

[Foreclosure Monitor](#)

## State's housing market stronger than most; foreclosure impacts have been delayed

*([Foreclosure Monitor](#) is an effort by MHP to help public officials determine how best to use their resources to help homeowners and neighborhoods hard-hit by foreclosure).*

**By Tim H. Davis**

BOSTON, August 8, 2011 - While the number of units in distress has declined from a year ago, indications are that this may only be a trough and that foreclosures are likely to increase in the third quarter.

Foreclosure Monitor's quarterly analysis of Warren Group data shows that the number of housing units in distress has declined 14 percent in Massachusetts from July 1, 2010 to July 1, 2011. However, as explained in the [June Foreclosure Monitor](#), this slowdown is likely due to lenders slowing down their foreclosure activity in the wake of the "robo-signing" scandal.

Further analysis of Warren Group data indicates that the lender slowdown may have bottomed out as the number of distressed units increased 0.7 percent from April 1, 2011 to July 1, 2011. Additionally, while the Warren Group has not published June 2011 foreclosure petition data yet, our own analysis suggests a dramatic increase in foreclosure activity from May to June. This trend is supported by news that lenders are beginning to [reach agreements](#) with investors that will allow the lenders to more aggressively address mortgage defaults.

At the same time, [Attorney General Martha Coakley's investigation](#) of a powerful Virginia-based mortgage registration company continues to raise questions about the validity of mortgage and foreclosure paperwork. This could temper future foreclosure activity, just as the "robo-signing" scandal did.

**(more)**

### **Communities: Chelsea, Lawrence, Lynn see significant declines**

The largest declines in the top 20 municipalities from July 2010 to July 2011

---

160 Federal Street | Boston, Massachusetts 02110 | Tel: 617-330-9955 | Fax: 617-330-1919

462 Main Street | Amherst, Massachusetts 01002 | Tel: 413-253-7379 | Fax: 413-253-3002

---

[www.mhp.net](http://www.mhp.net)

were in Chelsea (-36 percent), Lawrence and Lynn (-23 percent each). The decline in Chelsea was significant enough to drop it from fifth most distressed in July 2010 to 21st in July 2011. Fitchburg and Springfield also had substantial declines (-22 percent and -20 percent respectively). Brockton continues to have the highest level of distress, despite a 14 percent decline since July 2010.

Rank*/ Municipality	Total Housing Units in Municipality (2010 Census)	Total Distressed Units (1-July-2011)	Number of Distressed Units per 1,000 Housing Units			
			1-Jul-10	1-Jul-11	Percent Change, 7/2010 to 7/2011	Rank* One Yr Ago (7/10)
1. Brockton	35,552	1,177	38.6	33.1	-14%	1
2. Winchendon	4,199	116	26.0	27.6	6%	9
3. Randolph	12,008	328	27.0	27.3	1%	8
4. North Brookfield	2,058	55	24.8	26.7	8%	12
5. Lynn	35,776	901	32.9	25.2	-23%	2
6. Plympton	1,043	26	24.0	24.9	4%	14
7. Springfield	61,706	1,526	30.7	24.7	-20%	4
8. Lawrence	27,137	662	31.8	24.4	-23%	3
9. Athol	5,231	125	28.9	23.9	-17%	7
10. Fitchburg	17,117	404	30.3	23.6	-22%	6
11. Ashburnham	2,599	59	23.5	22.7	-3%	16
12. Worcester	74,645	1,631	25.8	21.9	-15%	10
13. Warren	2,211	47	22.2	21.3	-4%	21
14. Taunton	23,896	506	21.3	21.2	0%	27
15. Revere	22,100	464	24.8	21.0	-15%	13
16. Blackstone	3,628	76	21.8	20.9	-4%	25
17. Hardwick	1,218	25	18.9	20.5	9%	37
18. Carver	4,600	93	23.3	20.2	-13%	17
19. Leicester	4,270	84	22.0	19.7	-11%	22
20. Berkley	2,187	43	16.5	19.7	19%	55
<b>Massachusetts</b>	<b>2,808,254</b>	<b>32,346</b>	<b>13.5</b>	<b>11.5</b>	<b>-14%</b>	

Source: MHP analysis of foreclosure data. Distressed properties are all those properties where a foreclosure petition has been filed or an auction scheduled in the previous year, or is bank held (up to two years).

\*Only municipalities with 1,000 units of housing or more were ranked.

Boston continues to have the highest number of distressed units, even though it does not appear in the top 20. As of July 1, 2011, Boston had 2,828 distressed units, a 24 percent decline from July 2010. Boston is a city of extremes: there are neighborhoods with high levels of distress and neighborhoods with few distressed properties. Overall, Boston ranked 130th of the 293 municipalities with at least 1,000 housing units.

Ten of the top 20 municipalities are in Worcester County, including Ashburnham, Athol, Blackstone, Fitchburg, Hardwick, Leicester, North Brookfield, Warren, Winchendon, and Worcester. Among the top 20, the biggest increases in distress were in Berkley (19 percent), Hardwick (9 percent), North Brookfield (8 percent) and Winchendon (6 percent). While Berkley is in Bristol County, these other communities are in Worcester County.

(more)

## At zip code level, Worcester County areas again lead the top 20

From April 2011 to July 2011, Brockton's 02302 overtook Templeton's 01468 as the most distressed zip code in the state. Brockton's 02302 did not see an increase in distress, but its eight percent decline in distress was less than the encouraging 27 percent decline in Templeton.

Zip code analysis also shows that the distressed property problem remains acute in Worcester

County, as eight of the top 20 most distressed zips are here, down from nine in April (four are in Worcester and four are in suburban/rural areas). Springfield contains three of the most distressed zip codes, though there was improvement in all three; a 26 percent decline in 01108, a 20 percent decline in 01109 and a 15 percent decline in 01151.

Within Boston, Dorchester's 02121 (16th) and Mattapan's 02126 (20th) made the top 20, but both had a 22 percent decline in

distress from July 2010 to July 2011. Of the July 2010 top 20, Dorchester's 02122 and 02124 improved the most, with declines of 36 percent and 34 percent, respectively, keeping them off the July 2011 list.

Overall, of the top 20 zip codes, 17 saw a decline in distress from a year ago, while three saw an increase in distress. Lawrence's 01841, Templeton's 01468 and Wareham's 02538 had the greatest decline in distress (-27 percent), and North Brookfield's 01535 saw the biggest increase (eight percent). Please note that as the U.S. Census Bureau has yet to release 2010 zip code-level housing unit counts, the rate of distress will continue to

Rank*/Town	Zip Code	Total Housing Units in Zip Code (2000 Census)	Total Distressed Units (1-July-2011)	Number of Distressed Units per 1,000 Housing Units			
				1-Jul-10	1-Jul-11	Percent Change, 7/2010 to 7/2011	Rank* One Yr Ago (7/10)
1. Brockton	02302	11,387	437	41.8	38.4	-8%	4
2. Templeton	01468	1,294	49	51.8	37.9	-27%	1
3. Springfield	01108	10,802	349	43.9	32.3	-26%	2
4. Winchendon	01475	3,645	116	29.9	31.8	6%	27
5. Worcester	01603	7,044	223	35.5	31.7	-11%	11
6. Brockton	02301	23,450	741	38.3	31.6	-18%	8
7. Springfield	01109	10,850	336	38.8	31.0	-20%	7
8. Lawrence	01841	14,732	454	42.4	30.8	-27%	3
9. Lynn	01905	8,684	264	40.0	30.4	-24%	5
10. West Brookfield	01585	2,351	70	31.5	29.8	-5%	21
11. North Brookfield	01535	1,902	55	26.8	28.9	8%	36
12. Wareham	02538	1,399	40	39.3	28.6	-27%	6
13. Worcester	01605	10,064	286	34.1	28.4	-17%	14
14. Randolph	02368	11,547	327	28.1	28.3	1%	32
15. Worcester	01607	3,429	97	31.8	28.3	-11%	20
16. Dorchester	02121	9,846	274	35.6	27.8	-22%	10
17. Springfield	01151	3,635	100	32.5	27.5	-15%	18
18. Worcester	01604	14,712	400	30.9	27.2	-12%	23
19. Lowell	01850	5,911	158	29.9	26.7	-11%	26
20. Mattapan	02126	9,710	259	34.0	26.7	-22%	15

Source: MHP analysis of foreclosure data. Distressed properties are all those properties where a foreclosure petition has been filed or an auction scheduled in the previous year, or is bank held (up to two years).

\* Only zip codes with at least 1,000 housing units are ranked.

(more)

rely on 2000 housing unit counts (housing unit counts have been adjusted for municipal and census tract level analyses).

### Census Tract: Lawrence, Springfield improve

While the number of housing units in a zip code can range from dozens to more than 20,000, the number of units in a census tract generally ranges from a 1,000 to 3,000, providing a smaller area for analysis.

Rank*/Town	Census Tract	Total Housing Units in Tract (2010 Census)	Total Distressed Units (1-July-2011)	Number of Distressed Units per 1,000 Housing Units			
				1-Jul-10	1-Jul-11	Percent Change, 7/2010 to 7/2011	Rank* One Yr Ago (7/10)
1. Worcester	733000	1,396	71	42.3	50.9	20%	43
2. Brockton	511000	1,089	54	50.5	49.6	-2%	20
3. Brockton	510501	1,252	62	44.7	49.5	11%	38
4. Brockton	510400	1,260	62	75.4	49.2	-35%	1
5. Lynn	206500	1,160	56	56.0	48.3	-14%	13
6. Lynn	206300	1,312	63	64.0	48.0	-25%	5
7. Brockton	511301	1,823	87	56.0	47.7	-15%	14
8. Boston (Dorchester)	091700	1,050	50	62.9	47.6	-24%	7
9. Worcester	731900	2,255	107	63.9	47.5	-26%	6
10. Brockton	511500	1,544	73	60.2	47.3	-22%	9
11. Worcester	732400	2,458	115	49.6	46.8	-6%	22
12. Springfield	802300	2,552	119	58.0	46.6	-20%	12
13. Boston (Dorchester)	091800	1,214	56	52.7	46.1	-13%	19
14. Boston (Mattapan)	100300	1,262	58	39.6	46.0	16%	55
15. Springfield	802200	1,260	57	55.6	45.2	-19%	15
16. Lawrence	250500	1,072	48	62.5	44.8	-28%	8
17. Lynn	205700	1,760	78	41.5	44.3	7%	49
18. Boston (Dorchester)	091900	1,380	60	47.1	43.5	-8%	31
19. Lowell	310400	1,208	52	42.2	43.0	2%	44
20. Springfield	800400	2,411	103	36.5	42.7	17%	73
<b>Massachusetts</b>		<b>2,808,254</b>	<b>32,346</b>	<b>13.5</b>	<b>11.5</b>	<b>-14%</b>	

Source: MHP analysis of foreclosure data. Distressed properties are all those properties where a foreclosure petition has been filed or an auction scheduled in the previous year, or is bank held (up to two years).

\*Only census tracts with populations greater than 1,000 are ranked.

510400 had the highest rate of distress in July 2010, but the rate of distress declined 35 percent over the year, dropping the tract to 4th place in July 2011.

Boston tracts occupy four of the top 20 tracts, unchanged from a year ago, though the specific tracts have changed. The most dramatic reversals were Roxbury's tract 092300, which had a 56 percent decline in distress, dropping it from 2nd place to 67th place, and Mattapan's tract 100300, which had a

**(more)**

At the census tract level, all of the 20 most distressed census tracts are in dense, urban areas. As of July 1, 2011, Worcester's tract 733000 had the highest rate of distressed units, with a 20 percent increase over a year ago. Two other Worcester census tracts are in the top 20.

Brockton continues to suffer from high rates of distress, with five of the 20 hardest hit Census Tracts, down from six the previous year. In good news, Brockton's



16 percent increase in distress and moved from 55th place to 14th place. Lynn and Springfield have three tracts in the top 20 (unchanged from a year ago) and Lowell has one. From one year ago, there has been an increase in distress in six of the top 20 tracts and declines in 14 tracts. Despite these declines, distress is still high in urban neighborhoods, though the gap between the worst census tract and statewide rate of distress has narrowed; in July 2010, the most distressed census tract had a rate of distress that was 5.6 times the statewide rate. In July 2011, the most distressed census tract had a rate of distress that was 4.4 times the statewide rate.

**For more information:** The following links are provided for readers to directly access regular sources of foreclosure and real estate trends.

- Foreclosure data: The Warren Group released May 2011 foreclosure [deed and petition data](#) for Massachusetts, showing a 65 percent decline in the number of foreclosure deeds over May 2010 and a 67 percent decline in the number of foreclosure petitions. Nationally, foreclosure activity (as reported by [RealtyTrac](#)) was down 29 percent from June 2010 to June 2011, though up four percent from May 2011. Lenders' foreclosure processes have been slowed since problems with foreclosure documents were brought to light in fall 2010.
- Real estate sales data: At the end of July, [The Warren Group](#) and the [Massachusetts Association of Realtors \(MAR\)](#) released their monthly real estate sales figures. The two agencies use somewhat different data sets for analysis. The Warren Group reported a 24 percent decline in the number of single family sales from June 2010 to June 2011, but a 0.3 percent increase in single family sales prices, while the Mass. Association of Realtors reported an 18 percent decline in single family sales and a 1.6 percent decline in single family sales prices. Despite the year-over-year decline in sales and a mixed report on sales prices, both firms report increases in sales prices in each of the last four months. Some of the decline in the number of sales can be attributed to the 2010 expiration of the homebuyer tax credit. The "tax credit effect" should play a smaller role in future trends, starting with the July 2011 data.

[S&P/Case-Schiller Price Index](#) shows that housing markets across the country are weak, with annual price declines from May 2010 to May 2011 in every metro measured except Washington, D.C. While sales prices declined 3.2 percent in Boston from 2010 to 2011, only Washington D.C., performed better, and Boston was tied with Los Angeles and New York. From April 2011 to May 2011, Boston had a price increase of 2.7 percent, better than any other city in the 20 city survey.