City of Boston

Indicative Valuation of Publicly-Owned Real Estate

Introduction

Professional Management of Public Wealth

The first step in the process towards a more professional management of public wealth is transparency.

This presentation contains a value estimate of the real property portfolio in the City of Boston in 2017.

It is made from a consolidated list of publicly-held real estate alone and estimate a defensible value of that portfolio.

Compiled by applying asset tracing techniques to surface a vast majority of real property that is held directly or indirectly by various governments entities (including affiliated corporate entities and authorities) situated across all jurisdictional strata in City of Boston.

Valuation Methodology

List of Assets

Asset tracing techniques

Listing all real property held directly or indirectly by various governments entities, across all jurisdictional strata

Electronic data geo-spatial analysis digitized inventory of government-owned property

Indicative valuation

Property pricing

Utilize historical data real property transactions to contemplate indicative values for portfolio holdings

Analyze the value Aggregate inventory and a blend of property pricing techniques to develop indicative values for the portfolio

Executive Summary

Accounts – as is

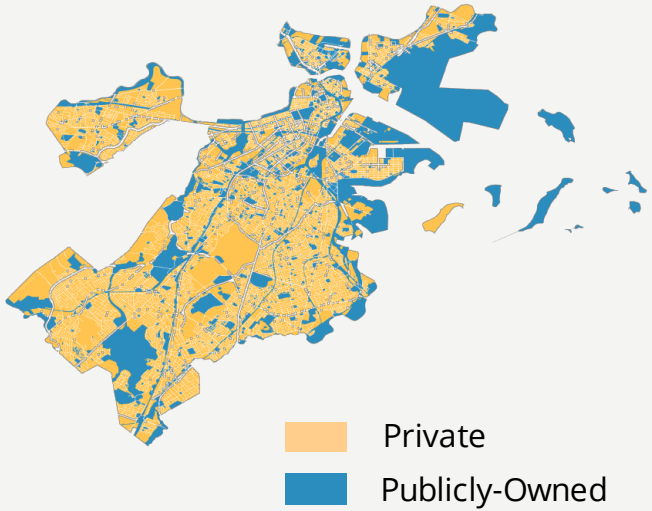
- City is insolvent, even without pension liabilities
- Fiscal risks for future financial commitments
- Funding capability questioned for 'Building a Better Boston'

Unlocking Public Wealth

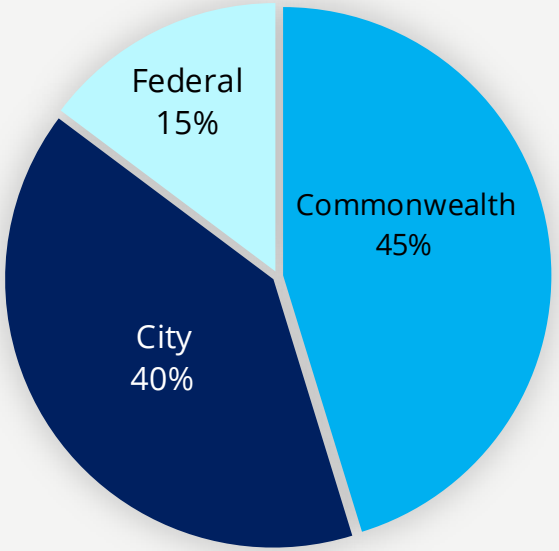
- Indicative value $137bn of which City-owned $55bn
- Potential yield higher than current revenues
- Consolidated UWF would benefit all levels of government

Public Portfolio

1/4 of total market



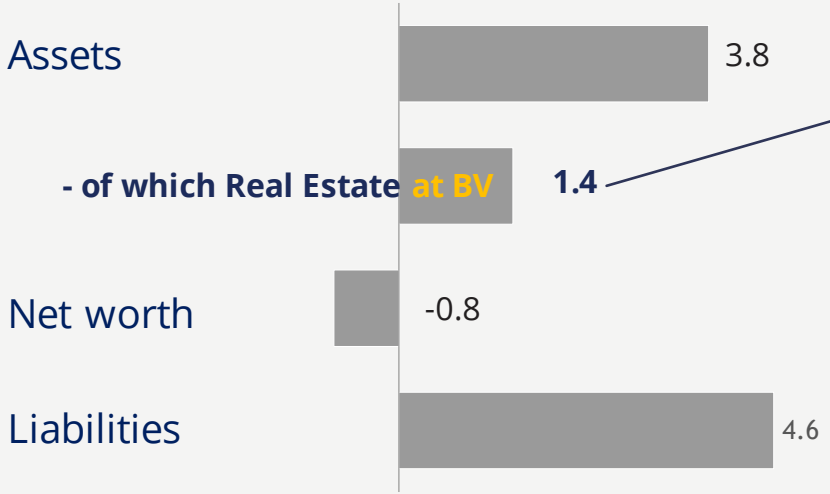
1 x GDP



City of Boston – Financial Statements 2016

Balance Sheet

(USD billion)



Real Estate

Book Value **$1.4**

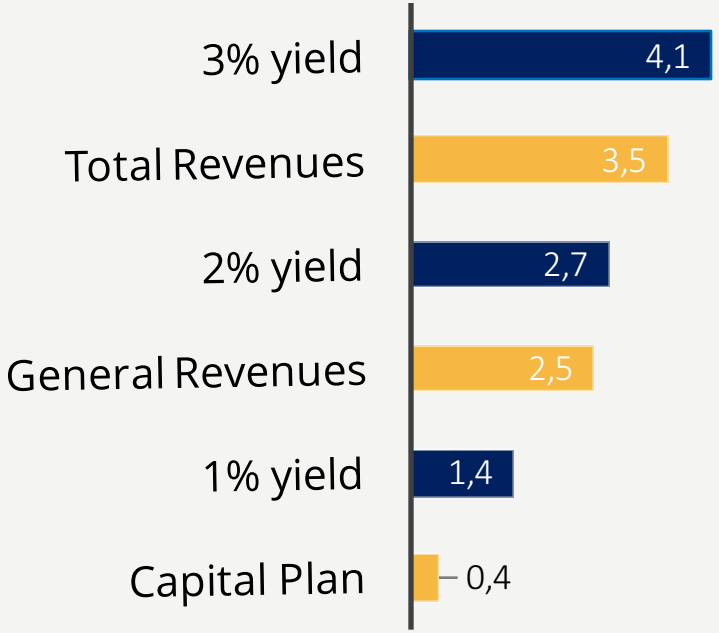
39x

Indicative Value

$55

Potential Yield

A Penny in Yield from Assets, is a Penny saved in Taxes



Conclusions

Compelling arguments for an Urban Wealth Fund

Financial

- Mobilizing revenues without raising taxes
- Strengthen government balance sheet
- Alleviate fiscal risk

Structural

- Comprehensive and Coherent Planning
- Creating innovation districts
- City regeneration benefits even non-city dwellers

Social

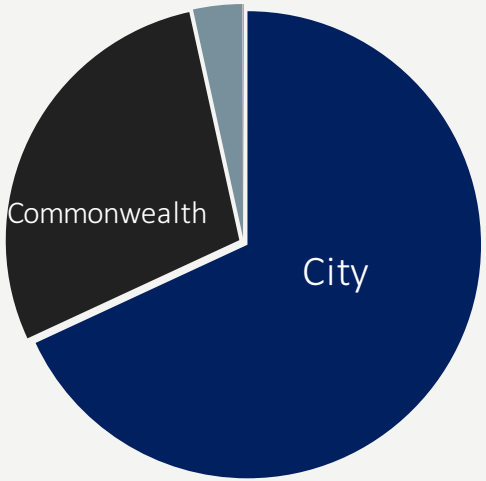
- Potential to raise quality of life
- Improving employment and educational opportunities
- Increase public housing

Summary

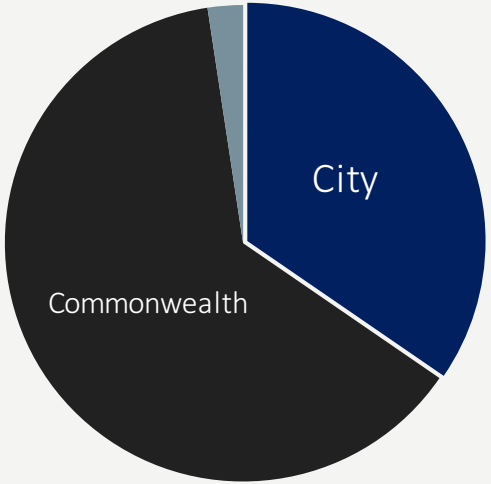
Indicative Value 2017 ($bn)	137
Area ('000 acres)	12
Value-per-Acre ($m)	12
No of parcels	4 651
Avg. parcel size (acres)	2.5

Ownership Breakdown

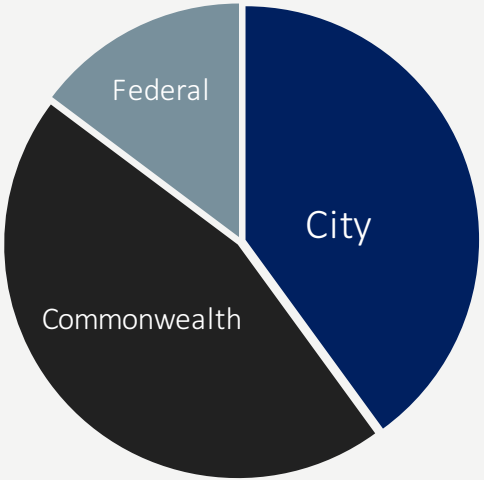
Plots



Area



Value



Key Ratios

Public Value/ GDP	(x)	1.2
Public Value/ Capita	($'000)	204
Public/ Total Value	(%)	24
Public/ Total Area	(%)	12
Public/ Total no Parcels	(%)	2.8
Public/ Overall VPA	(x)	2.0