

Merrimack Valley

housingreport

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University of
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Rental Markets in the Valley Cities

By Mike Poore

The news has recently been flooded with housing related stories. This past week has included a proposed 40 state \$25 billion settlement with the five largest US banks over their foreclosure practices, what ultimately became known as robo-signing. \$17 billion will be spent on homeowner relief, \$5 billion in cash payments to state and federal authorities, and \$3 billion for refinancing costs. The settlement is complex and includes many different private and state agencies. With home ownership on the decline and rents rising, it's timely to look at the rental markets in each of the four valley cities.

The Lowell housing market is comprised of 41,431 housing units, of which 54.8% are renter occupied. In 2010 the vacancy rate was 7.1%, which can fluctuate from month to month. Pulling data from the MLS rental listings for the city, we can explore the average rent per bedroom size. Studios rented on average for \$1,050, one bedroom on average for \$944, two bedrooms on

average for \$1,097, three bedrooms on average for \$1,192, and four bedrooms for \$1,503. These numbers can vary widely from month to month as new units come on to the market, and others are rented. Some averages in this study are based off small sample sizes which may be unreflective of true averages in the market at any given time, The city has 5,212 subsidized housing units (June 2011), which makes up 12.6% of its housing stock.

The Lawrence housing market is comprised of 27,137 housing units, of which 68.8% are renter occupied. In 2010 its vacancy rate was 7.2%. According to the MLS listings, studios in Lawrence rented on average for \$900, one bedroom units averaging \$733, two bedroom units averaging \$940, three bedroom units for \$1,032, and four bedroom units for \$1,375. The city has 3,788 subsidized housing units (June 2011), which makes up 14% of its housing stock. Con't on Pg 3

Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

January 2011 and January 2012 compared

	Haverhill		Lawrence		Lowell		Methuen	
	Jan-11	Jan-12	Jan-11	Jan-12	Jan-11	Jan-12	Jan-11	Jan-12
Deeds	92	86	59	56	114	92	54	51
Mortgages	161	144	83	78	213	172	160	141
Foreclosure Deeds	11	8	10	10	15	18	7	7
Orders of Notice	9	20	7	14	12	17	6	10

Scrutinizing January 2012 Foreclosures

By; Richard P. Howe, JR.

Our normal methodology here at the Merrimack Valley Housing Report is to compare recording statistics for the prior month with those from the same month a year earlier. In January 2012, for instance, the number of deeds recorded was down 11% from the number recorded in January 2011 (384 to 342). The number of mortgages recorded was down similarly (by 12%, from 1185 to 1039). Unfortunately, both the number of foreclosure deeds and the number of orders of notice were up substantially, with foreclosure deeds rising 65% (23 to 38) and orders of notice up 70% (27 to 46).

While that rise in foreclosure-related recordings is certainly troubling, comparing January to months closer in time rather than a single month from a year ago casts the numbers in a slightly less threatening light. For instance, combining January 2012 with December and November of 2011 provides a quarter's worth of data. Taking the three months before that - October, September and August of 2011 - provides another quarter for comparison purposes. Viewed this way, the number of foreclosure deeds recorded in November-thru-January was up 5% (111 to 117) from the August-thru-October quarter while the number of orders of notice was up 8% (154 to 167).

Still, the January foreclosure numbers are up and are deserving of additional scrutiny. In what could be an indicator of a significant shift, the January increase in foreclosures was attributable more to properties in surrounding towns than in the city of Lowell. Consider this: In January 2011, 65% of the

foreclosure deeds recorded were for property in

Lowell while just 35% were for property in the nine towns in the Middlesex North District (15 in Lowell; 8 in the towns). In January 2012, however, 53% of the foreclosures were from the towns and just 47% were from the city (20 in the towns; 18 in Lowell). The orders of notice were weighted in favor of the towns in both samples with only a slight percentage increase in the town numbers between the two months studied. In January 2011, 56% of orders of notice were for town properties while 44% were for city properties. In January 2012, the town percentage had risen to 60% while the city share had dropped to 40%. **A by-town breakdown of both foreclosure deeds and orders of notice for the two months is contained in the table that accompanies this article.**

Reviewing the January 2012 foreclosure data yielded some other observations. Of the 38 foreclosure deeds recorded that month, 40% were for condominiums. Only 26% of the January 2011 foreclosure deeds involved condominiums. With orders of notice, the percentage of condominiums involved was much lower, with condos accounting for 17% of the January 2012 orders of notice and 22% of those from January 2011. . Of the 38 foreclosures done in January 2012, only five were done by the same entity that made the loan in the first place; the rest of the loans had been assigned to other creditors. Of the 33 foreclosure deeds that had been assigned, MERS (or Mortgage Electronic Registration Systems Inc.), was the original mortgage holder in twenty cases. Con't. on Pg 4

Looking to Showcase Your Vacancy or Looking to Move?

Community Teamwork Inc. (CTI) developed a new website designed to help landlords showcase their vacancies, and tenants to easily find them.

This free service is offered throughout the Merrimack Valley and the North Shore.

For more information go to:

www.nearlistings.org or contact Avi Glaser at aglaser@comteam.org

Rental Markets in the Valley Cities Con't from Pg 1

The average rent prices vary widely between the two cities. Studios are 14.2% cheaper in Lawrence vs. Lowell, one bedroom units are 22% cheaper in Lawrence, two bedroom units are 14% cheaper in Lawrence, three bedroom units are 13.4%, and four bedroom units are 8.5% cheaper in Lawrence.

Haverhill has 25,657 housing units, of which 38.4% are renter occupied. Its 2010 vacancy rate was 5.9%. According to the MLS listings, studios rented on average for \$633, one bedroom units for \$839, two bedroom units for \$1,159, three bedroom units for \$1,465, and four bedroom units for \$1,400. The city

has 2,084 subsidized housing units (June 2010), which makes up 8.2% of its housing stock.

Methuen has 16,593 housing units, of which 27.1% are renter occupied. Its 2010 vacancy rate was 8.4%. According to the MLS listings, one bedroom units rented on average for \$889, two bedroom units for \$1,172, three bedroom units for \$1,450, and four bedroom units for \$2,235. There were no listings for studio apartments. The city has 1,638 subsidized housing units (June 2010), which makes up 9% of its housing stock.█

Avg. Rents	Lowell	Lawrence	Haverhill	Methuen
0BR	\$1,050	\$900	\$633	
1BR	\$944	\$773	\$839	\$889
2BR	\$1,097	\$940	\$1,159	\$1,172
3BR	\$1,192	\$1,032	\$1,465	\$1,450
4BR	\$1,503	\$1,375	\$1,400	\$2,235

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Merrimack Valley Regional Network to End Homelessness
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*Scrutinizing January 2012 Foreclosures
Con't from Pg 2*

The bulk of the mortgages being foreclosed were originated before the collapse. Of the 38 foreclosed mortgages, 5 were from 2004, 9 from 2005, 12 from 2006, and 8 from 2007 (with one each from 2000, 2001, 2008 and 2009). Finally, the amount of time from the auction until the recording of the foreclosure deed seems to have decreased. In 2008 and 2009, it routinely took six months or more for lenders to record foreclosure deeds. Of the 38 foreclosure deeds from January 2012, 9 of the auctions were conducted in October 2011, 6 in November, 8 in December, and 7 in January – the same month in which they were recorded (there were 6 from

July and one each from August and September). This increased efficiency in recording foreclosure deeds is important because that gap between the auction and

the recording of the foreclosure deed is a type of legal black hole during which it is unclear on the record who owns the property.

While the January foreclosure numbers are not cause for optimism, neither are they as dire as may initially seem. They do warrant close observation in the coming months.█

<i>Community</i>	Foreclosure Deed		Order of Notice	
	Jan-2011	Jan-2012	Jan-2011	Jan-2012
Billerica	0	7	3	7
Carlisle	0	0	0	0
Chelmsford	3	4	2	7
Dracut	0	4	2	2
Dunstable	1	0	1	0
Lowell	15	18	12	17
Tewksbury	1	0	1	6
Tyngsboro	1	2	4	0
Westford	1	2	0	2
Wilmington	1	1	2	5

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