMPTION	ASSESSED VALUE	789,380	903,251	1,100,000	903,251	789,380
	TAX RATE	\$10.06	\$10.06	\$10.06	\$10.06	\$10.06
	TAX BILL	<b>\$7,941</b>	<b>\$9,087</b>	<b>\$11,066</b>	<b>\$9,087</b>	<b>\$7,941</b>
WITH EXEMPTION	ASSESSED VALUE	789,380	903,251	1,100,000	903,251	789,380
	EXEMPTION	<b>276,283</b>	<b>276,283</b>	<b>276,283</b>	<b>0</b>	<b>0</b>
	NET VALUE	513,097	626,968	823,717	\$903,251	\$789,380
	TAX RATE with Exemption	\$14.49	\$14.49	\$14.49	\$14.49	\$14.49
	TAX BILL	<b>\$7,435</b>	<b>\$9,087</b>	<b>\$11,938</b>	<b>\$13,091</b>	<b>\$11,441</b>
	SAVINGS/COST	<b>-505</b>	<b>0</b>	<b>873</b>	<b>4,004</b>	<b>3,500</b>

Municipality	Residential Exemption Percentage
Barnstable	25%
Boston	35%
Brookline	20%
Cambridge	30%
Chelsea	35%
Concord	10%
Eastham	3%
Everett	25%
Malden	35%
Mashpee	20%
Nantucket	25%
Oak Bluffs	15%
Provincetown	35%
Somerville	35%
Tisbury	22%
Truro	35%
Waltham	35%
Watertown	35%
Wellfleet	33%
West Tisbury	5%

The residential exemption has been adopted by only 20 communities within the state of Massachusetts. The table on the left details the communities that have adopted a residential exemption. The majority of these communities have a higher percentage of non-owner occupied rental properties and/or vacation homes.

### Recommendation

Granting a residential exemption benefits those communities that have a substantial number of non-owner occupied properties such as rental properties, apartment buildings and vacation homes. In Stoneham, the majority of residential parcels are the principal residences of the taxpayer, so there is little to no benefit in adopting a residential exemption.

**The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

\* Percentage of owner-occupied properties have been estimated using the mailing address of the property's real estate tax bill.

# Granting a Small Commercial Exemption

The Select Board may grant a Small Commercial Exemption of up to **10%** of the total property valuation to commercial properties (300 class) that have an average annual employment of no more than **10 people** and an assessed valuation of **less than \$1,000,000**.

Every business occupying the parcel must qualify.

	5% Exempted	10% Exempted
Number of Qualifying Parcels	69	69
Valuation Exempted	1,868,220	3,736,440
Tax Dollars Exempted	\$35,776.41	\$71,552.83
Revised CI Tax Rate / 1000	\$19.23	\$19.30
Increase in Tax Rate	\$0.08	\$0.15

**Impact Summary and Recommendation:** Granting a small commercial exemption will increase the tax rate and will shift the tax burden within the C/I Class, from small commercial properties to larger commercial and all industrial properties. The small commercial exemption would not necessarily benefit tenants because the exemption is granted to the property owner, not the individual business.

**The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

## 5 YEAR VALUATION – AVERAGE TAX BILL

	FY2026	FY2025	FY2024	FY2023	FY2022
<b>Average SINGLE FAMILY Value</b>	<b>801,126</b>	<b>765,770</b>	<b>709,434</b>	<b>655,919</b>	<b>610,402</b>
<b>% Adj. in Value from Previous Year</b>	<b>4.62%</b>	<b>7.94%</b>	<b>8.16%</b>	<b>7.46%</b>	<b>5.75%</b>
<b>Average SINGLE FAMILY Tax Bill</b>	<b>\$8,059</b>	<b>\$7,834</b>	<b>\$7,513</b>	<b>\$7,281</b>	<b>\$6,354</b>
<b>Average CONDOMINIUM Value</b>	<b>448,806</b>	<b>417,066</b>	<b>399,802</b>	<b>366,869</b>	<b>349,255</b>
<b>% Adj. in Value from Previous Year</b>	<b>7.61%</b>	<b>4.32%</b>	<b>8.98%</b>	<b>5.04%</b>	<b>3.90%</b>
<b>Average CONDOMINIUM Tax Bill</b>	<b>\$4,515</b>	<b>\$4,267</b>	<b>\$4,234</b>	<b>\$4,072</b>	<b>\$3,636</b>
<b>Average 2/3 FAMILY Value</b>	<b>809,331</b>	<b>769,536</b>	<b>737,954</b>	<b>698,344</b>	<b>662,859</b>
<b>% Adj. in Value from Previous Year</b>	<b>5.17%</b>	<b>4.28%</b>	<b>5.67%</b>	<b>5.35%</b>	<b>4.67%</b>
<b>Average 2/3 FAMILY Tax Bill</b>	<b>\$8,142</b>	<b>\$7,872</b>	<b>\$7,815</b>	<b>\$7,752</b>	<b>\$6,900</b>

# FY2025 Community Average Single Family Tax Bill Comparison & CIP Tax Shift

Municipality	Average Single-Family Value	Single-Family Tax Bill	% of Tax Base Residential (Unshifted)	% of Tax Base CIP (Unshifted)	CIP Shift	% of Tax Base Residential (Shifted)	% of Tax Base CIP (Shifted)
Lexington	1,578,591	\$19,306	86.42	13.58	1.75000	76.24	23.76
Winchester	1,595,586	\$17,695	95.69	4.31	1.00000	95.69	4.31
Boxford	955,890	\$12,857	97.52	2.48	1.00000	97.52	2.48
Andover	1,026,321	\$12,819	82.36	17.64	1.67000	70.54	29.46
Bedford	986,414	\$11,876	77.06	22.94	1.75000	59.85	40.15
Middleton	962,949	\$11,449	83.96	16.04	1.00000	83.96	16.04
North Reading	855,002	\$11,166	88.43	11.57	1.00000	88.43	11.57
Lynnfield	1,045,013	\$11,035	88.91	11.09	1.66578	81.53	18.47
Westford	796,584	\$10,730	90.36	9.64	1.00000	90.36	9.64
Reading	890,915	\$10,148	93.70	6.30	1.11000	93.01	6.99
North Andover	825,382	\$9,294	84.17	15.83	1.32007	79.10	20.90
Chelmsford	634,510	\$8,820	84.99	15.01	1.17002	82.44	17.56
Wakefield	776,158	\$8,809	88.97	11.03	1.75000	80.69	19.31
Tewksbury	629,508	\$8,322	84.48	15.52	1.65975	74.24	25.76
Melrose	817,630	\$8,095	94.99	5.01	1.73050	91.34	8.66
Wilmington	702,889	\$8,048	74.88	25.12	1.75000	56.04	43.96
<b>Stoneham</b>	<b>765,770</b>	<b>\$7,834</b>	<b>90.65</b>	<b>9.35</b>	<b>1.75000</b>	<b>83.63</b>	<b>16.37</b>
Danvers	693,303	\$7,619	78.79	21.21	1.48614	68.47	31.53
Billerica	632,908	\$7,196	77.92	22.08	1.74977	61.36	38.64
Saugus	641,074	\$6,847	83.43	16.57	1.75000	71.01	28.99
Burlington	782,078	\$6,773	63.73	36.27	1.72629	37.39	62.61
Peabody	646,064	\$5,983	83.52	16.48	1.75000	71.16	28.84
Woburn	700,311	\$5,981	73.68	26.32	1.75000	53.94	46.06

# Stoneham CIP Shift & Tax Rate History

Fiscal Year	% of Tax Base Residential (Unshifted)	% of Tax Base CIP (Unshifted)	Single Tax Rate (Unshifted)	Maximum Allowable Shift	shift Selected	% of Tax Base Residential (Shifted)	Residential Tax Rate (Shifted)	% of the Tax Base CIP (Shifted)	CIP Tax Rate (Shifted)
2026	90.27%	9.73%	\$10.94	175	175	82.97%	\$10.06	17.03%	\$19.15
2025	90.65%	9.35%	\$11.09	175	175	83.63%	\$10.23	16.37%	\$19.41
2024	90.25%	9.75%	\$11.52	175	175	82.93%	\$10.59	17.07%	\$20.17
2023	90.13%	9.87%	\$12.09	175	175	82.72%	\$11.10	17.28%	\$21.16
2022	90.33%	9.67%	\$11.32	175	175	83.08%	\$10.41	16.92%	\$19.81
2021	90.75%	9.25%	\$11.71	175	175	83.81%	\$10.82	16.19%	\$20.49
2020	90.48%	9.52%	\$11.71	175	175	83.34%	\$10.79	16.66%	\$20.50
2019	90.43%	9.57%	\$12.19	175	175	83.25%	\$11.22	16.75%	\$21.33
2018	90.02%	9.98%	\$11.74	175	175	82.53%	\$11.71	17.47%	\$22.35
2017	89.78%	10.22%	\$13.50	174	172	82.45%	\$12.39	17.55%	\$23.21
2016	88.47%	11.87%	\$13.75	154	152	82.47%	\$12.70	17.53%	\$22.55
2015	88.89%	11.10%	\$13.97	160	158	82.45%	\$12.96	17.55%	\$22.08
2014	88.47%	11.87%	\$14.47	154	152	82.47%	\$13.49	17.53%	\$22.00
2013	88.13%	11.87%	\$13.99	150	150	82.19%	\$13.06	17.81%	\$21.00
2012	88.36%	11.64%	\$13.50	152	150	82.54%	\$12.61	17.46%	\$20.25
2011	88.22%	11.78%	\$13.09	150	150	82.35%	\$12.21	17.65%	\$19.63
2010	88.65%	11.35%	\$12.33	153	153	82.63%	\$11.49	17.37%	\$18.87
2009	88.78%	11.22%	\$11.70	155	155	82.61%	\$10.88	17.39%	\$18.13
2008	89.27%	10.73%	\$11.00	162	161	82.72%	\$10.19	17.28%	\$17.70

# Fiscal Year 2026 – Levy Limit

## I. TO CALCULATE THE FY 2025 LEVY LIMIT

A. FY 2024 Levy Limit	58,009,444	
A1. Amended FY 2024 Growth	0	
B. ADD (IA + IA1)*2.5%	1,450,236	
C. ADD FY 2025 New Growth	744,828	
C1. ADD FY2025 New Growth Adjustment	0	
D. ADD FY 2025 Override	0	
E. FY 2025 Subtotal	60,204,508	
F. FY 2025 Levy Ceiling	152,801,421	I. 60,204,508
		<b>FY 2025 Levy Limit</b>

## II. TO CALCULATE THE FY 2026 LEVY LIMIT

A. FY 2025 Levy Limit from I.	60,204,508	
A1. Amended FY 2025 Growth	0	
B. ADD (IIA + IIA1)*2.5%	1,505,113	
C. ADD FY 2026 New Growth	2,205,070	
C1. ADD FY 2026 New Growth Adjustment	0	
D. ADD FY 2026 Override	0	
E. ADD FY 2026 Subtotal	63,914,691	
F. FY 2026 Levy Ceiling	163,876,039	II. 63,914,691
		<b>FY 2026 Levy Limit</b>

## III. TO CALCULATE THE FY 2026 MAXIMUM ALLOWABLE LEVY

A. FY 2026 Levy Limit from II.	63,914,691
B. FY 2026 Debt Exclusion(s)	8,814,848
C. FY 2026 Capital Expenditure Exclusion(s)	0
D. FY 2026 Stabilization Fund Override	0
E. FY 2026 Other Adjustment	0
F. FY 2026 Water/Sewer	0
G. FY 2026 Maximum Allowable Levy	\$ 72,729,539

# Fiscal Year 2026 - LA-4

Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	5,137	4,115,385,300				
102	1,607	721,231,800				
MISC 103,109	15	15,035,300				
104	437	347,749,300				
105	48	44,776,000				
111-125	48	621,867,900				
130-32,106	160	21,601,600				
200-231	0		0			
300-393	269			417,497,317		
400-442	20				43,369,800	
450-452	0				0	
CH 61 LAND	0	0	0	0		
CH 61A LAND	0	0	0	0		
CH 61B LAND	1	0	0	136,225		
012-043	48	29,547,618	0	23,310,882	0	
501	214					4,798,256
502	263					11,507,248
503	0					0
504	2					124,051,321
505	6					11,035,800
506	0					0
508	3					2,139,893
550-552	0					0
<b>TOTALS</b>	<b>8,278</b>	<b>5,917,194,818</b>	<b>0</b>	<b>440,944,424</b>	<b>43,369,800</b>	<b>153,532,518</b>
<b>Real and Personal Property Total Value</b>						<b>6,555,041,560</b>
<b>Exempt Parcel Count &amp; Value</b>					274	421,500,300

For CH 61, 61A and 61B Land: enter the mixed use parcel count in the left-hand box, and enter the 100% Chapter land parcel count in the right-hand box.

# Tax Classification Hearing Questions / Comments

## **Board of Assessors**

Town Hall  
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*Stoneham Field of Honor*