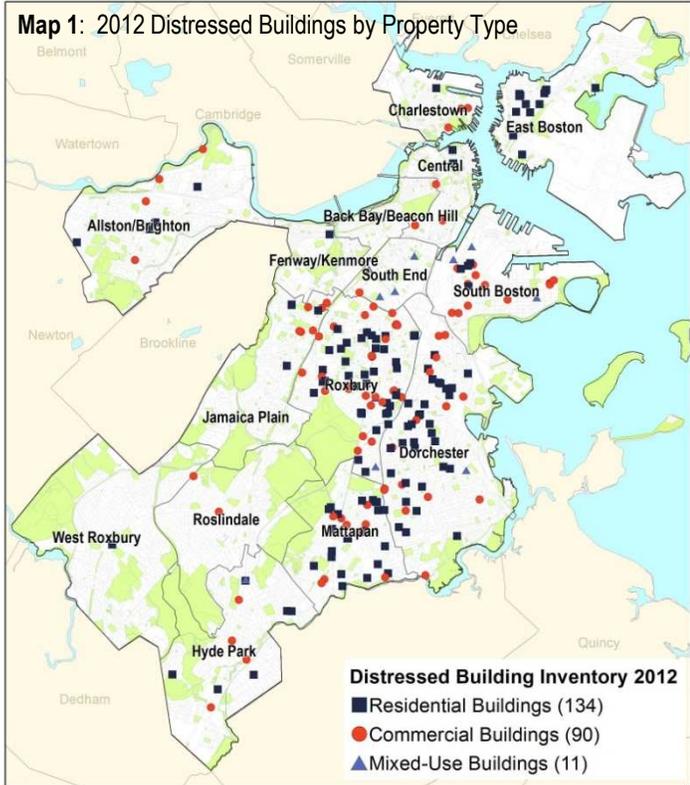




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SURVEY HIGHLIGHTS

The Department of Neighborhood Development began surveying distressed buildings in 1997. A distressed building is any residential, commercial, industrial, or mixed-use building (excluding sheds and garages on residential property) that is not occupied and has signs of physical distress (i.e., boarded, burned, open to the elements, or otherwise deteriorated).

Map 1 shows the 235 buildings identified as distressed in 2012 :

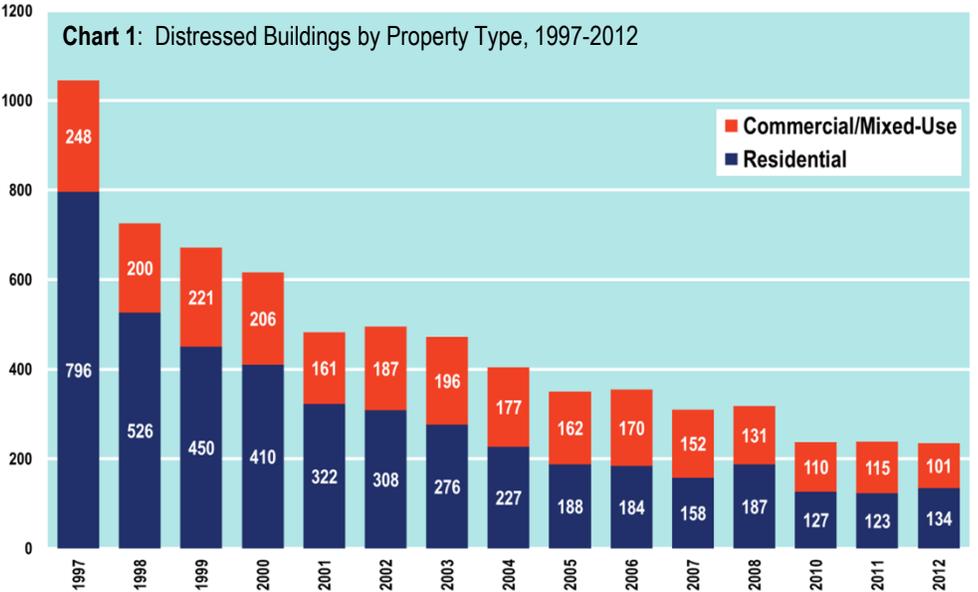
- 57% (134) are residential buildings.
- 38% (90) are commercial, and 5% (11) are mixed-use.

Since 1997, the inventory of distressed buildings decreased 77% from 1,044 to 235 (Chart 1). Residential buildings declined 88%, and commercial and mixed-use buildings declined 59%.

The inventory of distressed buildings also declined since 2011, from 238 to 235, and is at an all-time low since DND began surveying. While 57 buildings were newly identified as distressed in 2012, 60 buildings were renovated or demolished in the last year, including 20 that had been distressed for five or more years.

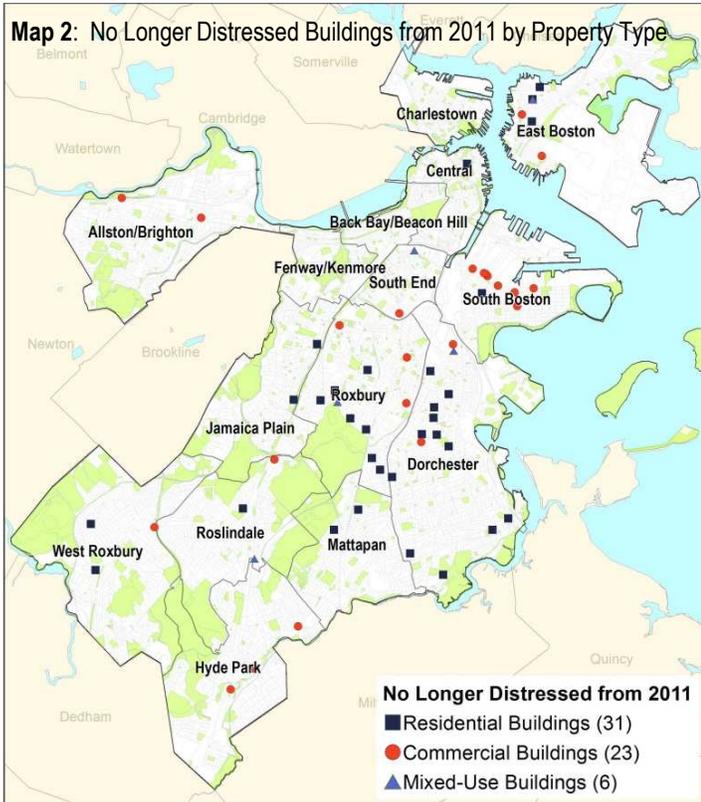
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CHANGE IN INVENTORY

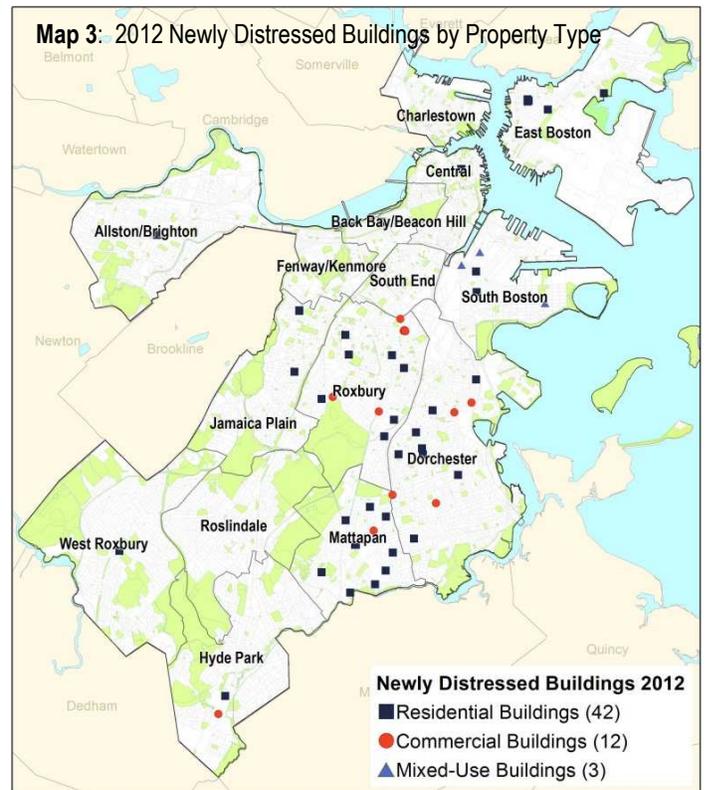
Since 2011, the total number of distressed buildings has decreased by 3 properties (-1%), from 238 to 235.

Map 2 shows the 60 buildings from the 2011 survey that were found to be no longer distressed at the time of the 2012 survey:

- 52% (31) are residential buildings.
- 38% (23) are commercial, and 10% (6) are mixed-use.

Map 3 shows the 57 buildings added to the distressed building inventory in 2012:

- 74% (42) are residential buildings.
- 21% (12) are commercial, and 5% (3) are mixed-use.



SURVEY METHODOLOGY

Findings from DND’s fifteenth annual survey are from data collected between September 2012 and December 2012. DND conducts a street-by-street survey in certain areas of the city with historically higher incidences of distress. For the rest of the city, the survey is limited to properties identified through previous surveys, resident complaints, fire reports, and the Inspectional Services Department’s Project Pride, which secures dangerous buildings. For each building, a photo is taken and data are collected from a visual inspection of the property’s exterior. In 2008, DND also began surveying foreclosed Real Estate Owned (REO) properties and adding those that meet the definition of distressed.



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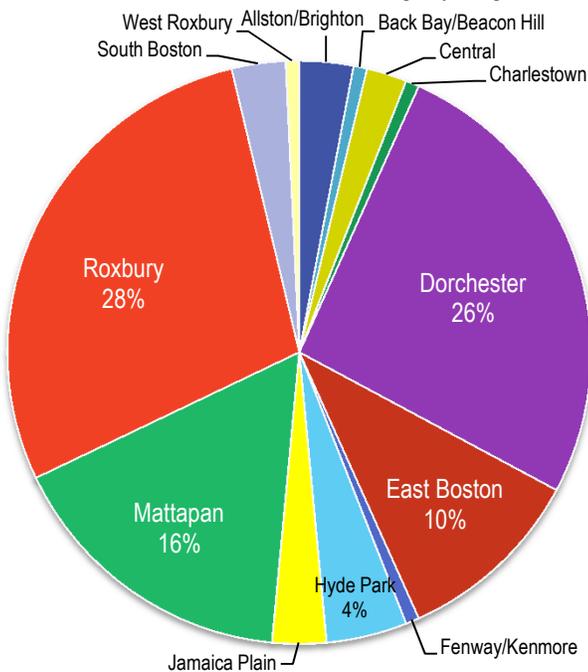
RESIDENTIAL BUILDINGS BY NEIGHBORHOOD

In 2012, there were 134 distressed residential buildings in Boston, down 83% from 1997 when there were 796 distressed residential buildings. Since 2011, there was a 9% increase in distressed residential buildings (Table 1).

The majority (81%) of distressed residential buildings are concentrated in four neighborhoods: Dorchester (35), Roxbury (38), Mattapan (22), and East Boston (14). This concentration has increased slightly since 1997, when 79% of distressed residential buildings were in these four neighborhoods, but it has decreased since 2011, when 83% were in these four neighborhoods.

Roxbury, Dorchester, Mattapan, and East Boston have seen the greatest reduction in volume of distressed residential buildings since 1997, along with Hyde Park. Roxbury has 269 fewer

Chart 2: 2012 Distressed Residential Buildings by Neighborhood



distressed residential buildings than it did in 1997, Dorchester has 131 fewer, Mattapan has 79 fewer, and East Boston and Hyde Park both have 38 fewer.

All neighborhoods with 25 or more distressed residential buildings in 1997 have had significant decreases in distressed residential buildings between 1997 and 2012, but the greatest were in Hyde Park (-86%), Jamaica Plain (-89%), Roxbury (-88%), and the South End (-100%).

Since 2011, the number of distressed residential buildings increased by eight properties in Mattapan and by one or two properties in eight other neighborhoods. Dorchester, Roslindale, and West Roxbury were the only neighborhoods to have a decrease in distressed residential buildings between 2011 and 2012. Allston/Brighton is the only neighborhood to have an increase in distressed residential buildings between 1997 and 2012.

Table 1: Distressed Residential Buildings by Neighborhood

Neighborhood	Res. Buildings			% Change 97-12	2012 % Share
	1997	2011	2012		
Allston/Brighton	3	3	4	**	3%
Back Bay/Beacon Hill	2	0	1	**	1%
Central	14	2	3	-79%	2%
Charlestown	1	1	1	**	1%
Dorchester	166	39	35	-79%	26%
East Boston	52	12	14	-73%	10%
Fenway/Kenmore	1	1	1	**	1%
Hyde Park	44	5	6	-86%	4%
Jamaica Plain	37	3	4	-89%	3%
Mattapan	101	14	22	-78%	16%
Roslindale	11	1	0	-100%	0%
Roxbury	307	37	38	-88%	28%
South Boston	7	3	4	**	3%
South End	47	0	0	-100%	0%
West Roxbury	3	2	1	**	1%
Citywide	796	123	134	-83%	-

** % Change not calculated for neighborhoods with fewer than 10 distressed buildings in 1997



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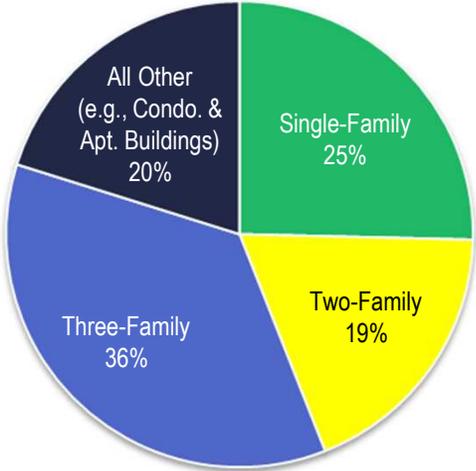
RESIDENTIAL BUILDINGS

Table 2 and Chart 3 show the composition of distressed residential buildings by property type in 1997, 2011, and 2012.

Table 2: Distressed Residential Buildings by Property Type

Property Type	1997		2011		2012	
Single-Family	239	30%	30	24%	34	25%
Two-Family	175	22%	26	21%	25	19%
Three-Family	287	36%	43	35%	48	36%
All Other	95	12%	24	20%	27	20%

Chart 3: Distressed Residential Buildings by Property Type, 2012



The overall number of distressed residential buildings increased between 2011 and 2012, with the largest increase (13%) experienced by single-family homes. Distressed three-family homes and residential buildings in the “other” category also increased. Two-family homes were the only residential properties to decline slightly, but only by one property. In 2012, three-family buildings accounted for 36% of distressed residential buildings, up from 35% in 2011. Since 1997, the composition of distressed residential buildings has not changed much, however, there has been a small shift away from single-family buildings and towards those in the “other” category, which includes apartment buildings, rooming houses, and condominium buildings.

TAX STATUS

Since 1997, the proportion of distressed residential buildings that are publicly owned or tax-exempt has shrunk to 1%, while the proportion of privately-owned residential buildings with taxes owed has grown from 16% to 22% of distressed residential buildings (Charts 4 and 5). Despite this increase, the number of privately-owned distressed residential buildings for which the City can begin tax foreclosure takings remains low. Since 2011, the number of distressed residential buildings with taxes owed decreased by 9%, but the median amount owed increased from \$12,241 to \$17,449. Still, this amount generally does not lead to tax title foreclosure.

Chart 4: Distressed Residential Buildings Tax Status, 1997

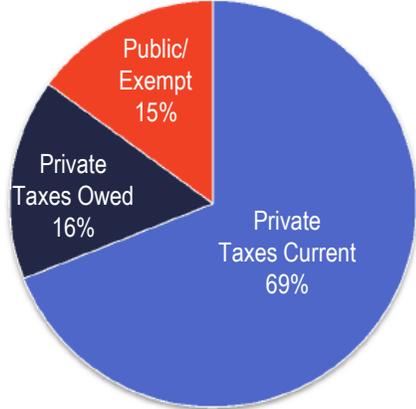
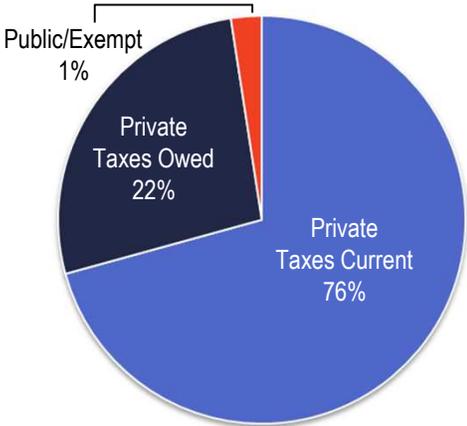


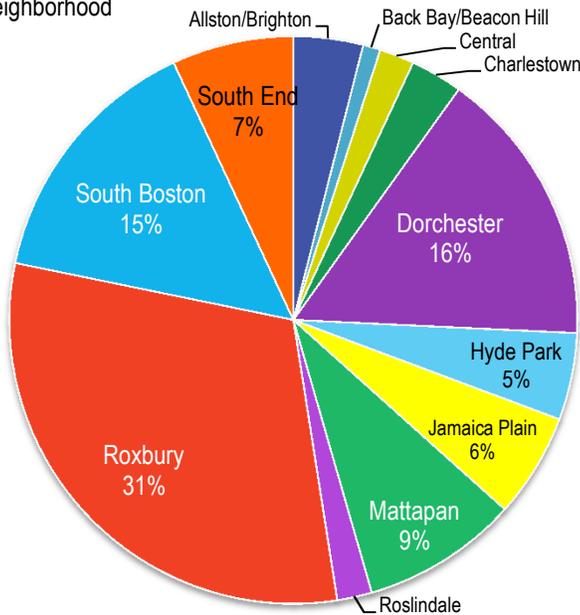
Chart 5: Distressed Residential Buildings Tax Status, 2012





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Chart 6: 2012 Distressed Commercial/Mixed-Use Buildings by Neighborhood



COMMERCIAL & MIXED-USE BUILDINGS BY NEIGHBORHOOD

The number of distressed commercial and mixed-use buildings declined 12% (-14) in 2012 compared to 2011, and it is at an all-time low since DND began surveying. Since 1997, there has been a 59% decrease in the number of distressed commercial and mixed-use buildings, from 248 to 101 (Table 3).

Of neighborhoods that had 25 or more distressed commercial and mixed-use buildings in 1997, East Boston saw the greatest percentage decrease since 1997 (-100%), from 30 buildings to 0. Roxbury had the greatest reduction in volume with 46 fewer distressed commercial and mixed-use buildings in 2012 than there were in 1997. Each year, however, Roxbury persistently has the most distressed commercial and mixed-use buildings. From 2011 to 2012, Back Bay/Beacon Hill, Dorchester, Mattapan, and Roxbury experienced an increase in distressed commercial buildings, however, none increased by more than two buildings. All other neighborhoods either remained the same or decreased.

Table 3: Distressed Commercial/Mixed-Use Buildings by Neighborhood

Neighborhood	Com. Buildings			% Change 97-12	2012 % Share
	1997	2011	2012		
Allston/Brighton	5	6	4	**	4%
Back Bay/Beacon Hill	1	0	1	**	1%
Central	30	3	2	-93%	2%
Charlestown	0	3	3	**	3%
Dorchester	30	15	16	-47%	16%
East Boston	30	3	0	-100%	0%
Fenway/Kenmore	4	0	0	**	0%
Hyde Park	13	7	5	-62%	5%
Jamaica Plain	15	7	6	-60%	6%
Mattapan	13	8	9	-31%	9%
Roslindale	5	4	2	**	2%
Roxbury	77	29	31	-60%	31%
South Boston	2	22	15	**	15%
South End	22	7	7	-68%	7%
West Roxbury	1	1	0	**	0%
Citywide	248	115	101	-59%	-

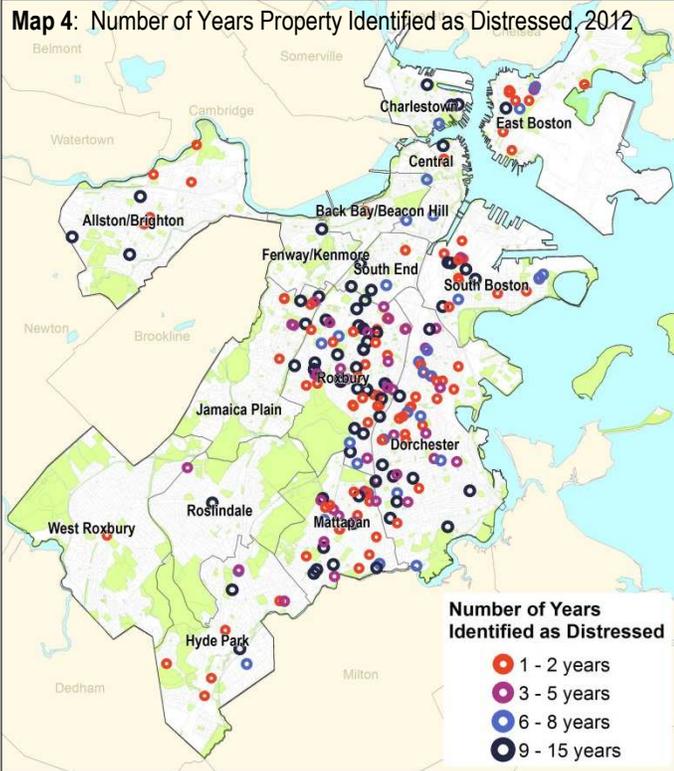
**% Change not calculated for neighborhoods with fewer than 10 distressed buildings in 1997

Chart 6 shows how distressed commercial and mixed-use buildings are distributed across Boston's neighborhoods. Unlike distressed residential buildings, which are concentrated in Dorchester, Roxbury, Mattapan, and East Boston, distressed commercial and mixed-use buildings are spread throughout the city. The majority (60%) of distressed commercial and mixed-use buildings are located in Roxbury, South Boston, and Dorchester.

Often, commercial and mixed-use buildings are more difficult to survey accurately than residential buildings since buildings that actively are used as warehouses may be boarded up and appear derelict and distressed. This may be especially true in South Boston, where the increase from 2 to 15 buildings since 1997 may be due to a more rigorous survey in an area in which old industrial buildings are becoming obsolete and new residential development is underway or in initial planning phases.



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NUMBER OF YEARS DISTRESSED

Some distressed buildings reappear on the survey year after year. Table 5 includes a count of distressed buildings by neighborhood in 2012 and the number of years they have been identified as distressed in DND’s annual survey. The majority of buildings (57%) on the 2012 survey have been identified as distressed 5 or fewer times.

Map 4 shows the locations of distressed buildings by years of distress. In 2012, with 28 buildings identified as distressed at least 9 years, 41% of Roxbury’s buildings were persistently distressed. Fenway/Kenmore only has one distressed building, but this residential building has been on the list every year since 1997. Similarly, every neighborhood, except for Back Bay/Beacon Hill and West Roxbury, has at least one persistently distressed property. With 48% of its buildings recently identified as distressed, South Boston has the highest percentage of newly distressed buildings.

Table 5: Average Number of Years Distressed, 2012

Neighborhood	Total	1-2 Years	3-5 Years	6-8 Years	9-15 Years
Allston/Brighton	8	5	0	0	3
Back Bay/Beacon Hill	2	1	0	1	0
Central	5	2	0	2	1
Charlestown	4	0	0	1	3
Dorchester	51	20	11	10	10
East Boston	14	9	2	2	1
Fenway/Kenmore	1	0	0	0	1
Hyde Park	11	5	2	2	2
Jamaica Plain	10	4	3	0	3
Mattapan	31	13	7	3	8
Roslindale	2	0	1	0	1
Roxbury	69	21	15	5	28
South Boston	21	10	1	5	5
South End	5	1	0	1	3
West Roxbury	1	1	0	0	0
Citywide	235	92	42	32	69

PROPERTIES IN TAX TITLE

Table 4 provides a breakdown of taxes owed for all property types. Of the 235 buildings surveyed as distressed in 2012, \$1 million is owed collectively for 42 of the privately-owned properties. This is a decrease from 2004, the first year these data were reported, when \$4.4 million in taxes was collectively owed for 77 properties.

Table 4: Tax Arrearage by Assessing Land Use, 2012

Land Use	Total Taxes Owed	Median Taxes Owed	Total Properties
Single-Family	\$217,906	\$15,062	12
Two-Family	\$148,679	\$18,514	8
Three-Family	\$192,354	\$24,117	8
Other Residential	\$9,798	--	2
Commercial	\$378,152	\$27,578	10
Industrial	\$9,335	--	1
Mixed-Use	\$47,260	--	1
TOTAL	\$1,003,484	\$19,887	42



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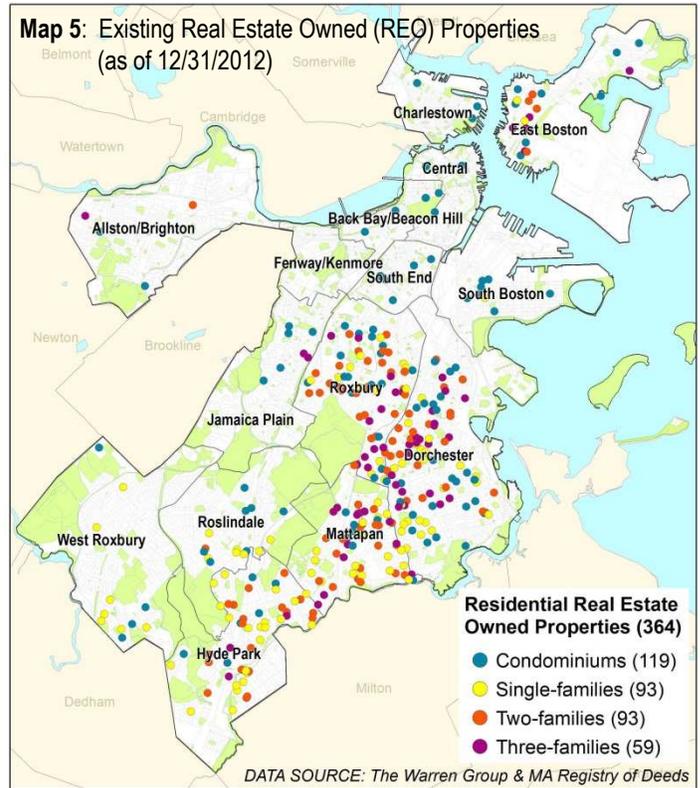
PRIVATE MORTGAGE FORECLOSURE

Boston has dealt with high volumes of private mortgage foreclosures from 2005 through 2010. Since the fall of 2010, when “robo-signing” became a major concern, foreclosure deeds have slowed, but they still affect hundreds of Boston households annually. From 2005 to 2012, 11,701 properties have been petitioned, and 4,669 properties have been foreclosed on (Table 6). Map 5 shows the 364 properties that were Real Estate Owned (REO) as of December 31, 2012. Vacant REO properties can pose a risk to neighborhoods by attracting crime and lowering local property values. Over time, these properties also may begin to deteriorate and show signs of physical distress.

While the private mortgage foreclosure crisis has had an impact on Boston’s distressed building inventory, it has not been as significant as expected. Of the 235 distressed properties identified in the 2012 survey, only 7% (17) have foreclosure deeds registered during the last 5 years, down from 13% in 2011, and one other has a foreclosure petition, the first step in the foreclosure process, filed in the last 2 years. Of the 57 Buildings added to the 2012 inventory, only 7% (4) were foreclosed on in the last 5 years and none were recently petitioned. This decline from 2011 may be because 28% (17) of the properties that were rehabbed or demolished in 2012 also had foreclosure deeds registered in the last 5 years.

Table 6: Foreclosure Activity, 2005 - 2012

Year	Total Petitioned Properties	% Change Petitions	Total Foreclosure Deeds	% Change Foreclosure Deeds
2005	613	-	60	-
2006	1,393	127%	261	335%
2007	2,432	75%	703	169%
2008	1,900	-22%	1,215	73%
2009	2,200	16%	776	-36%
2010	1,541	-30%	821	6%
2011	732	-52%	525	-36%
2012	890	22%	308	-41%



In February 2008, Mayor Thomas M. Menino established the multi-departmental Foreclosure Intervention Team (FIT) to comprehensively address the foreclosure crisis in targeted areas. As a part of this initiative, DND also began surveying REO properties. Between 2008 and 2012, DND has surveyed 1,845 REO properties. Of those, only 5% (92) were identified as distressed and added to the annual distressed property survey over the years. Of the 235 properties identified as distressed in the 2011 survey, 4 were bank-owned as December 31, 2012, down from 14 at the same time in 2011.

Supplementing the City’s efforts, the Boston City Council adopted An Ordinance Regulating the Maintenance of Vacant, Foreclosing Residential Properties in February 2008. The ordinance, enforced by the Inspectional Services Department, requires property owners to register vacant or foreclosing residential properties and identify a local individual or company responsible for maintenance.



Trends 2012

Distressed Buildings

CITY OF BOSTON/THOMAS M. MENINO, MAYOR

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CITY STRATEGY

Since 2003, when the City began tracking the outcomes of distressed residential buildings, the overall number of distressed residential buildings has decreased by 51% with 510 residential buildings coming out of a distressed condition. The majority (78%) were renovated and put back in use, 11% were demolished, and 11% had other outcomes, such as re-occupancy without rehab work (see Table 7). While many are no longer distressed, 378 residential buildings have been added to the inventory between 2003 and 2012.

The City's multi-pronged distressed building strategy has been instrumental in reducing distressed buildings. Implemented by DND, the strategy includes the following major components:

- The distressed buildings survey and this trends report examine the causes of distress and prioritize properties for action. In addition, a list of privately-owned distressed buildings is published on the City's website to encourage potential developers to contact owners and purchase properties. DND also contacts private property owners included in the survey to clarify the status of the building and offer advice or assistance with financing, renovation, or marketing.
- DND's Boston Home Center, Office of Business Development, and Neighborhood Housing Development divisions may provide funding, project management, or technical assistance to eligible private building owners and developers to renovate and redevelop distressed buildings.



Distressed building before and after renovation

Table 7: Trends in Distressed Residential Buildings, 2004-2012

Change in Inventory	Residential Buildings
- Renovated 2004 - 2012	396
- Demolished 2004 - 2012	56
- Other Outcome 2004 - 2012	58
+ Newly Abandoned 2004 -2012	378

- DND's Real Estate Management Division, through the Real Estate Disposition Initiative, uses Requests for Proposals to dispose of tax-foreclosed distressed buildings.

Finally, Project Pride, a cooperative effort of DND, Inspectional Services, and the Sheriff's Department, combats illegal activity on City-owned and privately-owned distressed properties by boarding and securing buildings. The costs are recovered by the City through a lien placed on the property.



Distressed building before and after renovation

Distressed Buildings Trends is published by the Policy Development and Research division of the City of Boston Department of Neighborhood Development.

For more information about this publication, contact Laura Delgado at (617) 635-0240 or ldelgado.dnd@cityofboston.gov. For previous reports and a map and list of currently distressed properties go to www.cityofboston.gov/dnd/pdr/Distressed_Buildings_Reports.asp