

Foreclosure in Massachusetts: Properties, Units, and Tenure¹

Analysis by the National Low Income Housing Coalition

May 9, 2008

The following represents NLIHC's analysis of property-level foreclosure data obtained from the Warren Group.² Only residential properties identified by the Warren Group as bank-owned/REO or as scheduled for a foreclosure auction between January 1, 2007, and March 31, 2008, are included in this analysis.³

Based on the information pertaining to property type provided by the Warren Group, NLIHC categorized each property as either single- or multi-family. For multi-family properties, NLIHC also estimated the number of units contained within each property.⁴ Single-family properties include condominiums and mobile homes.

Table 1 provides detailed information on the total number of single- and multi-family properties that entered the final stages of foreclosure during the 15 months ending March 2008. Some 8,087 properties became bank-owned or were scheduled for a foreclosure auction during this time period. Two-thirds were single-family properties, and one-third were multi-family buildings. In some counties such as Suffolk and Essex, the properties were nearly evenly split between the single- and multi-family categories.

Some residential properties contain more than one dwelling unit and can thus house more than one family, which makes it important to evaluate the number of units affected by foreclosure as well. Based on the unit-per-property assumptions laid out in the appendix, Table 2 provides a similar look at foreclosure activity in Massachusetts but on a *unit*, rather than a property, basis. The 8,087 properties accounted for an estimated 12,644 units, or roughly 1.6 units per property. Of these, an estimated 58% were in multi-family properties and 42% were single-family homes, including condominium units and mobile homes.

Table 1: Foreclosure Auction and REO Properties by Property Type, January 2007 to March 2008

Properties	Single-Family	Multi-Family	Total	% Single-Family	% Multi-Family
Barnstable	368	14	382	96%	4%
Berkshire	58	27	85	68%	32%
Bristol	430	221	651	66%	34%
Dukes	14	0	14	100%	0%
Essex	579	479	1,058	55%	45%
Franklin	54	9	63	86%	14%
Hampden	438	288	726	60%	40%
Hampshire	72	11	83	87%	13%
Middlesex	755	335	1,090	69%	31%
Nantucket	2	0	2	100%	0%
Norfolk	362	60	422	86%	14%
Plymouth	564	197	761	74%	26%
Suffolk	719	730	1,449	50%	50%
Worcester	934	367	1,301	72%	28%
Total	5,349	2,738	8,087	66%	34%

Source: NLIHC tabulations of Warren Group data.

¹ This analysis draws on research first published in Wardrip, K.E. & Pelletiere, D. Research Note #08-01 Properties, units, and tenure in the foreclosure crisis. Washington, DC: National Low Income Housing Coalition. Available at www.nlihc.org/doc/RN-08-01-Multi-Unit-Foreclosure-FINAL-05-06-08.pdf.

² The Warren Group provides real estate professionals and consumers with detailed property-level information on real estate listings in New England. For a monthly fee, clients can access information on properties in various stages of foreclosure in four states (see www.warrengroupforeclosures.com/fcsub/start.asp, retrieved May 5, 2008)

³ Properties with a pending legal action (lis pendens) or for which a petition to foreclose has been filed were not included because these steps are no guarantee that the property will end in foreclosure. NLIHC cleaned the data, taking care to remove duplicate listings for properties that were both auctioned and bank-owned or for properties that had multiple auctions scheduled and subsequently postponed or rescheduled.

⁴ The appendix contains information on which property types were classified as single- and multi-family, as well as the number of units that were assumed for each property type.

Table 2: Foreclosure Auction and REO Units by Property Type, January 2007 to March 2008

Units	Single-Family	Multi-Family	Total	% Single-Family	% Multi-Family
Barnstable	368	31	399	92%	8%
Berkshire	58	72	130	45%	55%
Bristol	430	657	1,087	40%	60%
Dukes	14	0	14	100%	0%
Essex	579	1,307	1,886	31%	69%
Franklin	54	26	80	68%	33%
Hampden	438	740	1,178	37%	63%
Hampshire	72	24	96	75%	25%
Middlesex	755	830	1,585	48%	52%
Nantucket	2	0	2	100%	0%
Norfolk	362	125	487	74%	26%
Plymouth	564	521	1,085	52%	48%
Suffolk	719	1,874	2,593	28%	72%
Worcester	934	1,088	2,022	46%	54%
Total	5,349	7,295	12,644	42%	58%

Source: NLIHC tabulations of Warren Group data.

Table 2 hints at the vast potential for the foreclosure crisis to impact renter households in Massachusetts. If we assume that all 5,349 single-family units were owner-occupied, and if we further assume that the owner of each multi-family building lived on-site, these data indicate that 36% of households affected by foreclosure activity were renters.

This is likely a conservative estimate, however, since 8% of the single-family attached and detached units and 74% of the units in multi-family buildings in the state are occupied by renters.⁵ Applying these percentages to the data presented here would suggest that as many as 46% of the affected units were renter-occupied.

Leaving tenure behind and focusing instead on trends, NLIHC estimates that the total

number of units in the final stages of foreclosure increased from 962 in the first three months of 2007 to 4,098 in the first quarter of 2008, an increase of 326%. As Table 3 illustrates, the number of *single-family units* increased by 302% from the first quarter of 2007 to the first quarter of 2008, growing from 442 units to 1,779 units.

Table 3: Estimated Foreclosure Auction and REO Units in Single-Family Properties

Single-Family	1st Q 2007	2nd Q 2007	3rd Q 2007	4th Q 2007	1st Q 2008	Total	% Change, 1Q07-1Q08
Barnstable	24	43	59	103	139	368	479%
Berkshire	7	9	19	11	12	58	71%
Bristol	41	55	85	96	153	430	273%
Dukes	1	1	4	6	2	14	100%
Essex	47	85	95	175	177	579	277%
Franklin	2	10	10	13	19	54	850%
Hampden	41	63	102	113	119	438	190%
Hampshire	7	17	6	15	27	72	286%
Middlesex	60	103	159	204	229	755	282%
Nantucket	0	0	2	0	0	2	---
Norfolk	27	48	93	87	107	362	296%
Plymouth	59	86	106	129	184	564	212%
Suffolk	38	70	145	155	311	719	718%
Worcester	88	138	205	203	300	934	241%
Total	442	728	1,090	1,310	1,779	5,349	302%

Source: NLIHC tabulations of Warren Group data.

Table 4 shows that the growth in the number of *multi-family units* actually exceeded this astronomical rate. Multi-family properties entering foreclosure in the first quarter of 2008

⁵ Based on 2006 American Community Survey data for Massachusetts.

accounted for an estimated 2,319 units, which represented an increase of 346% when compared with the 520 multi-family units entering this stage of foreclosure from January to March of 2007.

Table 4: Estimated Foreclosure Auction and REO Units in Multi-Family Properties

Multi-Family	1st Q 2007	2nd Q 2007	3rd Q 2007	4th Q 2007	1st Q 2008	Total	% Change, 1Q07-1Q08
Barnstable	6	3	9	11	2	31	-67%
Berkshire	8	22	12	17	13	72	63%
Bristol	74	69	143	140	231	657	212%
Dukes	0	0	0	0	0	0	---
Essex	75	167	291	348	426	1,307	468%
Franklin	2	0	7	12	5	26	150%
Hampden	45	97	251	185	162	740	260%
Hampshire	2	0	4	2	16	24	700%
Middlesex	48	92	159	254	277	830	477%
Norfolk	8	19	30	42	26	125	225%
Plymouth	49	69	108	121	174	521	255%
Suffolk	121	234	338	481	700	1,874	479%
Worcester	82	171	273	275	287	1,088	250%
Total	520	943	1,625	1,888	2,319	7,295	346%

Source: NLIHC tabulations of Warren Group data.

Conclusions

This analysis indicates that one-third of the properties entering the final stages of foreclosure in Massachusetts between January 2007 and March 2008 were multi-family properties, and these properties included an estimated 58% of all foreclosed units. Given what we know about occupancy and tenure in Massachusetts from recent census data, NLIHC estimates that as many as 46% of the units in the latter stages of foreclosure may have been rentals. From the first quarter of 2007 to the same quarter in 2008, while the total number of units in the latter stages of the foreclosure process increased by 326%, the rate of growth for multi-family units (346%) outpaced the growth observed in the single-family stock (302%).

Appendix

Results presented here reflect NLIHC tabulations of foreclosure auction and bank-owned/REO data provided by the Warren Group for Massachusetts. Property-level transactions included in these tabulations were limited to ten property types that intuitively applied to residential buildings.

Using the property type data provided by the Warren Group, NLIHC created single- and multi-family categories and developed unit estimates for each property type. Table A1 indicates which property types are included in the single- and multi-family categories and shows the unit-per-property assumptions used to produce the data tables in this analysis.

Table A1: Property Types and Unit Estimates

Category	Property Type	Estimated Units Per Property
Single-Family		
	1-Fam Res	1
	Condominium	1
	Mobile Home	1
Multi-Family		
	2-Fam Res	2
	3-Fam Res	3
	1-4 Fam Res	2.5
	2-5 Fam Res	3.5
	4-8 Unit Apt	6
	9 + Unit Apt	9
	Apt Bldg	10