

Merrimack Valley

housingreport

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University of
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MIDDLESEX NORTH
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Home Equity & Debt in the Valley

By Keith Vaillancourt

“Median home value,” “mortgage balance,” “equity,” and “equity to debt ratio” are all housing finance terms that have received a significant amount of news attention in the last few years, while current and former homeowners have become increasingly aware of the complex implications of lending instruments within a murky financial realm.

The *Boston Business Journal* (online) recently released a brief article titled, “Bay State a hot spot for home-equity levels”, along with a convenient data-base tool for searching the above mentioned housing terms in all Massachusetts communities. The information provides a good starting point for discussing regional differences in home values, formulating advanced housing finance studies and educating the public.

The article ranked Mass No. 4 in the nation with an

average home equity of \$115,443, but mentioned that “pockets of distress remain” with foreclosures and declining housing values. The search tool provided on the website was used to determine regional differences in housing equity compared to Massachusetts as a whole. (See chart, page 3)

Probably the most significant data point in the chart is that Lawrence is the only city with a negative avg. equity-to-debt ratio (EDR), while many of the more densely populated urban areas have lower median home values and lower EDRs. The reason could be that more homeowners in urban areas bought their homes around the time when prices peaked, while suburban homeowners have maintained housing values due to longer home ownership and better refinancing terms. In addition, housing value decline has been greater in urban areas.

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Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

February 2009 and February 2010 compared

	Haverhill		Lawrence		Lowell		Methuen	
	Feb-09	Feb-10	Feb-09	Feb-10	Feb-09	Feb-10	Feb-09	Feb-10
Deeds	77	82	90	84	116	108	56	61
Mortgages	167	131	90	89	199	153	168	110
Foreclosure Deeds	17	19	18	21	25	25	6	6
Orders of Notice	7	30	16	48	14	67	7	29

A Healthy Home is Pest Free

By Joann Vaillette

Pests can cause serious health problems. Pests such as rodents and cockroaches, as well as the chemicals we use to control them can cause and trigger allergies and asthma by contaminating our indoor air quality. Integrated Pest Management (IPM) is part of a nationwide Healthy Homes movement to reduce housing-based health hazards. IPM is a comprehensive approach to reducing and eliminating pest problems in the home. IPM uses a systems-based approach with the goal of providing the safest, most effective, most economical and sustained remedy to pest infestations. IPM techniques focus on pest prevention by eliminating conditions in the home that lead to infestations.

The IPM intervention begins by conducting a thorough examination of indoor and outdoor areas to identify where and why pests are active. It is important to “think like a pest.” Pests need shelter, food and water in order to survive. It is important to identify how pests are entering the home as well as their sources of food and water. Be aware of any pest entry points within your home. There are usually openings under the kitchen or bathroom sink that

would be a perfect entry way for pests. Cockroaches take shelter in cracks and crevices and mice only need a ¼ inch opening to enter the home! In addition, be aware of food and water sources for pests. Pests will eat just about anything including crumbs, grease, and trash. When conducting the inspection also take note of water sources for pests. These sources can include leaky pipes, pet bowls, or refrigerator drip pans.

Sanitation and exclusion play important roles in the IPM process. Keeping a home clean is a simple and effective way to prevent or eliminate unwanted pests. Simple steps such as immediately cleaning up spills, storing food in tightly sealed containers, removing clutter, keeping trash in a closed container and taking it out frequently, and fixing leaky pipes help to eliminate food and water sources that pests need in order to survive. Exclusion involves sealing any cracks, peeled wallpaper or holes that cockroaches or rodents could get through. Pest entry ways such as holes can easily be blocked by stuffing copper mesh into the holes and sealing the entry way with silicone caulk.

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Establishing a Large Scale Scanning Program

By Richard P. Howe Jr.

The Middlesex North Registry of Deeds began scanning documents in late 1994. Since then, all 10 million pages of land records in our holdings have been digitized and made available online with most of the work having been done in-house by registry employees. Back in 1994, digital images of documents were stored on a Wang device called an “optical disk jukebox.” When we bought our third and last jukebox in 1999, its 40 gigabytes of storage cost us \$40,000. Today, any office supply store will sell you ten times that amount of storage for less than \$100. With electronic storage so affordable, it's no wonder that government offices, businesses of all sizes, educational institutions and even individuals are

today interested in making the transition from paper to electronic record storage. Because of the registry's experience in this field, I decided to take a break from writing about foreclosures and share with our readers some of the lessons we have learned in accomplishing all of this scanning.


The hardware and software requirements for high volume scanning are more basic and less expensive than most people believe. The more complicated task is organizational, handling and tracking the documents both in their paper and in their electronic manifestations. The biggest challenge of all is to find people to sit there and do the scanning.

Con't on page 4

Home Equity & Debt in the Valley Con't from page 1

If the value of your home is less than what is owed on the mortgage, then the mortgage is considered “underwater”, increasing the difficulty of obtaining a loan modification or being able to apply for certain loan modification programs. A lower EDR also decreases the options for obtaining lines of credit from lenders, as well as limits leeway for accumulating long-term equity for individuals and the community.

Continuing with the theme of “pockets of distress,” the bottom four cities (out of 24 listed in the Merrimack Valley Region) in terms of lowest EDR are those covered in the monthly housing reports, 24) Lawrence, 23) Lowell, 22) Haverhill and 21) Methuen.

This should be a concern to the entire valley considering recent reports indicating that larger suburban communities are facing increases in foreclosures, which will continue to decrease the value of properties for the entire community. Economic activity is typically highly concentrated in more urban areas than smaller suburbs, and if the region is to completely exit this recession, policy-makers must concentrate their resources in these “pockets of distress.” 

Notes:

1. Cited: McLaughlin, Tim. “Bay State a hot spot for home-equity levels”. Boston Business Journal. 5 February 2010. American City Business journals, Inc., Accessed 28 February 2010 <<http://boston.bizjournals.com/boston/STORIES/2010/02/01/daily49.html>>

Town	Median Home Value	Rank	Avg. Mortgage Balance	Rank	Avg. Home Equity	Rank	Avg. Equity to Debt Ratio	Rank	Population	Rank
Amesbury	\$288,631	17	\$207,232	17	\$81,399	18	39.28%	18	16,345	13
Andover	\$541,421	2	\$301,814	2	\$239,607	2	79.39%	2	32,816	6
Billerica	\$326,302	14	\$209,153	16	\$117,149	13	56.01%	12	32,544	7
Boxford	\$602,659	1	\$349,936	1	\$252,723	1	72.22%	5	8,124	18
Chelmsford	\$334,976	12	\$211,299	13	\$123,677	12	58.53%	10	34,409	5
Dracut	\$249,039	21	\$186,247	23	\$62,792	20	33.71%	20	30,349	9
Dunstable	\$406,967	8	\$237,860	9	\$169,107	6	71.10%	6	3,405	24
Georgetown	\$400,521	10	\$243,868	7	\$156,653	8	64.24%	7	8,294	17
Groveland	\$352,352	11	\$224,369	11	\$127,984	11	57.04%	11	7,178	19
Haverhill	\$246,737	22	\$194,415	21	\$52,322	22	26.91%	22	60,353	3
Lawrence	\$184,228	24	\$192,467	22	-\$8,239	24	-4.15%	24	70,264	2
Lowell	\$206,634	23	\$179,901	24	\$26,733	23	14.76%	23	103,670	1
Merrimac	\$333,447	13	\$216,576	12	\$116,871	14	53.96%	15	6,633	20
Methuen	\$257,365	20	\$198,573	20	\$58,793	21	29.61%	21	44,214	4
Newbury	\$437,938	5	\$271,443	5	\$166,495	7	61.34%	8	3,666	23
Newburyport	\$404,302	9	\$260,858	6	\$143,444	10	54.99%	13	17,148	12
North Andover	\$437,772	6	\$247,407	4	\$163,365	8	59.53%	9	29,048	11
Pepperell	\$286,275	18	\$201,895	19	\$84,380	17	41.79%	17	11,588	15
Rowley	\$443,769	4	\$237,209	10	\$206,560	4	87.08%	1	5,884	21
Salisbury	\$282,718	19	\$203,180	18	\$79,538	19	39.15%	19	8,732	16
Tewksbury	\$314,365	16	\$209,227	15	\$105,138	16	50.25%	16	29,687	10
Tyngsborough	\$323,473	15	\$209,320	14	\$114,153	15	54.54%	14	12,172	14
Westford	\$426,607	7	\$240,083	8	\$186,524	5	77.69%	3	32,093	8
West Newbury	\$516,648	3	\$297,371	3	\$219,277	3	73.74%	4	4,302	22

A Healthy Home is Pest Free *Con't from page 2*

Pesticide use is always the last option when using IPM techniques and the safest and most effective pesticide option are baits. When using this option, the baits are placed close to the pest's hiding spot. The pests will feed on the bait, take it back to their hiding spots, feed their friends and die. The baits are a much better way to get rid of pests than routine spraying of pesticides. There are many health concerns involved with spraying pesticides. Children with asthma are particularly vulnerable or sensitive to spray pesticides. Moreover, pests can become tolerant of or avoid these chemicals.

The Lowell Healthy Homes Program has been working with families with asthmatic children to resolve their pest problems. Children are particularly vulnerable to the negative health effects triggered by pest problems. A successful IPM intervention can reduce the burden of the child's asthma and improve the health and quality of life for the family. For more information about how the Lowell Healthy Homes Program can help relieve the burden of childhood asthma, please contact Carla Caraballo at (978) 322-8541 or Bophamony Vong at (978) 322-8528. █

Establishing a Large Scale Scanning Program *Con't from page 2*

To succeed, a large scale scanning project must operate like a production line with set procedures that are consistently followed. The physical layout of the equipment and workspace must be logical, efficient and thought out prior to setup. Rather than aim for full-scale production on the first day, a slow, methodical start that confirms the wisdom of your setup is the best way to begin. In our experience, the toughest part of most scanning projects is document preparation. The best way to explain this statement is to give some details of our most challenging (and successful) scanning project to date.

The Middlesex North Registry of Deeds has a collection of approximately 200,000 original documents dating back to 1898 that must be retained indefinitely. None of these documents had been scanned and what microfilm existed was of poor quality. The paper documents were stored in drawer-like metal containers that were 4.5 inches wide, 10 inches high, and 13 inches deep. Each held approximately 250 documents, each of which was folded in thirds as if they were about to be placed in a #10 mailing envelope. The average document consisted of five pages giving us about 1 million pages to scan.

We have found that separating "document preparation" from the actual scanning works best. That way, the scanner operator just scans and the document preparers just do their thing.

In our case, document preparation included the following tasks: Documents were unfolded to their full size. Staples were removed and replaced by paperclips. The paperclips kept the pages of individual documents together but could quickly and easily be removed by the scanner operator just prior to scanning. The document preparers bundled prepared documents in groups of one hundred. This helped us track our progress and made the project easier to manage.

With our project, the scanning operators could scan 600 to 800 documents each day. For every one scanning operator we used, we needed three other employees preparing documents just to keep up. Quality control of the scanned images was a variable process. At the beginning of each new batch, an experienced employee would view a large percentage of the newly scanned images to ensure they were legible. Once the quality control person was confident that the scanning operator was consistently producing good quality images, the amount of image checking was scaled back to a random sampling.

Given the technology available today, any organization is capable of undertaking a major scanning project. Thorough planning and a persistent effort are essential, and the increased efficiency that digital document storage brings makes it well worth the effort. █

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