

BALTIMORE HOMEOWNERSHIP PRESERVATION COALITION



The BHPC Data Monitor*

Issue #1, 2010

Information at a Glance...

- Baltimore foreclosure filings increased **59%** in 2009
⇒ **3,909** foreclosure filings in 2008; **6,213** foreclosure filings in 2009
- Approximately **30%** of foreclosure filings between 2008 and 2009 resulted in an auction sale
⇒ Median amount of time between filing and sale date was **87** days
- Foreclosure filings are most heavily concentrated around Patterson Park and in West Baltimore
- Median home prices decreased **9%** in 2009
⇒ Decrease was greater than **20%** in 6 zip codes
- All-Cash transactions increased by **46%** in 2009
⇒ Increase was greater than **100%** in 6 zip codes
- Nearly **42%** of Baltimore's foreclosure filings impact renters
⇒ **7%** of rental units with foreclosure filings went from occupied to vacant between January 2009 and January 2010

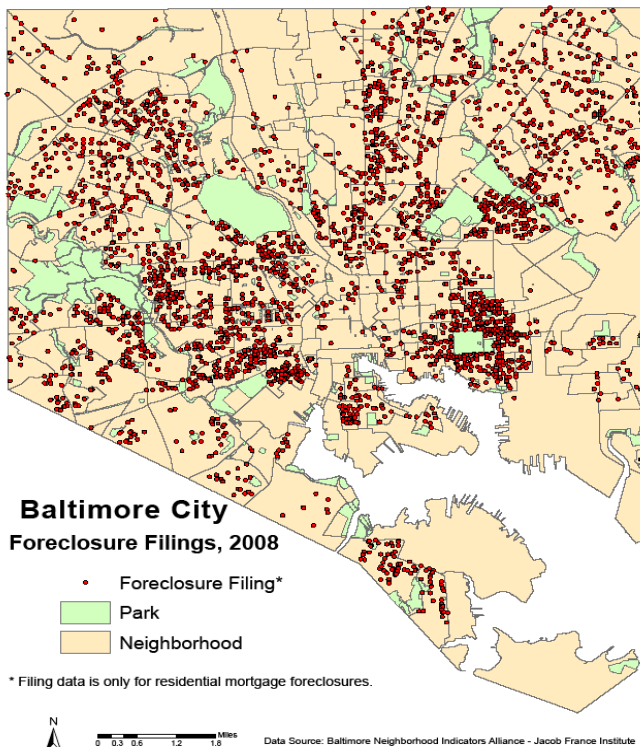
About Our Coalition

The Baltimore Homeownership Preservation Coalition (BHPC) formed in 2005 in response to the increasing number of foreclosures in the Baltimore area. Our diverse membership includes nonprofit housing agencies, community groups, foundations, banks and state and local officials. To learn more about BHPC, visit www.preservehomeownership.org.

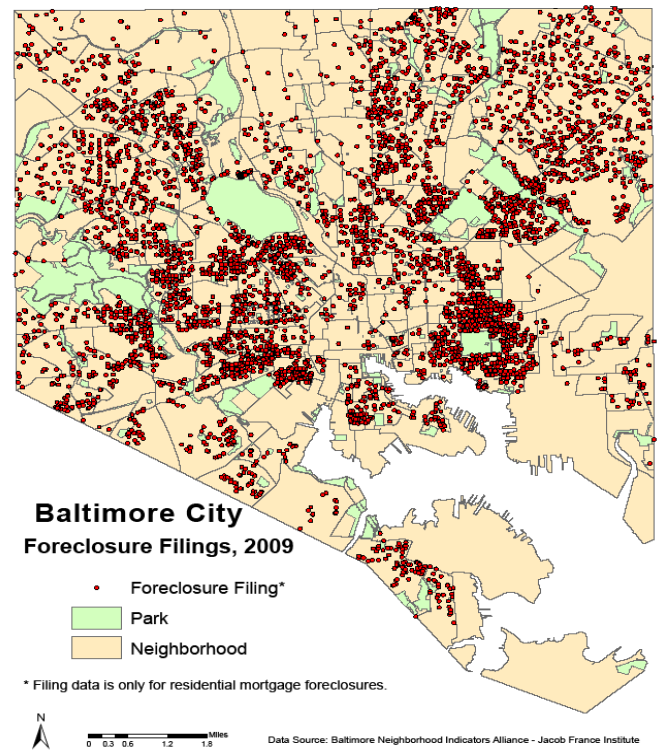
About Our Data

Data on foreclosure filings and ratified sales was collected by Baltimore Housing and the Baltimore Neighborhood Indicators Alliance-Jacob France Institute, and shared with BHPC. The housing market and transaction data was collected from Metropolitan Regional Information Systems, Inc.

Map A. *Baltimore Foreclosure Filings, 2008*



Map B. *Baltimore Foreclosure Filings, 2009*



Foreclosure Indicators in Baltimore City

Foreclosure Filings are Most Heavily Concentrated Around Patterson Park and in West Baltimore

See *Map A* and *Map B* on the previous page for the distribution of foreclosure filings in 2008 and 2009. In both years, the distribution shows a similar pattern, although in 2009 the areas of activity are much more dense. The heaviest concentrations of filings occur around Patterson Park and in the West Baltimore neighborhoods of Rosemont, Edmondson Village, Union Square, Washington Village and Carrollton Ridge. There also appear to be hot spots in and around Belair-Edison, Coldstream-Homestead-Montebello, Reservoir Hill, and SBIC (South Baltimore Improvement Committee). Together, these neighborhoods form a tight ring of foreclosure activity around Downtown and Midtown Baltimore.

Outer-ring neighborhoods in northern Baltimore are showing signs of heavily concentrated foreclosure activity in 2009 as well. The outer-ring neighborhoods with the heaviest concentrations are: Central Park Heights and the area directly to the West, the Mid-Govans area down to Waverly, and from Greater Lauraville to Cedonia/Frankford. The South Baltimore neighborhoods of Brooklyn and Curtis Bay also show heavier concentrations of filings in 2009.

In addition, some neighborhoods stand out because of the significant rise in the number of foreclosure filings from 2008 to 2009. Hanlon-Longwood and Penrose/Fayette Street Outreach have the highest percent change, going from 4 and 3 foreclosure filings in 2008, to 60 and 50 in 2009, respectively. Other neighborhoods where the number of foreclosure filings more than doubled from 2008 to 2009 include Madison-East End, Hampden and Allendale.

Foreclosure Filings and Ratified Sales

A foreclosure filing is the first publicly available record that a foreclosure proceeding is underway on a piece of property. It occurs when the lender files a formal complaint with the court—no earlier than 45 days after the Notice of Intent to foreclose is mailed to the borrower. When the property is sold at auction, the court must ratify the sale to certify that the foreclosure proceedings are legal and complete. This ratified sale data is the last publicly available record of foreclosure on a piece of property.

There are, however, other possible outcomes from a foreclosure filing besides an auction sale. The borrower may bring the mortgage current, refinance or modify their loan, deed the property to the lender, or sell the property through a short sale. The availability of these options depends on the lender. Sometimes the lender or loan servicer decides it is not in their best interest to pursue a foreclosure, and the action is dropped.

Filing data is an early indicator, or warning sign, of future foreclosures. The period between default and auction is critical for the borrower—this is when they can pursue one of the alternatives to foreclosure.

Nearly 42% of the City's Foreclosure Filings Impact Renters

In Baltimore City, according to data provided by Baltimore Housing, approximately 42% of residential foreclosure filings are associated with rental properties. *Map C* to the right shows the distribution of foreclosure filings for investor-owned residential properties. Investor-ownership was estimated by examining the address to which property tax bills are sent. If the tax bill is sent to an address other than the foreclosed property, then the owner was assumed to be an investor. This is the best indicator available to us for determining which properties are rentals, and it is likely that due to some degree of tax fraud the number is actually *underestimating* the amount of residential investment properties in the City. The data points represented on the map to the right do not include properties that were considered vacant by the City in 2009. However, by January 2010, 7% (or 160) of the rental units included in this map went from occupied to vacant.

The distribution pattern of investor-owned properties reveals the heaviest concentrations around some of the previously-mentioned hot spots, such as the area around Patterson Park, West Baltimore, Central Park Heights, and Coldstream-Homestead-Montebello. Displacement of families in some of the already-distressed neighborhoods will exacerbate any preexisting problems within these communities.

Map C. Filings on Investor-Owned, 2009

