

MMBA SECONDARY MARKET AND LOAN SERVICING CONFERENCE

May 13, 2013

Presented by Timothy M. Warren Jr.
Chief Executive Officer
The Warren Group

Agenda

- Brief Overview of The Warren Group
- Market Conditions Update
 - Sales Volume
 - Median Prices
 - Comparing The Crashes
 - Other Data
- TWG Outlook

TRUSTED STANDARD FOR REAL ESTATE & FINANCIAL DATA

ACCURATE
COMPREHENSIVE
EXPERIENCED

PROPERTY AND TRANSACTION INFORMATION

The Warren Group – Business Units

Publishing

- Banker & Tradesman
- The Commercial Record
- Custom Publications

Events

- BankWorld
- GNECUS
- New England Mortgage Expo
- B&T Community Bank Heroes, Women of FIRE

Data Solutions

- Market Reports
- Research Tools
- Analytics
- Portfolio Monitoring
- Match Append
- Marketing Solutions

TWVG Resources: Banker & Tradesman



TWVG Resources: The Commercial Record



TWGG Resources: RE Records Search

The screenshot displays the RE Records Search website interface. The main header features the logo and navigation tabs: Address, Comp/Custom, Name, Mortgage, Town Stats, and Foreclosure Stats. The page is divided into several sections:

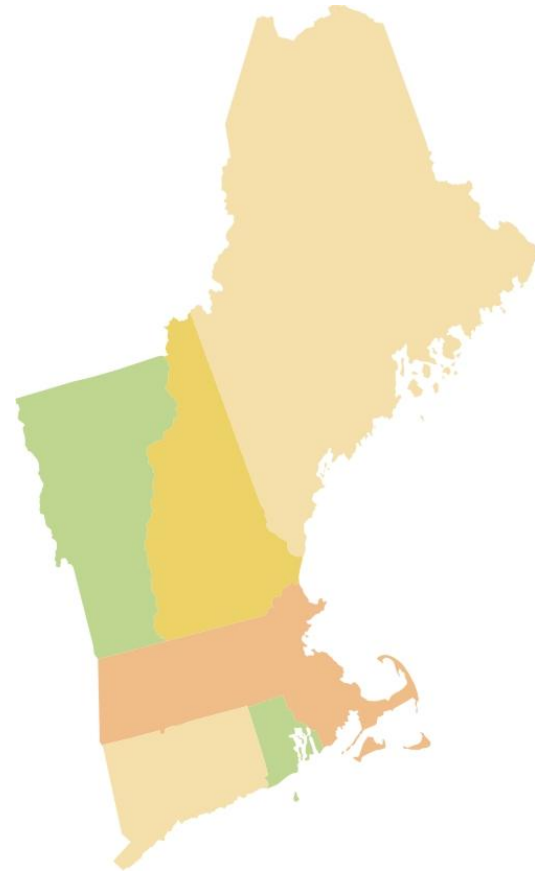
- Owner Information:**

Owner 1:	James Calvey
Owner 2:	31 Madison St
Situs Address:	351100
Census Tract:	
Telephone:	31 Madison St
Owner Address:	31 Madison St
- Property Information:**

Property Use:	101:1-Fam Res
Building Style:	Conventional
Year Built:	1900
Total Rooms:	10
Bedrooms:	6
Full Baths:	1
Half-Baths:	Full
Basement Type:	Gable
Roof Type:	Shngls&Aspf
Roof Material:	Stream
Heat Type:	Natl Gas
Foundation:	Wood Sider
- Navigation and Services:** A central column contains icons for AVMs, Statistics, Commercial, and a mortgage icon.
- Latest news:** A red text box announcing free webinars: "Did you miss one of our free webinars? Watch them on your own, anytime. Three new training webinars are posted on the REsource page!"
- Member Login:** A form with fields for "Login/Email Address" and "Password", a "LOGIN" button, and a "FORGOT YOUR PASSWORD" link.
- Not a Member?:** A section offering a "Try RE Records Search free for 7 days!" trial.
- RE Records Search:** A description of the service as "New England's largest online real estate database" for properties in MA, CT, RI, ME, and NH.
- Right-Side Promotions:** Advertisements for "MORTGAGE MARKETSHARE MODULE" and "EAO Insurance for Real Estate Professionals" with a "CLICK HERE" button.

Geographic Coverage

- ❑ Massachusetts
- ❑ Connecticut
- ❑ Rhode Island
- ❑ New Hampshire
- ❑ Maine
- ❑ Vermont
- ❑ New York
- ❑ ...and growing!



About Our Data

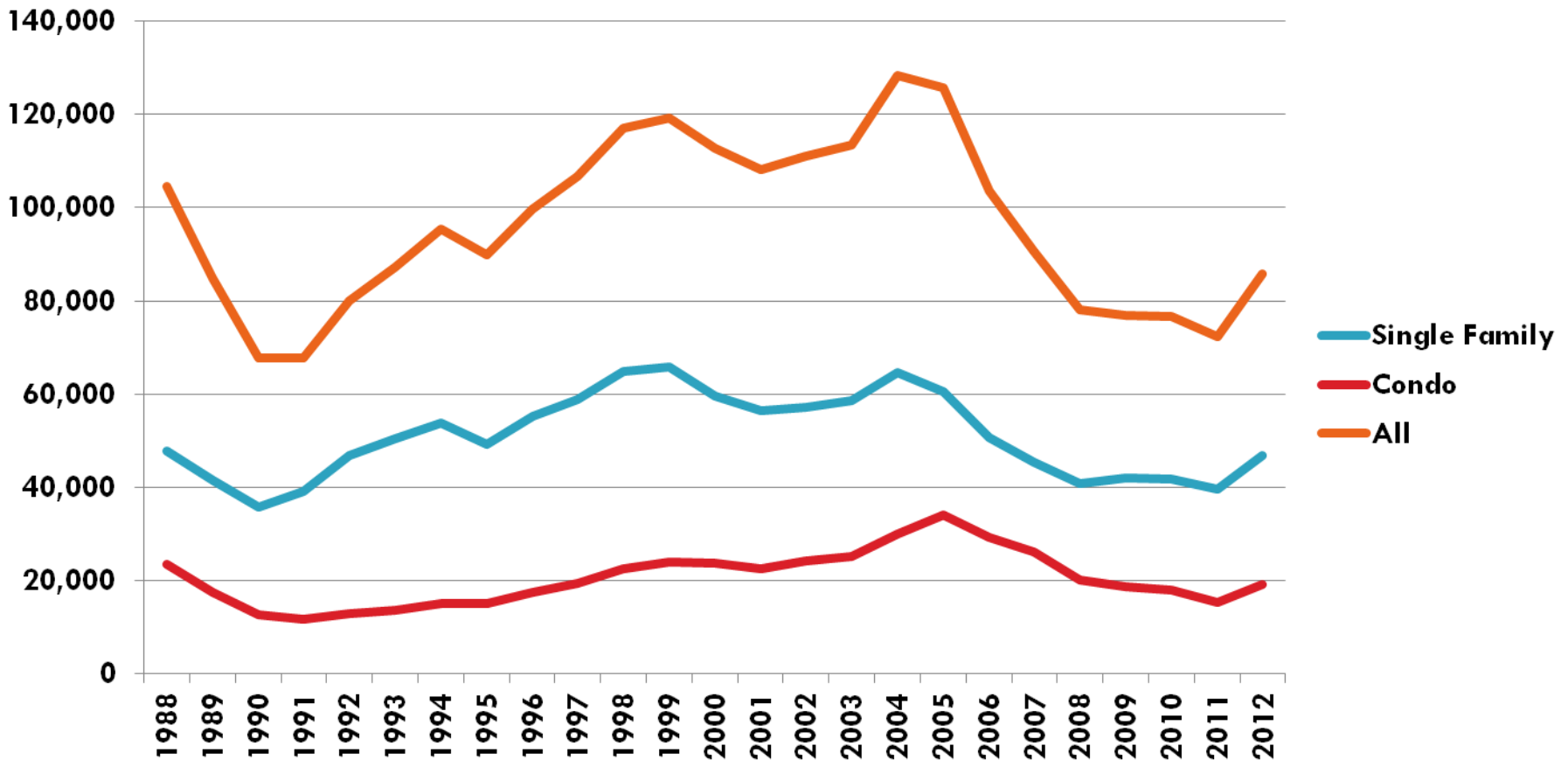
- Public records
- Town halls
- Registries of deeds
- Tax assessors

Sales Volume



Massachusetts Sales Stats

of units sold per year: 1987 – 2012



Massachusetts Sales Stats

2010 – Q1 2013

Single-Family Sales:

<u>2010</u> 41,389	<u>2011</u> 39,048	-5.7%
<u>2011</u> 39,048	<u>2012</u> 46,887	+18.4%
<u>Q1 2012</u> 8,017	<u>Q1 2013</u> 7,849	-2.1%

Condo Sales:

<u>2010</u> 18,048	<u>2011</u> 15,118	-16.2%
<u>2011</u> 15,118	<u>2012</u> 19,061	+25.5%
<u>Q1 2012</u> 3,057	<u>Q1 2013</u> 3,083	+0.85%



Massachusetts Sales Stats

Multifamily 2010 – Q1 2013

2-Family Sales:

<u>2010</u> 4,776	<u>2011</u> 4,213	-12%
<u>2011</u> 4,213	<u>2012</u> 4,752	+12.8%
<u>Q1 2012</u> 996	<u>Q1 2013</u> 930	-6.6%

3-Family Sales:

<u>2010</u> 2,202	<u>2011</u> 1,825	-17%
<u>2011</u> 1,825	<u>2012</u> 1,901	+4.2%
<u>Q1 2012</u> 381	<u>Q1 2013</u> 424	+11.3%



Massachusetts Home Sales

2012 compared to peak year(s)

Single-Family Sales:

<u>2004</u>	<u>2012</u>	
64,568	46,887	-27%

Condo:

<u>2005</u>	<u>2012</u>	
34,056	19,061	-44%

2-Family:

<u>2005</u>	<u>2012</u>	
8,477	4,752	-44%

3-Family:

<u>2005</u>	<u>2012</u>	
4,027	1,901	-52.79%

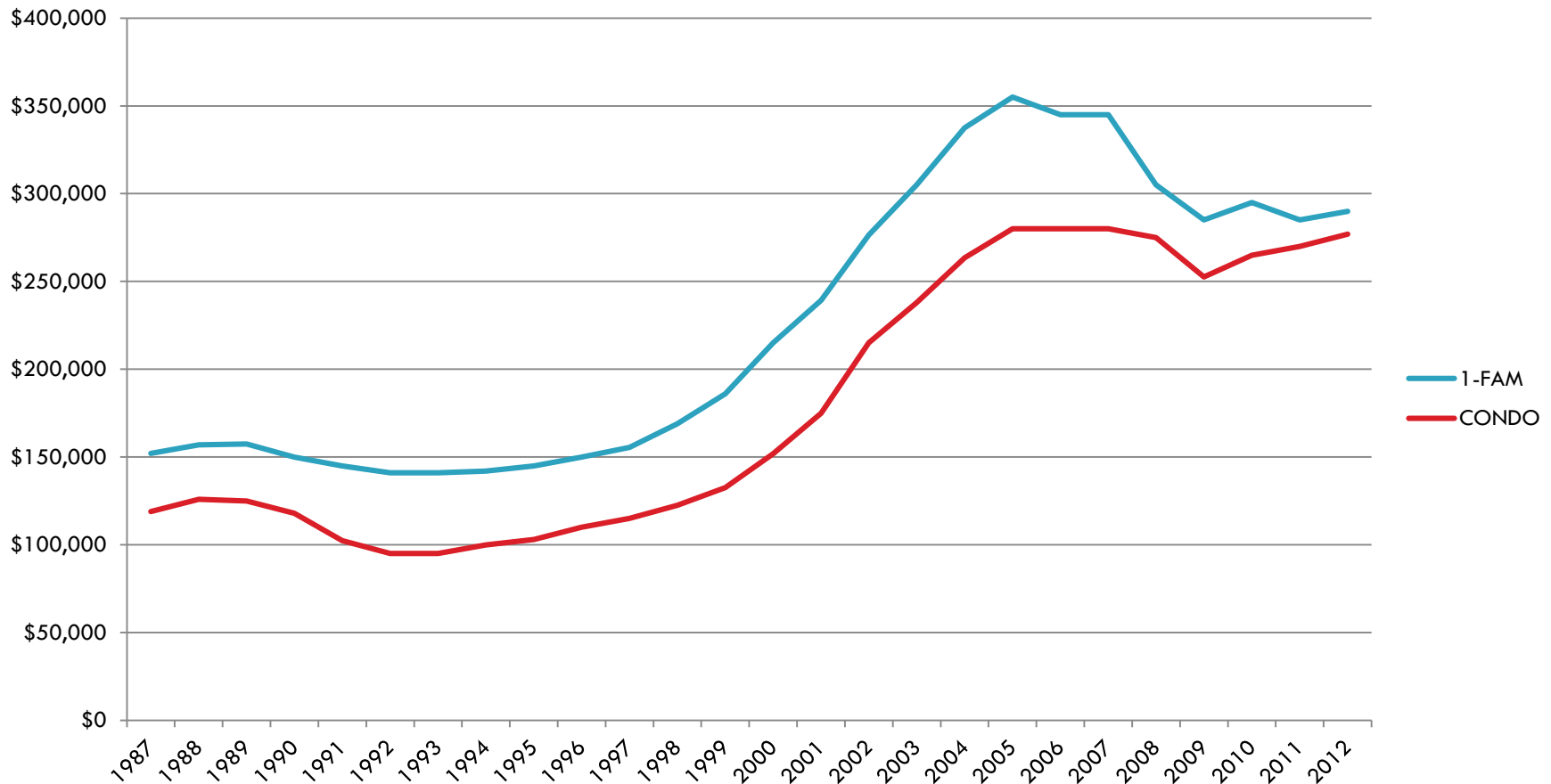


Median Price



Massachusetts Median Price Stats

Prices by year: 1987-2012



Massachusetts Median Price Stats

1-Family & Condo: 2010 - Q1 2013

Single-Family Median Price:

<u>2010</u>	<u>2011</u>	
\$295,000	\$286,000	-3%
<u>2011</u>	<u>2012</u>	
\$286,000	\$290,000	+1.75%
<u>Q1 2012</u>	<u>Q1 2013</u>	
\$255,500	\$282,500	+10.6%

Condo Median Price:

<u>2010</u>	<u>2011</u>	
\$265,000	\$270,000	+1.8%
<u>2011</u>	<u>2012</u>	
\$270,000	\$277,000	+2.6%
<u>Q1 2012</u>	<u>Q1 2013</u>	
\$246,000	\$250,000	+1.6%



Massachusetts Median Price Stats

Multifamily: 2010 - Q1 2013

2-Family Median Price:

<u>2010</u> \$224,600	<u>2011</u> \$231,393	+3%
<u>2011</u> \$231,393	<u>2012</u> \$255,000	+10.2%
<u>Q1 2012</u> \$224,250	<u>Q1 2013</u> \$262,500	+17%

3-Family Median Price:

<u>2010</u> \$204,250	<u>2011</u> \$220,000	+8%
<u>2011</u> \$220,000	<u>2012</u> \$252,900	+15%
<u>Q1 2012</u> \$217,500	<u>Q1 2013</u> \$269,500	+23.9%



Massachusetts Median Price

2012 compared to peak year(s)

Single-Family Sales:

<u>2005</u>	<u>2012</u>	
\$355,000	\$290,000	-18%

Condo:

<u>2005, 2006, & 2007</u>	<u>2012</u>	
\$280,000	\$277,000	-1%

2 Family:

<u>2005</u>	<u>2012</u>	
\$360,000	\$255,000	-29%

3 Family:

<u>2005</u>	<u>2012</u>	
\$390,000	\$252,900	-35%



Mass. Statewide Losers

Median Sale Prices

	Q1 2012	Q1 2013	% Change
<input type="checkbox"/> Weston	\$1,415,415	\$1,079,500	-24%
<input type="checkbox"/> Hingham	\$787,000	\$615,000	-22%
<input type="checkbox"/> Easton	\$420,000	\$329,850	-21.5%
<input type="checkbox"/> Fairhaven	\$242,500	\$195,000	-20%
<input type="checkbox"/> Chatham	\$540,000	\$435,000	-19%
<input type="checkbox"/> Osterville	\$465,000	\$385,000	-17%
<input type="checkbox"/> Grafton	\$313,500	\$265,000	-15%
<input type="checkbox"/> Brookline	\$1,200,000	\$1,020,000	-15%
<input type="checkbox"/> Beverly	\$345,000	\$295,000	-14%
<input type="checkbox"/> Gloucester	\$325,000	\$282,000	-13%

Note: Towns with 15+
single-family home sales

Mass. Statewide Winners

Median Sale Prices

	Q1 2012	Q1 2013	% Change
<input type="checkbox"/> Dorchester	\$192,000	\$330,750	72%
<input type="checkbox"/> Gardner	\$92,000	\$158,000	72%
<input type="checkbox"/> Orleans	\$450,000	\$735,000	63%
<input type="checkbox"/> Jamaica Plain	\$425,000	\$675,000	59%
<input type="checkbox"/> Somerville	\$331,200	\$510,000	54%
<input type="checkbox"/> Wrentham	\$262,000	\$374,900	43%
<input type="checkbox"/> Medway	\$280,362	\$394,000	41%
<input type="checkbox"/> Bellingham	\$214,250	\$299,900	40%
<input type="checkbox"/> Sudbury	\$491,250	\$687,000	40%
<input type="checkbox"/> Pembroke	\$237,500	\$331,500	40%

Note: Towns with 15+
single-family home sales

Hot Communities

Study of 7 hot communities (ones that had performed well in historical median price gains) and looked at properties listed in Feb 2011 and Feb 2012.

- 32% of 2011 listings sold within 30 days
- 61% of 2012 listing sold within 30 days
- 7% of 2011 listings sold for over asking price
- 22% of 2012 listings sold for over the asking price

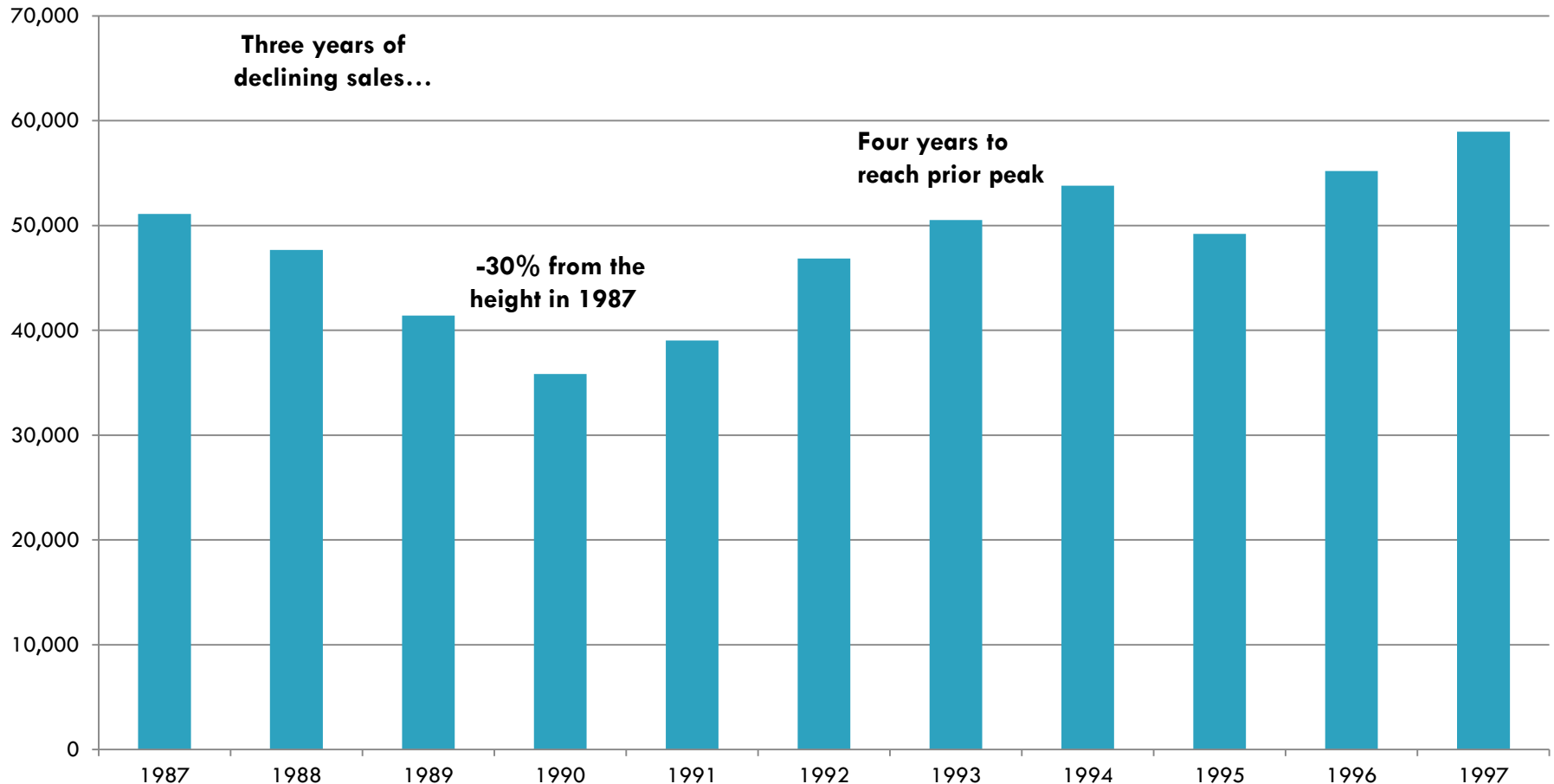
Conclusion: Early signs of a market that is heating up and may spread to other communities

Towns in study: Arlington, Brookline, Hingham, Manchester, Middleton, Somerville, Walpole

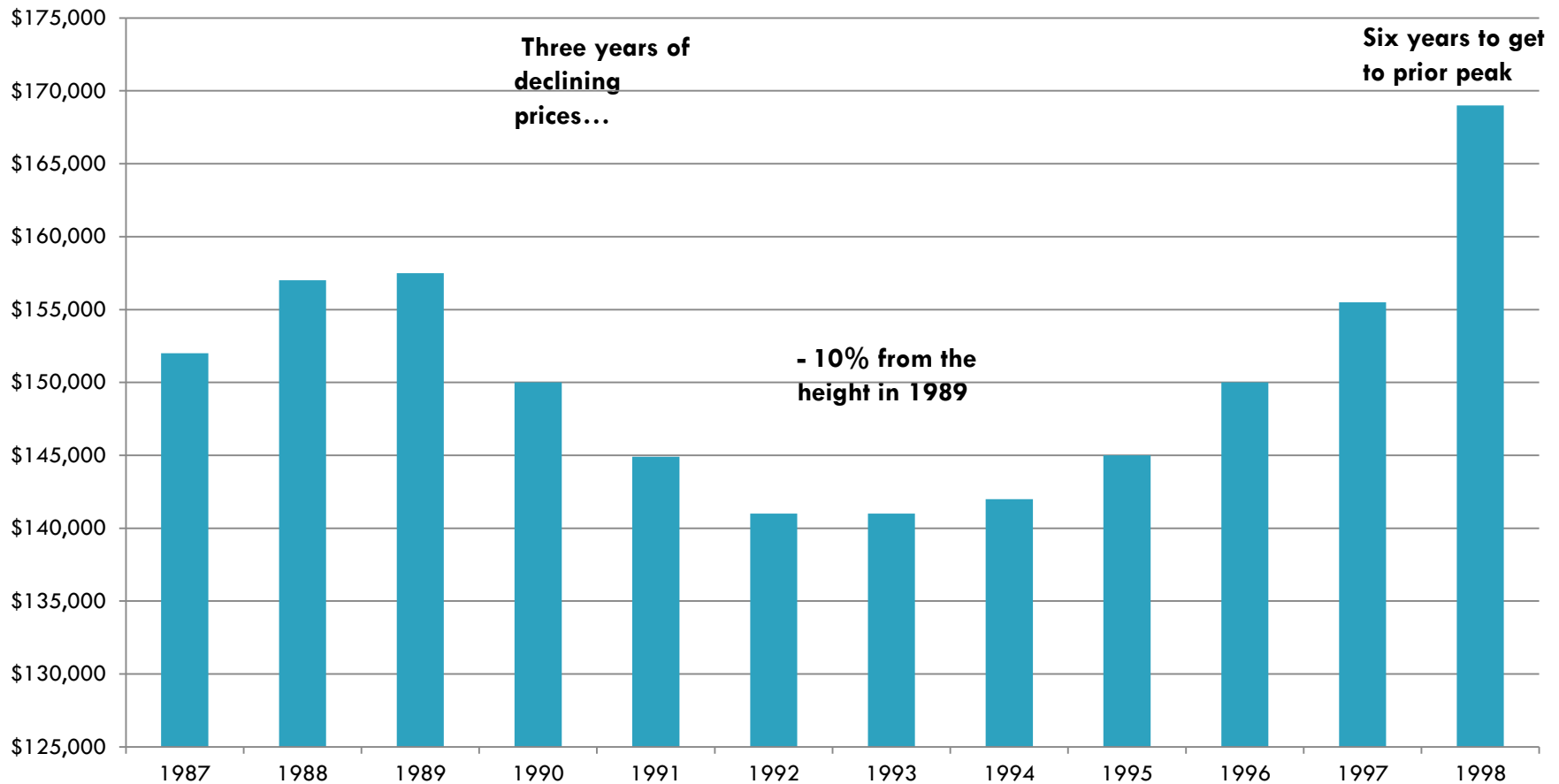
Source: MLS-PIN

Comparing The Crashes

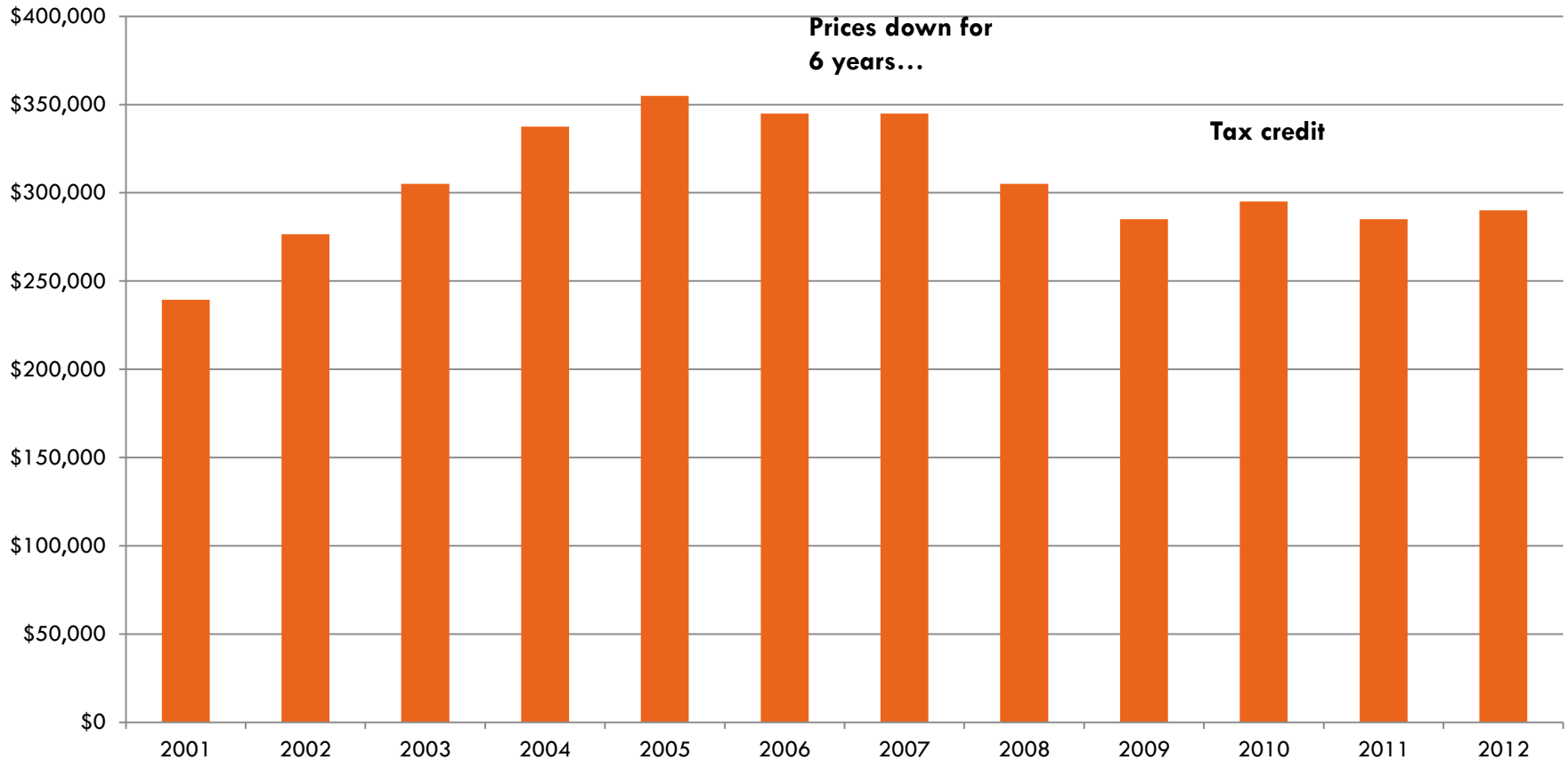
Mass. Single-Family Home Sales 1987-97



Mass. Single-Family Median Price 1987-98



Mass. Single-Family Median Price 2001-2012



Facts of Housing Crashes

- ❑ Crash of 1990s had declining sales volume for 3 years. Total decline: 30%
- ❑ Crash of 2000s had declining sales volume for 7 years. Total decline: 40%
- ❑ Crash of 1990s had declining median price for 3 years. Total decline: 10%
- ❑ Crash of 2000s had declining median price for 6 years. Total decline: 19%

Facts of Housing Crashes (continued)

- ❑ In crash of 1990s, sales volume increased for two straight years before median prices stopped falling.
- ❑ In crash of 2000s, 2012 was the first year with increase in sales volume, and flat median prices.
- ❑ At beginning of crash, the opposite is true. Sales volume falls, but median price continues to rise for a year or two.
- ❑ In crash of 1990s, it took 6 years after prices stopped falling for median price to reach previous peak. Very slow price recovery.

Factors in Recovery

- ❑ Improved jobs picture and growing personal income
- ❑ Growth in consumer confidence
- ❑ Improved stock market
- ❑ More affordable homes
- ❑ Pent-up demand
- ❑ Rising rents
- ❑ Quick home turnover

Other Data

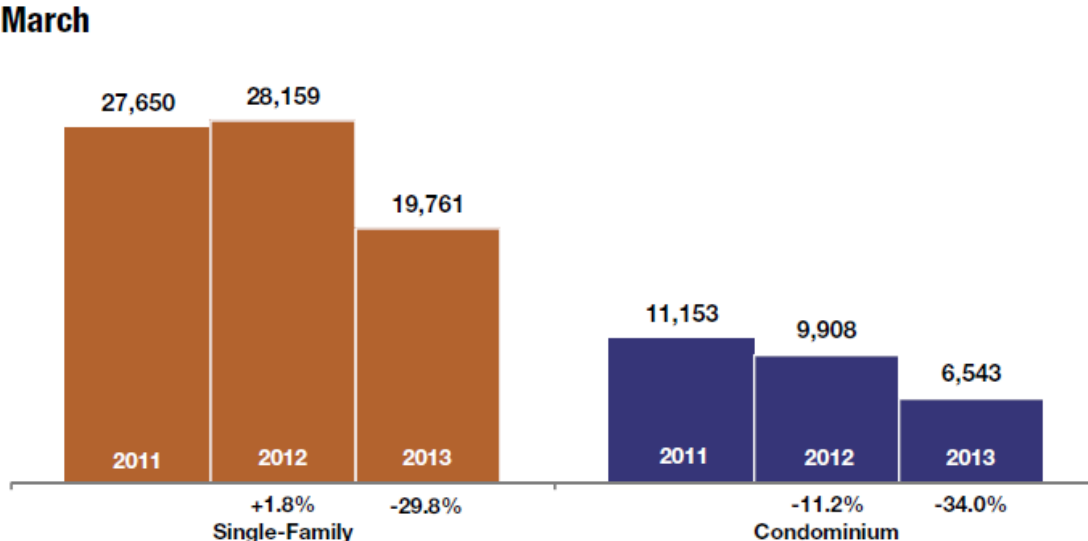
Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.



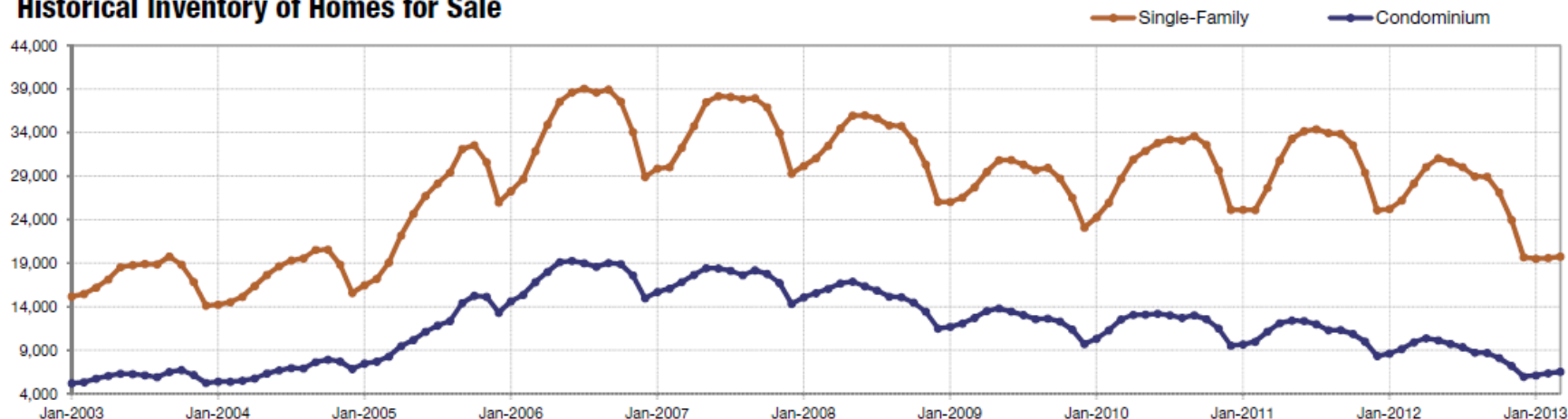
MASSACHUSETTS ASSOCIATION OF REALTORS®

March



	Single-Family	YoY Change	Condominium	YoY Change
Apr-2012	30,037	-2.5%	10,381	-14.3%
May-2012	31,063	-6.7%	10,151	-18.3%
Jun-2012	30,620	-10.4%	9,734	-21.3%
Jul-2012	30,032	-12.7%	9,369	-21.9%
Aug-2012	28,960	-14.7%	8,743	-22.7%
Sep-2012	28,939	-14.5%	8,704	-23.3%
Oct-2012	27,117	-16.7%	8,110	-25.5%
Nov-2012	23,960	-18.5%	7,213	-27.9%
Dec-2012	19,690	-21.6%	5,967	-28.6%
Jan-2013	19,518	-22.6%	6,123	-29.0%
Feb-2013	19,601	-25.2%	6,359	-30.5%
Mar-2013	19,761	-29.8%	6,543	-34.0%
Average	25,775	-15.7%	8,116	-24.2%

Historical Inventory of Homes for Sale



Mass. Homes - Days On Market

Single-Family

March 2012

131

March 2013

124

Condo

March 2012

123

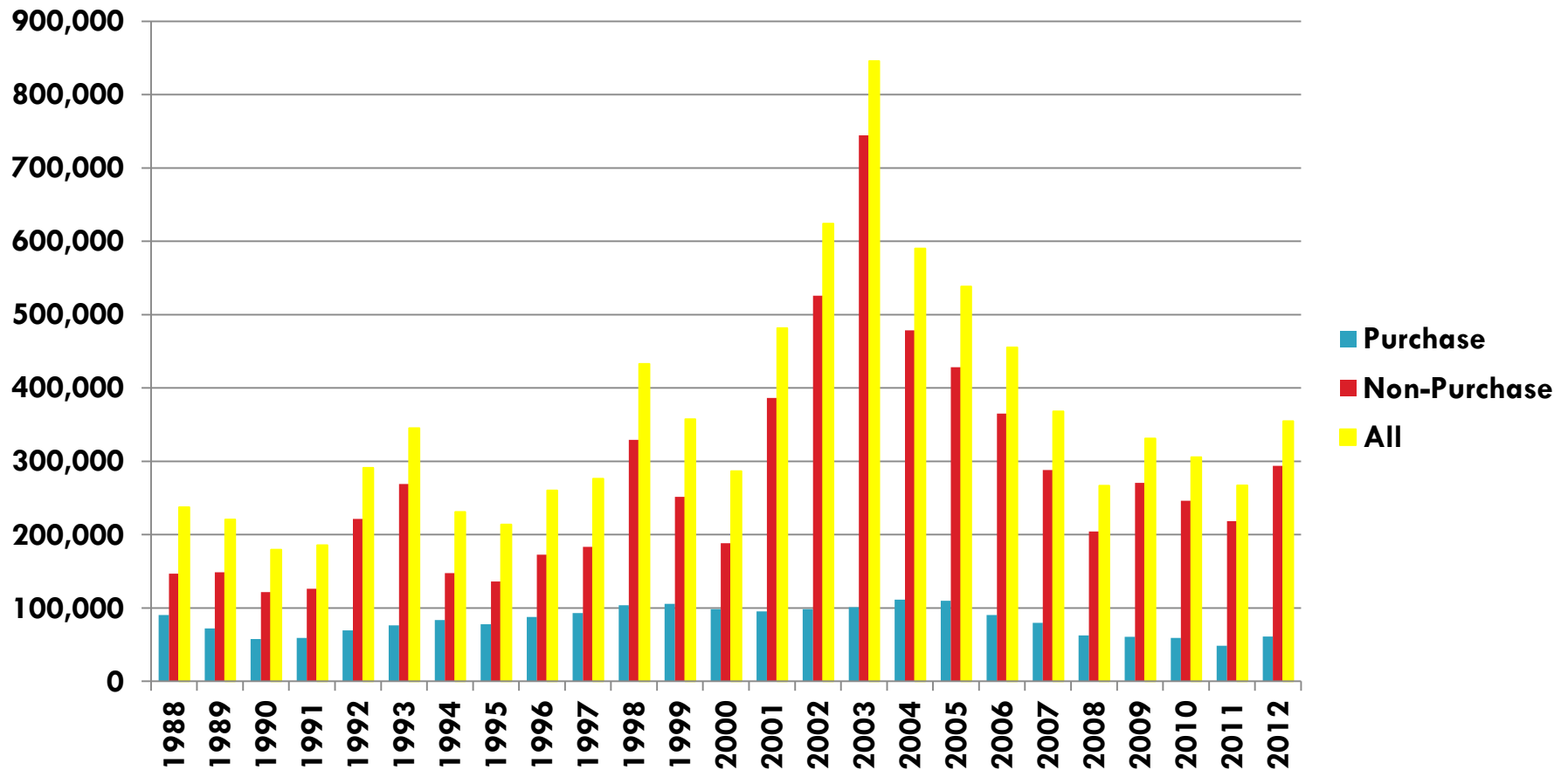
March 2013

99

*average number of days the home was on the market prior to going under agreement

*Source: Mass. Association of Realtors

Massachusetts Mortgage Originations 1988-2012



Massachusetts Mortgage Activity

1-Family: 2010 - Q1 2013

Single-Family Purchase Mortgages:

<u>2010</u>	<u>2011</u>	-12%
35,733	31,438	
<u>2011</u>	<u>2012</u>	+21.8%
31,438	38,299	
<u>Q1 2012</u>	<u>Q1 2013</u>	+9.8%
6,248	6,860	

Single-Family Refinance Mortgages:

<u>2010</u>	<u>2011</u>	-17.9%
188,888	155,041	
<u>2011</u>	<u>2012</u>	+39.8%
155,041	216,773	
<u>Q1 2012</u>	<u>Q1 2013</u>	+6.2%
50,285	53,384	



Massachusetts Mortgage Activity

Condos: 2010 - Q1 2013

Condo Purchase Mortgages:

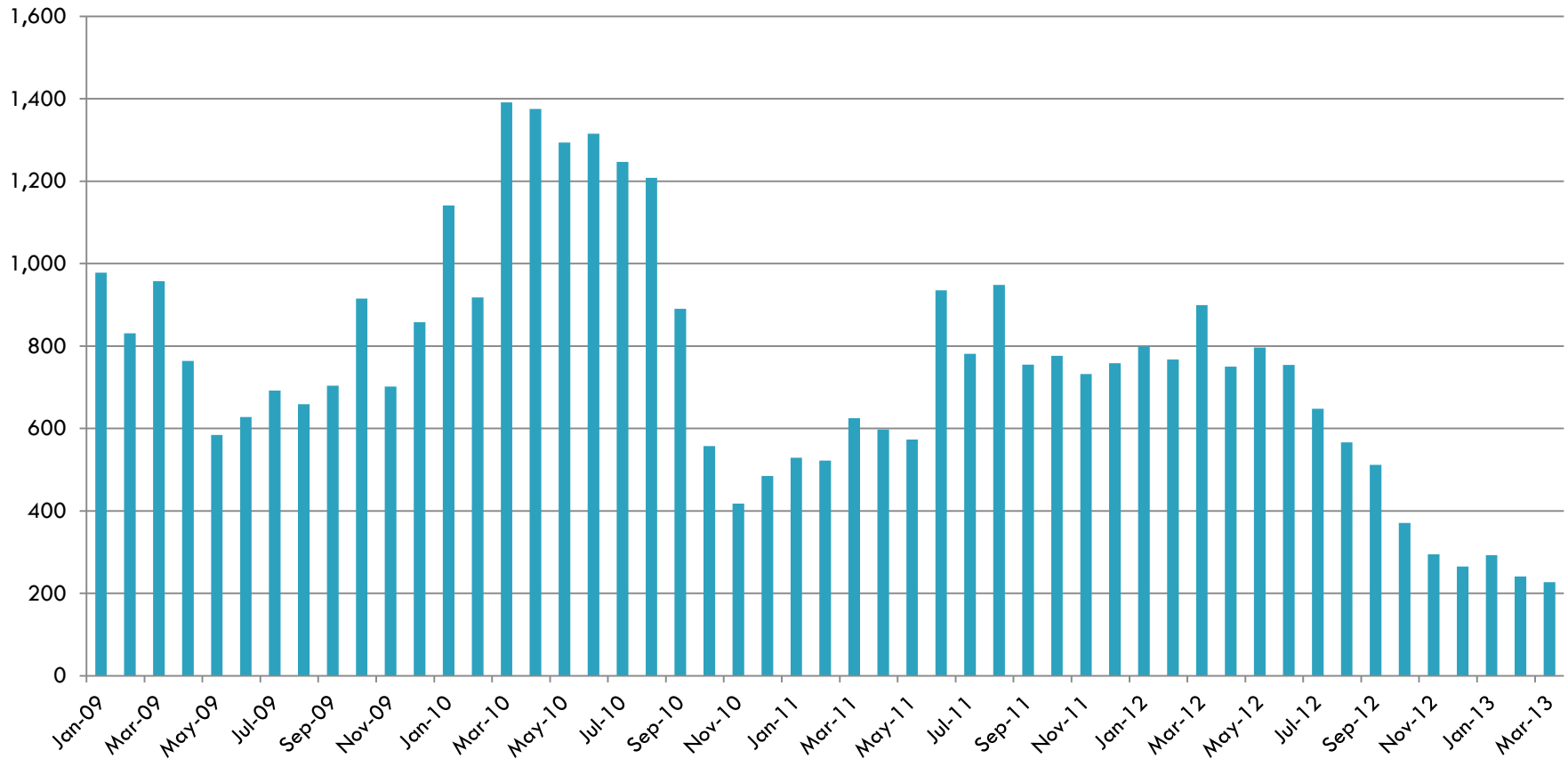
<u>2010</u>	<u>2011</u>	-35%
12,810	8,332	
<u>2011</u>	<u>2012</u>	+38.7%
8,332	11,560	
<u>Q1 2012</u>	<u>Q1 2013</u>	-3%
1,877	1,821	

Condo Refinance Mortgages:

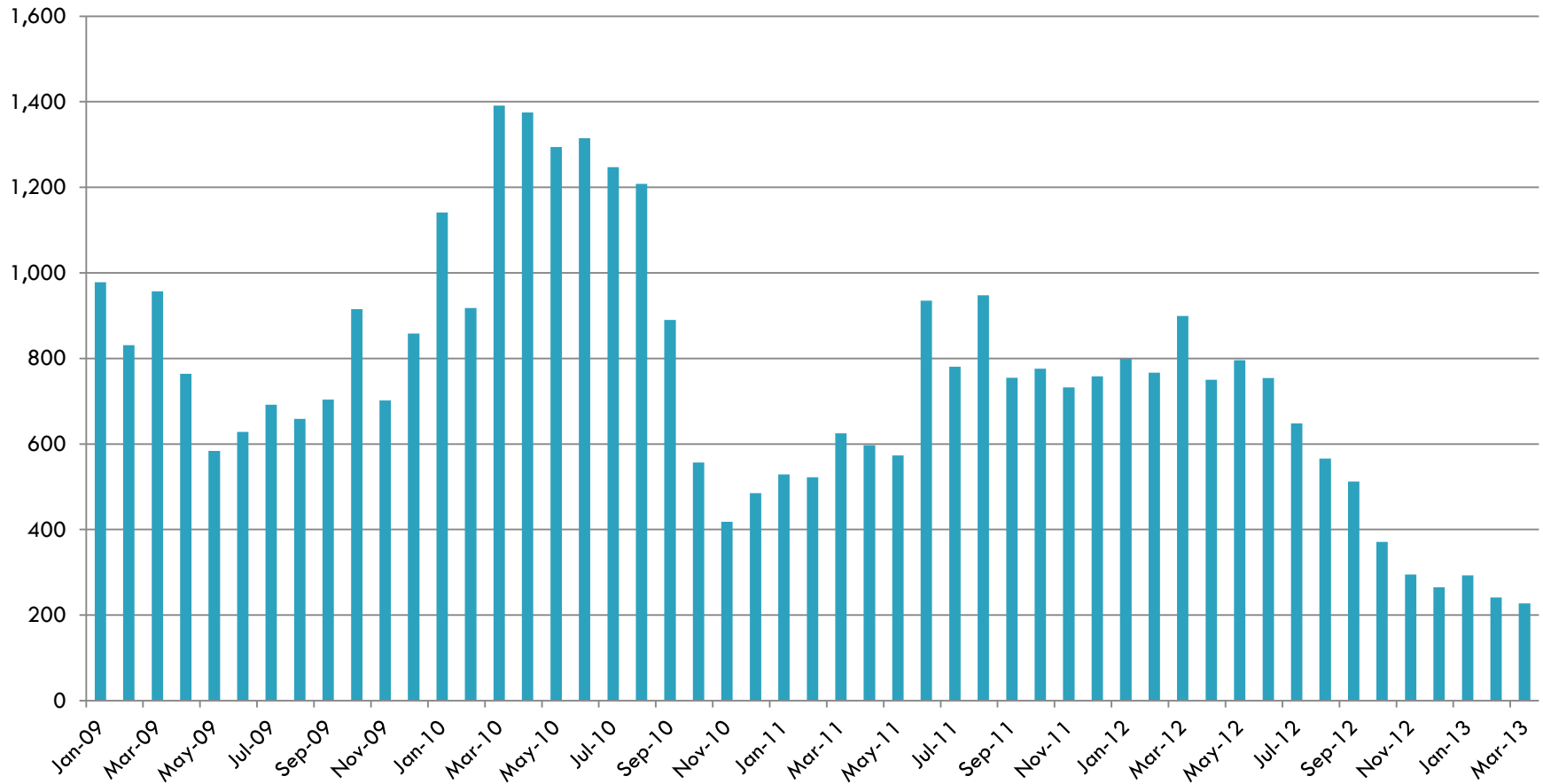
<u>2010</u>	<u>2011</u>	-11%
26,963	23,982	
<u>2011</u>	<u>2012</u>	+46.8%
23,982	35,201	
<u>Q1 2012</u>	<u>Q1 2013</u>	+22%
7,996	9,765	



Mass. Monthly Petitions to Foreclose 2009-2013



Mass. Monthly Foreclosure Deeds 2009-2013



Outlook

TWG Market Outlook - MA

- Single-family homes sales will slow due to lack of inventory
- Sales for 2012 were 18% higher than 2011 – making it the best year for sales volume since 2007. Sales in Q1 2013 declined 2 percent from Q1 2012.
- Single-family median prices were up slightly in 2012; prices in Q1 2013 rose 10.5% and will likely continue this trend without additional home inventory.

TWG Market Outlook - MA

- A growing number of communities in desirable areas with good employment prospects will outperform statewide averages
- Mortgage interest rates will remain low, making home purchases attractive
- Foreclosures should moderate in coming months as all other conditions improve

Thank you! Questions?

Tim Warren

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