

Merrimack Valley

housingreport

An e-publication of UMass Lowell and the Middlesex North Registry of Deeds



University of
Massachusetts
Lowell

MIDDLESEX NORTH
REGISTRY OF DEEDS

NORTHERN ESSEX
REGISTRY OF DEEDS

Volume 7, Issue 3 March 2014

Where Have All The Mortgages Gone?	1
Decrease in Sales-Decrease in Confidence	2

Where Have All the Mortgages Gone?

By: Richard P. Howe Jr.

Since its implementation in 2005, electronic recording has accounted for an increasingly large percentage of documents filed at the Middlesex North Registry of Deeds. Until last September that is. As fall began, the percentage of documents being filed electronically declined for the first time. However, the cause had nothing to do with electronic recording; it was caused by a precipitous drop in the number of mortgages being recorded. Mortgages and related documents such as assignments and discharges account for a disproportionately high portion of electronically recorded documents so when there is a slowdown in the recording of those document types, electronic recording numbers drop too.

As the table below shows, the number of mortgages being recorded from year-to-year has seen wide swings, from a high of 41,800 in 2003 to a low of 11,818 in 2011. More recently, the number of mortgages recorded each month, which had averaged

nearly 1,300 from January 2012 through August 2013, suddenly dropped in the fall of 2013 to 964 in September, 809 in October, 725 in November, and 787 in December. The first two months of 2014 have been even worse with only 570 mortgages recorded in January and 493 in February.

Identifying the cause of this decline is difficult. An uptick in interest rates is certainly a factor and many of those who would be candidates for refinancing have already done so making it unlikely that they refinance yet again anytime soon. Other who would like to refinance are unable to because their credit is tarnished or they are still underwater on their current mortgages. Larger forces may also be playing a role. While announced economic numbers are generally positive, the segment of the population that benefits from these improving factors is shrinking. The lived experience of many American families suggests the contrary.

(continued on page 2)

Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

February 2013 and February 2014 compared

	Haverhill		Lawrence		Lowell		Methuen	
	Feb-13	Feb-14	Feb-13	Feb-14	Feb-13	Feb-14	Feb-13	Feb-14
Deeds	89	59	58	55	136	99	57	54
Mortgages	164	88	85	50	224	133	171	60
Foreclosure Deeds	4	5	3	1	5	9	1	5
Orders of Notice	8	6	9	0	14	8	4	4

Where Have All The Mortgages Gone? Continued

Additionally, the real estate market remains sluggish. While it's true that properties that go on the market tend to sell quickly for near or at asking price, that is caused more by a lack of inventory by a broad market resurgence.

This has been a brutal winter so hopefully the onset of better weather will help revive the real estate market. It certainly can't hurt. Still, indicators such as the number of deeds and mortgages being recorded should be monitored closely.

Year	Deeds	Mortgages	Total Documents
2002	8,756	31,221	115,890
2003	8,977	41,800	146,956
2004	9,165	28,079	96,204
2005	8,930	25,402	87,866
2006	7,236	20,503	72,830
2007	6,767	15,999	66,192
2008	5,568	11,451	56,011
2009	5,557	14,743	65,838
2010	5,390	13,675	63,122
2011	5,158	11,818	59,563
2012	6,017	15,828	71,596
2013	6,718	13,272	67,001

Decrease in Sales-Decrease in Confidence

By Victoria Cote

The Lowell Sun recently published two articles involving the state of housing sales, indicating that housing sales have decreased in both Massachusetts, and the United States as a whole. The Merrimack Valley Housing Report team decided to look at this trend for a sampling of towns in the region.

Overall, the Merrimack Valley area seems to be experiencing a trend similar to that of the rest of the country. Looking at the aggregate data for the towns in February 2013 compared to February 2014, deeds have decreased from 418 in 2013 to 349 in 2014, a loss of 69 sales.

Several towns are experiencing serious downward trends, while others are experiencing milder drops in sales. The largest decrease is in Chelmsford, where the number of deeds decreased from 70 to 44, a total drop of 26. Billerica and Westford experienced double digit drops (11 and 12 respectively), slightly less severe than Chelmsford. Andover, Tewksbury, and Wilmington all experienced a drop of six. Dracut barely experienced a decrease, the change in deeds being only 1.

Only one town did not experience a drop in sales. Tyngsboro had a slight increase in deeds by only 1. While Tyngsboro did not experience a decline, we cannot conclude that its housing market is significantly stronger than other communities.

The decrease in deed filings could show that confidence in the market is going down or a lack of inventory is depressing sales. Nevertheless, because the decline in many towns was slight, it is possible the market is not actually experiencing a downturn, but merely a temporary lull.

Deeds in February 2013 and 2014

Town	February 2013	February 2014	Change
Andover	43	37	-6
Billerica	54	43	-11
Chelmsford	70	44	-26
Dracut	54	53	-1
North Andover	45	43	-2
Tewksbury	61	55	-6
Tyngsboro	14	15	1
Westford	44	32	-12
Wilmington	33	27	-6
Total	418	349	-69

The *Merrimack Valley Housing Report* is published by UMass Lowell and the Middlesex North Registry of Deeds

Richard P. Howe Jr., Editor
Richard.Howe@sec.state.ma.us

David Turcotte, Editor
David_Turcotte@uml.edu

Paul Iannuccillo, Contributor
Paul.Iannuccillio@sec.state.ma.us

Sarah Pike, Research Assistant/Writer
Sarah_Pike@student.uml.edu

Emily Vidrine, Research Assistant/Writer
Emily_Vidrine@student.uml.edu

Victoria Cote, Contributing Writer
Victoria_Cote@student.uml.edu

Alicia Restrepo, Research Assistant
Alicia_Restrepo@student.uml.edu

Institute of Housing Sustainability
c/o Center for Community Research and Engagement
University of Massachusetts Lowell
Mahoney Hall, 870 Broadway Street, Lowell, MA 01854
Tel. (978) 934-4682
www.uml.edu/mvhousing

This project is funded in part by the Office of the Chancellor and the Office of Outreach. UMASS LOWELL

Subscribe to the Merrimack Valley Housing Report

To begin receiving this monthly e-publications, please e-mail David Turcotte at David_Turcotte@uml.edu