Trends in Real Estate Prices

By Richard P. Howe Jr

When measured by the number of documents being recorded at the Middlesex North Registry of Deeds, local real estate seems to be slumping. If the 34,731 documents recorded up until August 31, 2104 are projected out over the entire year, the annual total would be 52,096 which would be the fewest documents recorded in a single year since 1991 when 52,019 were recorded. The number of deeds recorded is also down noticeably from last year. Through the end of August 2014, 4,330 deeds were recorded. For the same eight months in 2013, there were 4,640, a drop of 7%.

One piece of good news, however, is that the median price of deeds recorded during 2014 for several Middlesex North communities has risen slightly or at least stayed the same. Tewksbury showed the greatest price appreciation in 2014 with a median price of $318,400 which was a 12% increase from the $283,850 median price of 2013. Peak prices in Tewksbury came in 2005 when the median hit $345,000 so the 2014 median still represents an 8% decline from the apex of the real estate bubble. However, when one considers that the median price in Tewksbury in 2000 was just $208,500, the 2014 price represents appreciation of 53%.

A similar trend is evident in Chelmsford where the 2014 median of $305,000 is an increase of 5% from the $290,000 of 2013. Prices peaked in Chelmsford in 2005 at $325,000, so today’s median represents a 6% decline from that. Like their counterparts in Tewksbury, long term owners of property in Chelmsford have realized major increases in value with the $305,000 median of 2014 representing a 48% increase over the 2000 median of $206,500.

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Trends in the real estate prices continued.

After a healthy price rise for Lowell from 2012 to 2013 (Lowell’s 2013 median of $195,000 was an 11% increase from 2012’s median of $175,000), prices in Lowell have held steady in 2014 with the median at $195,000, the same as for the prior year. Because Lowell saw the wildest swings in value – from 2000 to 2005, prices rose 82% - the city experienced the greatest drop from the peak. Today’s median of $195,000 represents a 24% decline from the $254,900 median value of 2005. Still, the 2014 median of $195,000 is a 39% increase from the 2000 median of $140,000.

Dracut is the only one of the four communities examined that saw a decline in values from 2013 to 2014 (the 2013 median of $239,950 slipped 2% to a 2014 median of $235,000). Statistically, Dracut resembles Lowell more than it does Tewksbury and Chelmsford. Dracut’s median rose 61% from 2000 to 2005 (rising from $167,450 to $269,900) and so it continues to see a double digit decline from peak values in 2005 ($269,900) to today’s prices ($235,000). However, as is the case in all of these communities, anyone who purchased property in 2000 and still holds it today is ahead financially. In Dracut, the 15 year appreciation is 40% from $167,450 in 2000 to $235,000 today.

Because registry of deeds records only show ownership of property and not use, calculating the median price of real estate based on recorded deeds only gives a broad estimate of price trends. Still, tracking trends in real estate is a challenging task so the more indicators that can be considered, the better.

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