

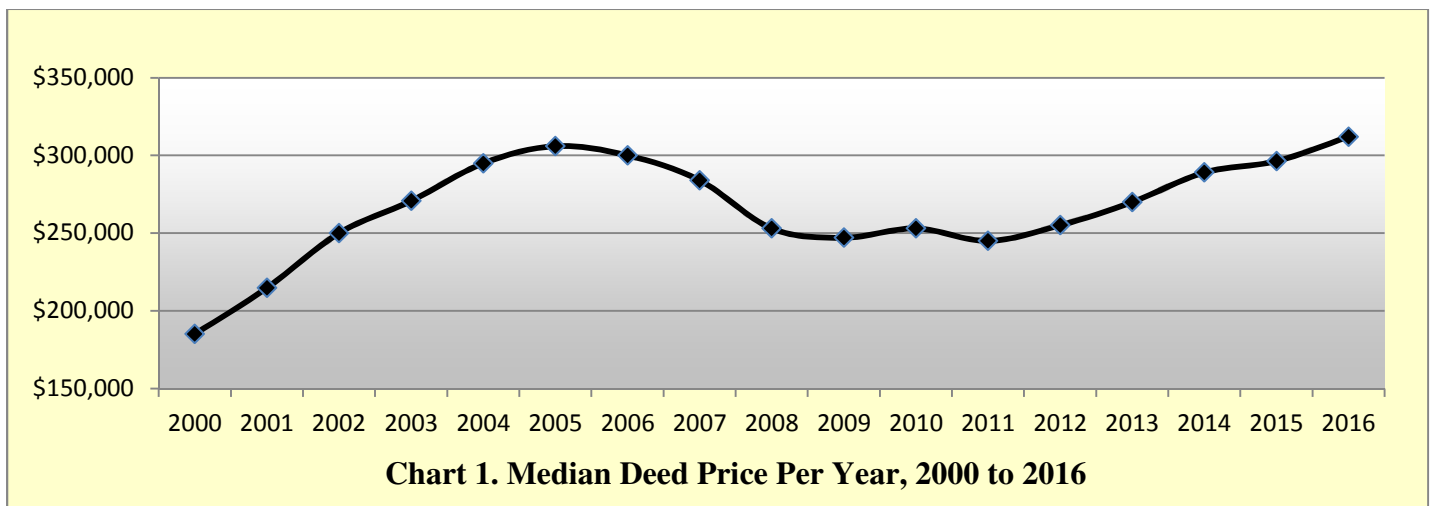
MIDDLESEX NORTH REGISTRY OF DEEDS

RICHARD P HOWE JR, REGISTER OF DEEDS

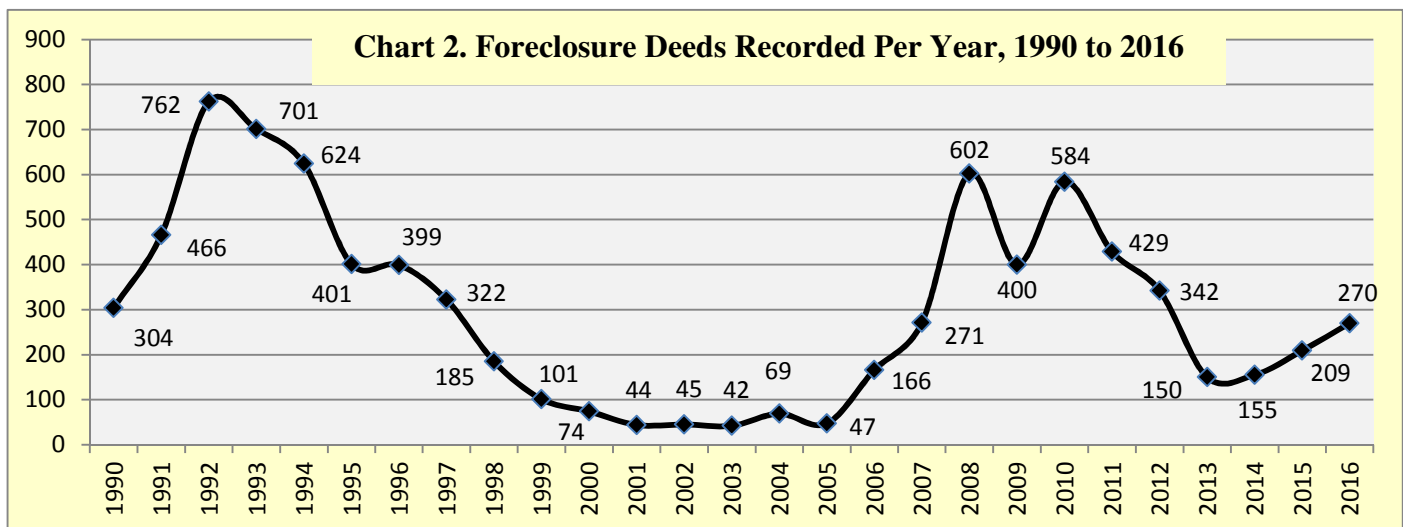
BILLERICA – CARLISLE – CHELMSFORD – DRACUT – DUNSTABLE – LOWELL – TEWKSBURY
TYNGSBOROUGH – WESTFORD – WILMINGTON

ANNUAL REPORT FOR 2016

Real estate prices continued to rise in the Middlesex North District during 2016. The median price of all deeds in the district, \$312,000, finally surpassed the peak value during the housing bubble (\$306,000 in 2005). This price rise will especially help those who purchased or refinanced during the bubble, many of whom have been underwater on their mortgages ever since. Once the current value of the home surpasses the amount of debt, these homeowners will be able to sell or refinance rather than be trapped in a home they may not want or be able to afford.



Because the majority of mortgages foreclosed in 2016 originated during the bubble, rising prices may also reduce foreclosures in the coming years as homeowners in financial distress will be able to sell and downsize rather than be forced into foreclosure.



Middlesex North by the Numbers

Documents Recorded		% change Prior year	Deeds	Mortgages	Foreclosure Deeds	E-Filed Docs	E-File %	Revenue (millions)
1990	51820		5740	8655	304			
1991	52019	0%	5868	8823	466			
1992	76282	+47%	7321	14487	762			
1993	83337	+9%	7463	17097	701			
1994	71427	-14%	5721	10936	624			
1995	60681	-15%	7223	10137	401			
1996	67286	+11%	8057	12017	399			
1997	70128	+4%	7984	13664	322			
1998	93633	+34%	8771	21823	185			
1999	89506	-4%	8557	17816	101			
2000	71558	-20%	8254	14456	74			
2001	97180	+36%	8355	24969	44			
2002	115890	+19%	8756	31221	45			
2003	146956	+27%	8977	41800	42			\$26.1
2004	96204	-35%	9165	28079	69			\$21.7
2005	87866	-9%	8930	25402	47	1057	1%	\$22.0
2006	72830	-17%	7236	20503	166	1871	3%	\$17.5
2007	66192	-9%	6767	15999	271	3491	5%	\$16.3
2008	56011	-15%	5568	11451	602	3956	7%	\$12.2
2009	65838	+18%	5557	14743	400	8168	12%	\$12.1
2010	63247	-4%	5535	13837	584	9013	14%	\$11.8
2011	59173	-6%	5332	12007	429	14736	30%	\$11.0
2012	70558	+19%	9158	16002	342	24210	34%	\$13.5
2013	67001	-5%	6718	13272	150	25251	38%	\$14.4
2014	53584	-20%	6561	9190	155	20306	38%	\$13.7
2015	60516	+13%	6913	11148	209	26955	45%	\$15.1
2016	65521	+8%	7776	12639	270	33620	52%	\$16.5

E-Filed Docs are documents scanned and transmitted to the registry via secure internet connection by lawyers and lenders. All fees are paid by electronic funds transfer from the submitter's bank to the registry's. Electronic recording has been a huge efficiency for the registry of deeds and continues to grow in volume.

Revenue comes to the registry in several forms: document recording fees; deeds excise tax assessed on the sales price of property; surcharges for the Community Preservation Act and the Registry of Deeds Technology Fund, and charges for copies. Receipts in all categories from 2008 to 2016 are shown in the table below.

Middlesex North revenue: 2008 - 2016

Year	Rec Fees	Excise Tax	CPA	RoD Tech	Copies	Total Rev
2008	4,480,655	6,310,086	1,068,900	296,955	35,288	12,191,884
2009	5,322,095	5,139,387	1,251,800	347,565	25,679	12,086,526
2010	5,085,580	5,109,201	1,203,360	332,160	22,086	11,752,387
2011	4,622,670	4,631,891	1,106,980	310,785	18,898	10,691,224
2012	5,765,332	5,689,329	1,345,800	378,435	18,274	13,197,170
2013	5,513,380	7,232,687	1,255,050	352,600	14,593	14,368,310
2014	4,094,340	8,274,438	982,810	280,860	14,032	13,646,480
2015	4,691,101	9,419,659	1,114,200	317,115	15,686	15,557,761
2016	5,131,600	9,779,672	1,212,470	346,300	15,785	16,485,827

Median Deed Price by Town: 2016

As seen in Chart 1, median deed prices for the district in 2016 finally surpassed the highest median price reached during the real estate boom. However, as seen in the following chart, gains vary from town to town, with Billerica, Chelmsford, Tewksbury and Wilmington all exceeding the boom median price, but with Lowell, Carlisle, Dracut, Dunstable, Tyngsborough and Westford not quite there.

Year	Lowell		Billerica		Carlisle		Chelmsford		Dracut	
	Price	% chg	Price	% chg	Price	% chg	Price	% chg	Price	% chg
2000	140000		216000		450000		206500		167450	
2001	162000	16%	247500	15%	492500	9%	235900	14%	175257	5%
2002	187375	16%	284700	15%	518750	5%	272997	16%	204900	17%
2003	217000	16%	306450	8%	535000	3%	295000	8%	230000	12%
2004	238600	10%	342750	12%	575000	7%	314900	7%	245000	7%
2005	254900	7%	359900	5%	540000	-6%	325000	3%	269900	10%
2006	247000	-3%	324000	-10%	560000	4%	317500	-2%	260000	-4%
2007	225000	-9%	329000	2%	597500	7%	304000	-4%	241000	-7%
2008	184900	-18%	299950	-9%	570000	-5%	280000	-8%	275450	14%
2009	178500	-3%	291700	-3%	525000	-8%	289000	3%	230000	-17%
2010	180000	1%	300000	3%	555000	6%	290000	0%	237000	3%
2011	170000	-6%	285500	-5%	545000	-2%	275250	-5%	214800	-9%
2012	175000	3%	295500	4%	450000	-17%	278950	1%	226032	5%
2013	195000	11%	312000	6%	458000	2%	290000	4%	239950	6%
2014	208167	7%	332500	7%	533750	17%	310000	7%	245000	2%
2015	221000	6%	350000	5%	560000	5%	323000	4%	259900	6%
2016	229700	4%	370000	6%	569900	2%	330000	2%	270500	4%
2016 vs	2005	90%	2005	103%	2007	95%	2005	102%	2008	98%
	Dunstable		Tewksbury		Tyngsboro		Westford		Wilmington	
	Price	chg	Price	% chg	Price	% chg	Price	% chg	Price	% chg
2000	320000		208500		221000		315089		250000	
2001	353500	10%	230000	10%	244000	10%	350000	11%	281250	13%
2002	389950	10%	269900	17%	285000	17%	404000	15%	320000	14%
2003	412000	6%	289900	7%	286000	0%	383500	-5%	350000	9%
2004	379500	-8%	329900	14%	315000	10%	415500	8%	360000	3%
2005	460000	21%	345000	5%	293000	-7%	420000	1%	383598	7%
2006	395500	-14%	325350	-6%	350000	19%	397000	-5%	384450	0%
2007	399900	1%	305000	-6%	295000	-16%	369900	-7%	360000	-6%
2008	426500	7%	310000	2%	261500	-11%	329900	-11%	335000	-7%
2009	330000	-23%	290000	-6%	249450	-5%	349900	6%	334575	0%
2010	338000	2%	289000	0%	271000	9%	338250	-3%	346500	4%
2011	362500	7%	280000	-3%	262000	-3%	360000	6%	317000	-9%
2012	422969	17%	275000	-2%	237500	-9%	369900	3%	354250	12%
2013	370000	-13%	283850	3%	299000	26%	385250	4%	360000	2%
2014	405000	9%	320000	13%	326000	9%	366500	-5%	373950	4%
2015	430400	6%	329450	3%	288500	-12%	380000	4%	400000	7%
2016	430000	0%	354950	8%	315000	9%	403000	6%	403500	1%
2016 vs	2005	93%	2005	103%	2006	90%	2005	96%	2006	105%

2016 Foreclosures by Year of Mortgage Origination

As seen on Chart 2, the number of foreclosure deeds recorded has risen for the past four years. While the 2016 volume is much less than the numbers seen when the real estate bubble burst, the current rate of foreclosures is higher than it should be. One cause of that is that many homeowners who purchased or refinanced when values were at their peak during the 2003 to 2007 real estate bubble, remain underwater on their mortgages. The following table shows the date of origin of mortgages foreclosed in 2016 relative to the real estate bubble. (Note: Page one shows 270 foreclosures in 2016. Some of them were foreclosures of condominium liens, others were of mortgages, however, the origin date of the underlying mortgages was unclear. Consequently, only 232 foreclosures are included in this table).

<i>Town</i>	<i>Total FCs</i>	<i>Pre 2003</i>	<i>2003-07</i>	<i>Post 2007</i>
Lowell	116	5	89	22
Billerica	26	0	22	4
Carlisle	2	1	0	1
Chelmsford	17	0	15	2
Dracut	36	0	32	4
Dunstable	1	0	1	0
Tewksbury	15	0	14	1
Tyngsborough	7	0	6	1
Westford	4	0	4	0
Wilmington	8	0	5	3
TOTAL	232	6	188	38

Items of Note

Lowell Justice Center – On September 22, 2016, Governor Charlie Baker, Supreme Judicial Court Chief Justice Ralph Gants, and other dignitaries formally broke ground for the Lowell Judicial Center which will consolidate the Superior, District, Probate, Juvenile and Housing Courts and the Middlesex North Registry of Deeds in a brand new, seven-story building in the Hamilton Canal Innovation District. Work commenced right after the ground breaking, and the structure is expected to open in early 2020.

Electronic Recording – As the “Middlesex North by the Numbers” table on page two shows, electronic recording has grown from 1% of our recordings in 2005 to 52% in 2016. The 33,620 documents recorded electronically last year included 68% of all mortgages, 50% of all discharges, and 48% of all deeds. With electronic recording, scanning and data entry is done by the customer which drastically reduces the per document processing time at the registry. In 2017, we hope to expand electronic recording to include registered land documents and to develop a government-only electronic recording application that will make it easier for municipalities to record documents such as tax takings and releases at the registry of deeds.

Chapter 289 of the Acts of 2016 - On October 7, 2016, Governor Charlie Baker signed An Act Regulating Notaries Public To Protect Consumers and the Validity and Effectiveness of Recorded Instruments. The law appears to be a codification of Governor Mitt Romney’s 2004 Executive Order on notaries. The new law retains many of the prohibitions on the misuse of the term Notary Public and makes clear than non-attorney notaries are not authorized to conduct real estate closings. Unfortunately, the law is silent on the subject of electronic notarization. As more and more commerce is conducted electronically, the Commonwealth will have to enact rules that allow Notaries Public to keep up with changing technology.

Cyber Security – The 2016 presidential election made computer hacking national news, but cyber security was a major concern at the registry of deeds long before that. As more and more functions of government shift to computers and the internet, criminals, hostile governments, and hactivists follow. Consequently, methods of defending against a cyber attack and strategies of recovering from one have become central to registry operations.

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