

Massachusetts foreclosures drop 45 percent

Another wave, however, could be forthcoming as petitions show increase for first six months of 2009

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BOSTON — Foreclosure deed filings dropped by 45 percent in Massachusetts during June, according to a report Wednesday by The Warren Group.

During the first half of 2009, the number of foreclosures statewide are 29 percent lower than last year.

But another wave of activity could be around the corner. Petitions to foreclose, the first step in the foreclosure process, have risen 5.6 percent during the first six months of 2009 compared with the same period last year. Lenders filed 13,813 petitions between January and June.

Despite incentives for lenders to modify mortgages, homeowners continue to struggle with their payments, Warren Group CEO Timothy Warren Jr. said. The trend is unlikely to change without improvement in the employment picture, he said.

There were 38 foreclosure deeds filed in Norfolk County in June, a 48 percent drop from the previous year.

In Plymouth County, foreclosure deeds dropped 48 percent to 56.

Statewide, there were 2,835 foreclosure petitions filed in June, up from 350 in June 2008. The steep increase is partly the result of an anomaly, however. Foreclosure petition activity was unusually slow in June 2008 because the state had just enacted a "right to cure" law requiring lenders to wait 90 days before initiating the foreclosure process.

Despite the decrease in activity statewide, more high-end properties on the Cape and Islands are feeling the pinch. Nantucket had 23 foreclosure deeds filed in June, up from only one in June 2008, while Dukes County had 21, up from eight last year.

The rise in distressed high-end properties is generating more demand for private auctions to accelerate a sale.

A five-bedroom waterfront home in Oak Bluffs sold for \$3.9 million at an auction last week.

The house, which was in foreclosure, had been listed for as much as \$6 million, said Daniel Flynn, a principal with Flynn/Boston Realty Advisors. The auction attracted 10 bidders.

"It goes to show you the severity of the market that Martha's Vineyard and Nantucket aren't immune to this downturn," said Flynn, who has two other auctions of Nantucket homes scheduled.

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