

Merrimack Valley

housingreport

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University of
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Foreclosure Numbers Give Mixed Signals

By Mike Poore

This month's data gives mixed signals on which way the housing market is heading. On one hand year over year monthly numbers are down, although some data indicate that things are heading in the other direction. The housing market in the Merrimack Valley over the past 6 months has seen foreclosures on the rise, in the first half of 2010 foreclosures were at elevated levels in each of the four major areas covered, Methuen, Lowell, Haverhill, and Lawrence. The last three months of 2010 saw foreclosures trending downward. In December 2010 foreclosures in Methuen stood at only 3, Lowell at 8, Haverhill at 4, and Lawrence at 6. Those numbers indicated that housing seemed to be turning around; a relief in foreclosures was a welcomed sign for the depressed housing market which has yet to get a solid footing after the economic crisis in 2008.

and more specifically the last 6 months some data stuck out on the troubles which may be still facing the housing market. When comparing August 2011 to August 2010, foreclosures are at a lower level this month than the same month in the previous year. Methuen had 10 foreclosures in Aug 2011 vs. 7 in Aug 2010, Lowell had 17 foreclosures, down from 37, Haverhill and Lawrence both saw a drop from 20 to 11, and 28 to 12 respectively. Based on this data, foreclosures appear down from a year ago.

After looking at the previous 12 month period, foreclosures seem to be trending up for Methuen and on decline in Haverhill, Lawrence, and Lowell. After calculating the previous 7 month average for foreclosures (Jan 2011-July 2011) and then comparing them to this month's foreclosure number, the previous statements can hold some more value. Lawrence's

After analyzing data on foreclosures over the past year,

Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

August 2010 and August 2011 compared

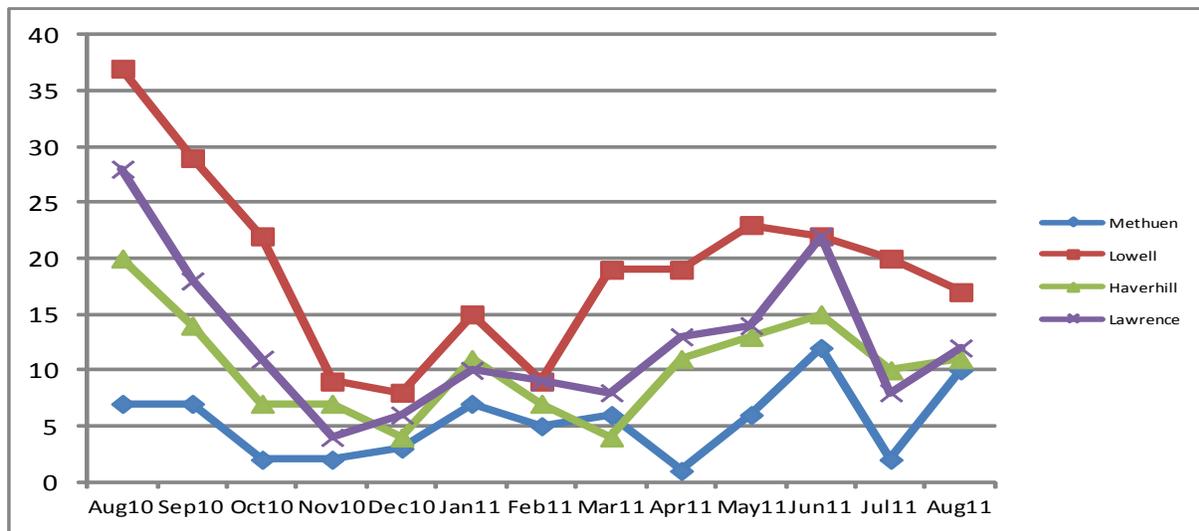
	Haverhill		Lawrence		Lowell		Methuen	
	Aug-10	Aug-11	Aug-10	Aug-11	Aug-10	Aug-11	Aug-10	Aug-11
Deeds	81	91	65	85	134	129	57	91
Mortgages	151	126	91	100	210	163	157	133
Foreclosure Deeds	20	11	28	12	37	17	7	10
Orders of Notice	32	14	55	38	50	19	28	15

previous 7 month average was 12, the same number as this month. Haverhill's previous 7 month average was 11.7, compared to 11 this month. Lowell's previous 7 month average is 18.1, compared to 17 actual foreclosures this month. And Methuen's previous 7 month average is 10, the same number as this month as well.

The most interesting comparison is foreclosures over the past 6 months in each of the cities. At the end of

2010 foreclosures in each of the areas was declining, after an uptick in the first half of 2010. So while looking at the 12 month charts are helpful, this decline at the end of the year may hide what has been happening more recently. Over the past 6 months, all four cities have experienced upward trend with Lawrence faring better than the others. Consequently, government at all levels, as well as local nonprofits must continue to support those who are still being affected by the foreclosure wave. 

Foreclosures Recorded from August 2010 - August 2011



Deeds Up, Mortgages Down

By Richard P. Howe Jr

Each month here at the Middlesex North Registry of Deeds, I note the number of deeds, mortgages, foreclosure deeds and orders of notice recorded, and compare them to the numbers that were recorded during the same month a year earlier. For instance, the 497 deeds recorded in August 2011 marked a 14% increase over the 437 recorded in August 2010. However, the 928 mortgages recorded in August 2011 were a 25% decrease from the 1235 recorded in August 2010.

Having the number of deeds go up while the number of mortgages went down caught my attention. It's a trend that began in July, when deeds recorded in July 2011 (474) showed an 8% increase over the number recorded in July 2010 (440), while the number of

mortgages in July 2011 (765) was a 21% decline from the number recorded in July 2010 (971).

This increase in deeds and simultaneous decrease in mortgages is unusual since these two documents usually work in tandem. For every deed recorded there is usually a corresponding mortgage. This is based on the assumption that most deeds involve the purchase of property and that most purchases involve borrowing money from a bank or mortgage company. Of course, some portion of deeds are related-party transfers – gifts to children or transfers into a family trust, for example – but the rough one-to-one matching of deeds to mortgages is fairly accurate.

Con't on pg 4

Home Modification Loan Program

By Alan Trebat

The Home Modification Loan Program (HMLP) at Community Teamwork, Inc. is a state funded loan program that provides no or low interest loans to modify the homes of elders and individuals with disabilities. Initially established by the Massachusetts Legislature in 1999, the program's goal is to facilitate community first living options for people with disabilities.

HMLP loans are available to make modifications to the primary, principal residence of elders, adults with disabilities and families who have children with disabilities. The modifications must be necessary to allow the person who has a disability to live in the home, and relate to their ability to function on a daily basis. Home modifications funded by this program allow elders and those with disabilities to return home or to continue living independently and safely in their own home.

Some examples of projects funded through this loan program include accessible bathroom and kitchen adaptations, stair-lifts and wheelchair lifts, ramps and home safety features including hard-wired alarm systems, safety windows and fences. Home

modifications necessary to accommodate the needs of elders and individuals with physical, cognitive or neurological disabilities may be eligible for this program.

Based on income guidelines, loans of \$1,000 to \$30,000 are available, secured by a note and a mortgage on the residence. The HMLP offers 0% or 3% deferred payment loans and 3% amortizing mortgage loans depending on household income. Landlords with fewer than 10 units may be eligible for a 3% loan to modify a unit for a tenant who has a disability. Most HMLP loans are 0% interest loans with no monthly payments, no interest accrues and the loan is not repaid until the home is sold or transferred. 

The loan application process is easy and streamlined. Application materials and FAQ information sheets can be found on CTI's website at <http://www.comteam.org/hcec.htm>

For more information please contact Alan Trebat at Community Teamwork, 978-459-0551 ext. 5741 or by email addressed to atrebat@comteam.org.

HMLP is a Massachusetts Rehabilitation Commission program in collaboration with the Community Economic Development Assistance Corporation.

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

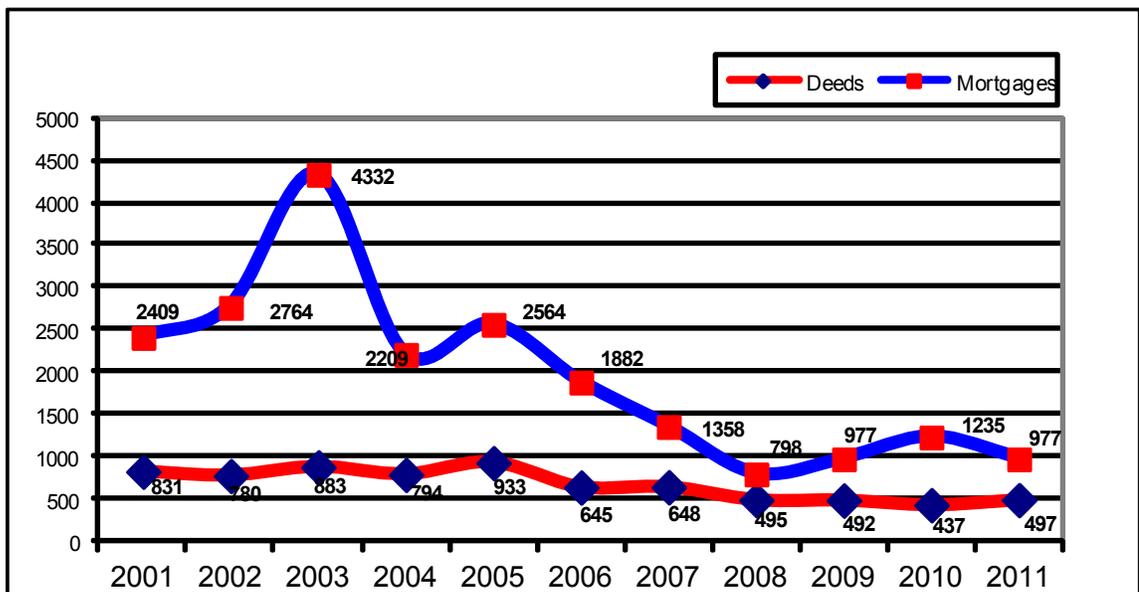
*Deeds Up, Mortgages Down
Con't from pg 1*

But there are always many more mortgages recorded in a month than deeds. This excess number of mortgages represents refinanced mortgages – cases where the borrower already owns the home and is simply obtaining a new loan for some reason.

The greater the ratio of mortgages to deeds, the more active the refinance market. For example, in August 2001, there were 831 deeds and 2409 mortgages, or 2.9 mortgages for every deed recorded. In August 2003, however, that ration rose to nearly 5 to 1 (there were 4332 mortgages and 883 deeds recorded). By August 2007, the ratio had dropped to 2.1 mortgages to every one deed (1358 to 648), in August 2008 there was only 1.6 mortgages for every deed (798 to 495). In August 2011, there were 2 mortgages to every deed (977 to 497).

This low ratio of mortgages to deeds in 2011 is further evidence of the continued stagnation of real estate. Given the historically low interest rates available – a borrower with decent credit easily will qualify for a mortgage in the 4% range – there should be a boom in residential refinancing, not a precipitous decline. Anecdotally, real estate lawyers tell us that there are plenty of applicants but very few make it through the approval process. Less than stellar credit is one reason many mortgage applications are being denied as is property values that continue to decline. Another big factor is property appraisals that are especially conservative. It's as if the major national lenders, burned by their spendthrift lending practices during the housing bubble, now seem to search for reasons to deny new loans. 📈

Deeds and Mortgages Recorded in August 2001 - 2011



CTI & Just A Start Mediation for Results will be offering a special workshop!

Building Real Security through Landlording

Four evening sessions designed to help landlords enhance their business

For details contact Avi Glaser e-mail aglaser@comteam.org.

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