Mid-Year Real Estate Trends

By : Richard P. Howe Jr

With 2014 half over, now is a good time to look to recording statistics for real estate trends that may be developing. Perhaps the most startling statistic is the overall decline in documents being recorded. For the first six months of 2013, the Middlesex North Registry of Deeds (covering the city of Lowell and the towns of Billerica, Carlisle, Chelmsford, Dracut, Dunstable, Tewksbury, Tyngsborough, Westford and Wilmington) recorded 35,884 documents. For the same six months this year, only 24,973 documents were recorded, a drop of 30%. If the current pace continues, fewer than 50,000 documents would be recorded this year which would be the fewest documents recorded in thirty years (1984 had 42,245 documents recorded).

A decline in the number of mortgages being recorded seems to be the primary cause of this slowdown in real estate activity. The number of mortgages recorded in the first half of this year (3948) was 48% less than the number recorded in the first half of 2013 (7623). The scale of this reduction is magnified by the fact that nearly every mortgage that gets recorded comes with a variety of other documents (a municipal lien certificate, an assignment, and a discharge of the previous mortgage). Fewer mortgages mean fewer of those documents, as well. The number of deeds recorded is also down but not as dramatically as with mortgages. The number of deeds recorded in the first half of this year (3045) was 8% less than the number recorded during the first half of 2013 (3313).

One piece of good news is the continued decline in foreclosure-related documents. Orders of notice, which signal the start of the foreclosure process, declined 26% (207 in the first half of 2013 and 153 in the first half of 2014) and foreclosure deeds dropped 20% (85 in the first half of 2013 and 68 in the first half of 2014).

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IPM Just Makes Sense

By: Emily Chaves

In the past, we have introduced the concept of Integrated Pest Management (IPM), the gold standard to addressing pest issues, as opposed to traditional extermination practices. IPM is a newer comprehensive method to address pest issues. It includes blocking pest entryways, removing sources of food and shelter that make homes attractive to pests in the first place, and trapping or killing and removing pests from the home. IPM almost never uses spray chemical pesticides, limiting use of pesticides to non-toxic varieties, and those contained within bait traps that disallow exposure to humans and pets. In addition to the mechanics of addressing pest issues, IPM is a method that utilizes resident education and a communication system between residents, property managers, landlords, and pest control professionals.

Traditional extermination, on the other hand, makes use of baits and spray pesticides that kill pests on contact and may continue to kill or repel pests for a short time after application. This type of extermination practice often produces a need for repeat treatments and never fully addresses the source of the pest problem.

IPM works much better than traditional extermination in the long run. The source of the problem is addressed by working with a sort of “pest psychology.” This may sound gimmicky, but it is true that different species have different behavioral tendencies according to their instinctual survival techniques. For example, rats tend to be more suspicious than their more adventurous rodent counterparts, mice. As such, rats will tend to avoid traps and baits if they are placed in such a way that the rat suspects malicious intent. Mice will tend to be more exploratory and get themselves into trouble much more easily, and so they are easier to entice with bait. Once the pest is identified, entry ways are blocked and baits, traps, and non-toxic pesticides are applied as appropriate. The pest control professional will ideally also spend some time educating residents of the infested home about how the IPM process works, the best ways to eliminate sources of food and shelter, how to monitor baits and traps, and the most effective way to communicate with landlords, management, and the pest control company.

There are several benefits to IPM over traditional pest extermination. IPM can protect our wallets, our sanity, and our health. Costs are reduced over time by addressing the true source of the problem, which eventually eliminates the need for professional pest control. While homeowners will enjoy the peace of mind that comes with eliminating their pest problems, they will also save money by avoiding repeat visits typical of traditional extermination by pesticides. Property managers of larger apartment buildings also see those cost benefits multiplied as building-wide pest infestations are greatly reduced or even totally eliminated.

One benefit of IPM that I believe overshadows the others is the benefit to our health. Pests themselves can create health problems for residents. For example, cockroach frass and sheddings can exacerbate asthma, mouse droppings can carry all sorts of harmful bacteria, and rodents can sometimes carry harmful viruses. Traditional pest extermination can add to the list of health hazards, however, by introducing harmful chemical pesticides to residents. While pesticides can seem to be our best friend in desperate situations, the chemicals they contain can physically harm us. They are meant to kill living organisms, after all. Consider a meta-analysis (a study of studies) published in 2010 that found a link between residential pesticide exposure and childhood leukemia.1 In addition, there have been numerous accidents caused by improper use of bomb foggers. These are tragic accidents that have caused homes to literally explode, sometimes even claiming lives. A generally good bit of advice is to avoid chemical pesticides and turn to IPM practices. If pesticides are necessary, opt for non-toxic varieties such as baits and natural products, and always read the warnings and follow the instructions properly.

Mid-Year Real Estate Trends continued.

2014). However, even these numbers are troublesome when viewed on a month-by-month basis. A downward trend in orders of notice for the first quarter of 2014 (14 in January 2014 vs 74 in January 2013; 25 in February 2014 vs 32 in February 2013; and 19 in March 2014 vs 39 in March 2013) has reversed itself with three straight months of increases in orders of notice ((38 in April 2014 vs 27 in April 2013; 29 in May 2014 vs 20 in May 2013; and 28 in June 2014 vs 15 in June 2013). This trend bears close watching in the coming months since a continued rise in the numbers of orders of notice could signal a market-cooling increase in foreclosures for the fall.

Anecdotally, those in the real estate business say that a lack of inventory of homes for sale is a major factor in the sluggish real estate market. A review of deeds recorded for properties in Lowell that have sold during the previous six months tend to corroborate this. These deeds show that the great majority of Lowell sales are by owners who purchased the property decades ago (longtime owners who are cashing in their equity) or by owners who purchased after the collapse of the real estate bubble. Few of the houses sold this year were acquired by their owner/seller between the years 2004 and 2008 which was when values peaked. Many who purchased during this period remain underwater on their mortgages and would have great difficulty selling.

Historically springtime is the best time for real estate sales but early fall has also been a time of positive trends. We can only hope that the fall of 2014 will prove that to be true once again.

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

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

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