

# Merrimack Valley

## *housingreport*

An e-publication of UMass Lowell and the Middlesex North Registry of Deeds



University of  
Massachusetts  
Lowell

MIDDLESEX NORTH  
REGISTRY OF DEEDS

NORTHERN ESSEX  
REGISTRY OF DEEDS

### Volume 8, Issue 10 October 2015

Lowell Rental Prices: 2006-2015 .....	1-2
Legal Implications of Rooftop Solar Panels .....	3-4

## Lowell Rental Prices: 2006-2015

By Syeda Nizami

Rental costs have increased in Lowell, as well as other areas in Massachusetts. In 2012, Mike Poore, a writer for the Merrimack Valley Housing Report analyzed changes in Lowell rental prices over a six year period. Poore determined that price increases in Lowell were closing the gap between prices in other Merrimack Valley communities. This trend continues into 2015, as prices have increased both in the Greater Lowell and Boston areas.

According to Tim Logan in a recent Boston Globe article, prices have jumped in Greater Boston over the past few years. North Shore and Merrimack Valley communities increased by 5.98% from July 2014 to July of this year. Using rental data from the MLS listing provided by Avi Glaser of Community Teamwork Inc., we were able to calculate median rents from 2006-2015 to better understand rental price trends in the city. The median rents are based on actual rents paid, not listing price.

In 2006, Lowell's 1-bedrooms (1BR) were \$750, 2-bedrooms (2BR) \$900, 3-bedrooms (3BR) \$1,000, and 4-bedrooms (4BR) \$1,222. The next year (2007) rents stayed about the same, 1BR and 2 BR were unchanged; 3BR saw a 10% increase in price, and 4BR a slight increase of 2.2%.

The chart below includes the complete data from 2006 to 2015. During this period, Lowell's 1BR saw a median price increase of 40%, from \$750 to \$1,048, while 2BR increased 39%, from \$900 to \$1,250; 3BR underwent an increase of 33%, from \$1,000 to \$1,325. Finally, 4BR had a moderate increase of 23%, from \$1,222 to \$1,500. Median rental prices in Lowell have increased significantly more than the North Shore communities

(continued on page 2)

## Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

September 2014 and September 2015 compared

	Haverhill		Lawrence		Lowell		Methuen	
	Sept-14	Sept-15	Sept-14	Sept-15	Sept-14	Sept-15	Sept-14	Sept-15
Deeds	122	121	90	117	150	158	99	132
Mortgages	134	157	126	151	203	233	148	176
Foreclosure Deeds	7	4	4	17	11	4	2	22
Orders of Notice	11	27	9	4	6	42	3	3

*Lowell Rental Prices: 2006-2015 continued.*

highlighted in the Globe article. However, the overall median prices of the apartments were much lower in Lowell than the North Shore communities, the former being \$1,095 and the latter being \$1,427. From 2012 to 2015, Lowell 1BR prices soared, seeing a median price increase of 31%, from \$800 to \$1,048. 2BR received a large increase of 32%, from \$950 to \$1,250. 3BR underwent a smaller increase of 10%, from \$1,200 to \$1,325, and 4BR increased by 15%, from \$1,300 to \$1,500. Since 2006, Lowell has seen rental prices increase significantly.

With rental prices inside the city of Boston skyrocketing, more and more families are now moving into other regions, including the Merrimack Valley. However, this doesn't mean these tenants are escaping rising rental costs, as Lowell and other smaller cities and suburbs are experiencing increased demand for apartments, putting additional pressure on the area rental market.

Over the past few years, Lowell has undertaken several renovations of abandoned buildings to create more affordable housing, including renovating older mill buildings. Lowell is taking steps to combat rising rental prices by expanding the supply, but may only create more appeal and competition for the apartments located within the city.

Several factors are contributing to the larger increase in Lowell compared to other Merrimack Valley communities. More families are looking to rent versus own due to factors such as tighter lending standards, foreclosure on their own property, or career uncertainty. In addition, growth at UMass Lowell has resulted in more students entering Lowell's rental market to compete with other prospective tenants searching for apartments. Lowell rents have historically been lower than the Merrimack Valley overall due to factors including demographics, employment opportunities, and desirability of housing in the city. Although now it appears that the gap may be closing slightly each year, with rental prices in the city seeing an above average increase compared to the Valley overall.

### **Median Apartment Rental Prices in Lowell (2006-2015)**

Year	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2006	\$750	\$900	\$1,000	\$1,222
2007	\$750	\$900	\$1,100	\$1,250
2008	\$850	\$995	\$1,100	\$1,500
2009	\$800	\$950	\$1,200	\$1,300
2010	\$825	\$995	\$1,200	\$1,350
2011	\$900	\$1,000	\$1,112	\$1,425
2012	\$800	\$950	\$1,200	\$1,300
2013	\$800	\$1,000	\$1,200	\$1,700
2014	\$920	\$1,100	\$1,300	\$1,350
2015	\$1,048	\$1,250	\$1,325	\$1,500
MPI(2006-15)	40%	39%	33%	23%
MPI(2012-15)	31%	32%	10%	15%

# Legal Implications of Rooftop Solar Panels

*By Richard P. Howe Jr.*

Drive through any neighborhood in Lowell these days and you will notice that the matte gray shingles on many homes have been covered with shiny black solar panels. These systems capture sunlight, convert it to electricity, and use that electricity to power the house's appliances. Excess electricity is fed back into the power grid with the homeowner getting a credit to be applied against traditional electricity usage which occurs at night when no solar power is being created.

A typical agreement between a solar company and a homeowner lasts for twenty years. During those two decades, the solar company continues to own the solar equipment installed on the homeowner's rooftop. To protect its property, the solar company records a UCC-1 financing statement at the registry of deeds. This form identifies the property owner, the property address, and the book and page of the property owner's deed. The purpose of this filing is to notify everyone, especially potential purchasers of the property or lenders about to refinance the homeowner's mortgage, of the security interest held by the solar company in the rooftop equipment.

The solar companies vigorously assert that these financing statements are not liens. Vivint Solar Developer LLC, one of the more active companies in this region, even includes the following language in its UCCs:

COMPANY DOES NOT HAVE A SECURITY INTEREST OR LIEN ON THE PROPERTY. THIS NOTICE SHOULD NOT BE CONSTRUED AS AN ENCUMBRANCE AFFECTING TITLE TO THE PROPERTY. (Capital letters in original).

Another of the primary solar companies in this area, SolarCity, in its Frequently Asked Questions webpage responds to the question, "Is there a lien on the solar home?" with this:

No. What you'll find on the title of a home with a SolarCity power system is a UCC-1 fixture filing. A UCC-1 fixture filing is not a lien against the home. SolarCity files a Uniform Commercial Code Financing Statement, or UCC-1, on all of our solar energy systems in the real property records where each system is located prior to or when the system is installed. We file the UCC-1 to notify anyone who might perform a title search on the address where the system is located that our property, the solar energy system, is installed on the home. This filing protects our rights as the system's owner against any mortgage on the real property. If the lender that holds the mortgage on the real property forecloses on our customer's home, the UCC-1 filing protects our interest in the solar energy system and prohibits the lender from taking ownership of it.

SolarCity goes on to acknowledge that "lenders prefer not to see anything on the title" so SolarCity routinely releases its UCC filing in the case of refinancing and then re-files it after a new mortgage has been recorded. That SolarCity acknowledges the need to release its position before a lender will extend financing to the homeowner is strong evidence that the UCC filing is in fact an encumbrance on the property.

Besides complicating the refinancing process, a rooftop solar unit might also complicate the sale of one's home. SolarCity's website addresses this, offering three options. A property owner may transfer the existing agreement to the new homeowner; pre-pay the 20 year commitment to the solar company; or move the device to one's new home. The website assures readers that the company will not be an impediment to the sale of a home.

(continued on page 4)

*Legal Implications of Rooftop Solar Panels Continued*

The number of solar-related UCC filings is steadily increasing. Approximately 1100 of these financing statements have been recorded at the Middlesex North Registry of Deeds with 65% of them coming in 2015 alone. Because these rooftop solar units are so new, their practical effect on owning, refinancing, and selling one's home has not yet been fully determined. With the standard solar company-homeowner contracts being twenty years in duration, there are many rights and obligations involved. There are also many implications for lawyers, loan officers, brokers and appraisers. Should the standard purchase and sale agreement be revised to reflect the existence of a rooftop solar unit? What if the new buyer is willing to assume the agreement with the solar company but the solar company rejects that? What if the buyer wants nothing to do with solar energy and wants the unit removed? If the unit is removed, what impact will that have on the integrity of the roof? There are many unanswered questions and probably just as many questions that have not yet been identified.

Here in the northeast where energy costs are so high, the idea of powering one's home with a rooftop solar panel is very attractive. Nothing in this article is intended to detract from that. Nevertheless, there should be a greater discussion of the real estate law consequences of these devices so that homeowners are fully aware of the consequences of adopting this type of energy solution and so real estate professionals are able to successfully navigate the legal and practical challenges posed by this new technology.

**ATTENTION HOMEOWNERS, LANDLORDS AND TENANTS****The Lowell Lead Paint Abatement Program Welcomes New Clients!**

Lead-Safe Lowell offers Lowell homeowners 0% interest, FORGIVABLE loans for lead paint removal in residential properties. No payments are required and the loan is fully discharged after 3 years! Occupants of dwellings must be low-to-moderate income to qualify.

- Up to \$15,000 available for single family homes
- Up to \$12,000 available, per unit, for multi-family homes
- FREE Lead Inspection and Project Management
- FREE Soil Testing

**Contact:****Toni Snow, Program Manager TODAY!****978-674-1409****[tsnow@lowellma.gov](mailto:tsnow@lowellma.gov)**

The *Merrimack Valley Housing Report* is published by  
UMass Lowell and the Middlesex North Registry of Deeds

Richard P. Howe Jr., Editor  
[Richard.Howe@sec.state.ma.us](mailto:Richard.Howe@sec.state.ma.us)

David Turcotte, Editor  
[David\\_Turcotte@uml.edu](mailto:David_Turcotte@uml.edu)

Paul Iannuccillo, Contributor  
[Paul.Iannuccillio@sec.state.ma.us](mailto:Paul.Iannuccillio@sec.state.ma.us)

Emily Chaves, Research Assistant/Writer  
[Emily\\_Chaves@uml.edu](mailto:Emily_Chaves@uml.edu)

Kelechi Adejumo, Research Assistant/Writer  
[Kelechi\\_Adejumo@uml.edu](mailto:Kelechi_Adejumo@uml.edu)

Syeda Nizami, Research Assistant/Writer  
[Syeda\\_Nizami2@student.uml.edu](mailto:Syeda_Nizami2@student.uml.edu)

Jillian Venuti, Research Assistant  
[Jillian\\_Venuti@student.uml.edu](mailto:Jillian_Venuti@student.uml.edu)

Institute of Housing Sustainability  
c/o Center for Community Research and Engagement  
University of Massachusetts Lowell  
Mahoney Hall, 870 Broadway Street, Lowell, MA 01854  
Tel. (978) 934-4682  
[www.uml.edu/mvhousing](http://www.uml.edu/mvhousing)

This project is funded in part by the Office of the Chancellor and the  
Office of Outreach. UMASS LOWELL

## **Subscribe to the Merrimack Valley Housing Report**

To begin receiving this monthly e-publications, please e-mail David  
Turcotte at [David\\_Turcotte@uml.edu](mailto:David_Turcotte@uml.edu)