

# **CITY *of* BOSTON**

## **DISTRESSED PROPERTIES REPORT, 2019**

## DISTRESSED PROPERTIES: SUMMARY

A distressed and vacant property is any building, excluding sheds and garages on residential properties, that is not occupied and has signs of significant physical distress. These signs can include a property that is boarded, burnt, open to the elements, or otherwise deteriorated.

In 2019, the Department of Neighborhood Development's (DND) annual distressed property survey identified 397 distressed properties. This is an increase of 16 properties since 2018.

Given the economic crisis resulting from the COVID-19 pandemic, it is likely that there will be increases in property distress, particularly in the commercial sector. The full impact of the crisis, however, may not be visible until 2021.

- Three hundred ninety-seven properties were identified as distressed in 2019, of which 225 (57 percent) are residential parcels with one to three units.
- Compared to 2018, there were 12 additional residential properties and four non-residential properties identified as distressed in 2019.
- Over one-third of distressed properties are located in Dorchester and Roxbury. Another 28 percent are located in East Boston, Hyde Park, and Mattapan.
- Citywide, there are 3.3 distressed properties per 1,000 parcels.
- Eighteen percent (69 out of 381) of distressed parcels have overdue taxes associated with them. A total of \$832,393 is owed and the average is just over \$12,000 per property.



## DISTRESSED PROPERTIES: SUMMARY

Distressed and vacant properties can occur for a number of reasons, including fires, ownership disputes, foreclosures, general owner neglect, and overall economic decline. Such properties can be dangerous and harm the surrounding properties and the neighborhood.

Other physical symptoms of distress include overgrown or neglected vegetation, accumulation of newspapers, mail, litter, and trash, the absence of window coverings, structural issues, and vandalism. Indications of vacancies include uncorrected city violations, utility shut-offs, and postal data vacancy indicators. Some buildings may be partially distressed and vacant. For example, one floor might be occupied while others are not, but the property is deteriorating.

DND began surveying Boston's distressed buildings in 1997. Since that time, there has been a dramatic decrease in the number of distressed properties in the City of Boston.<sup>1</sup> However, beginning in 2016, the City adopted a new methodology for conducting the survey, rendering current results incomparable to pre-2016 results. The current methodology and additional data sources are discussed in the appendix.

---

<sup>1</sup> From 1997 to 2015, the number of distressed buildings decreased by 80 percent from 1,044 to 210.



## DISTRESSED PROPERTIES: RESULTS

In 2019, close to 1,200 properties were surveyed, resulting in 397 properties being identified as distressed (**Table 1/Map 1**). Compared with the 2018 survey, there were 16 additional net properties identified as distressed – including 12 residential properties. There are four fewer apartment buildings and five fewer industrial properties in the 2019 survey (**Table 1**).

**TABLE 1: FY 19 VS. FY 18 DISTRESSED PROPERTY SURVEY RESULTS**

	MIXED- USE	RESIDENTIAL	APARTMENTS	COMMERCIAL	INDUSTRIAL	TAX EXEMPT	TOTAL
FY 2018 INVENTORY	24	213	19	73	16	36	381
CURRENT INVENTORY	29	225	15	80	11	37	397
DIFFERENCE	5	12	-4	7	-5	1	15

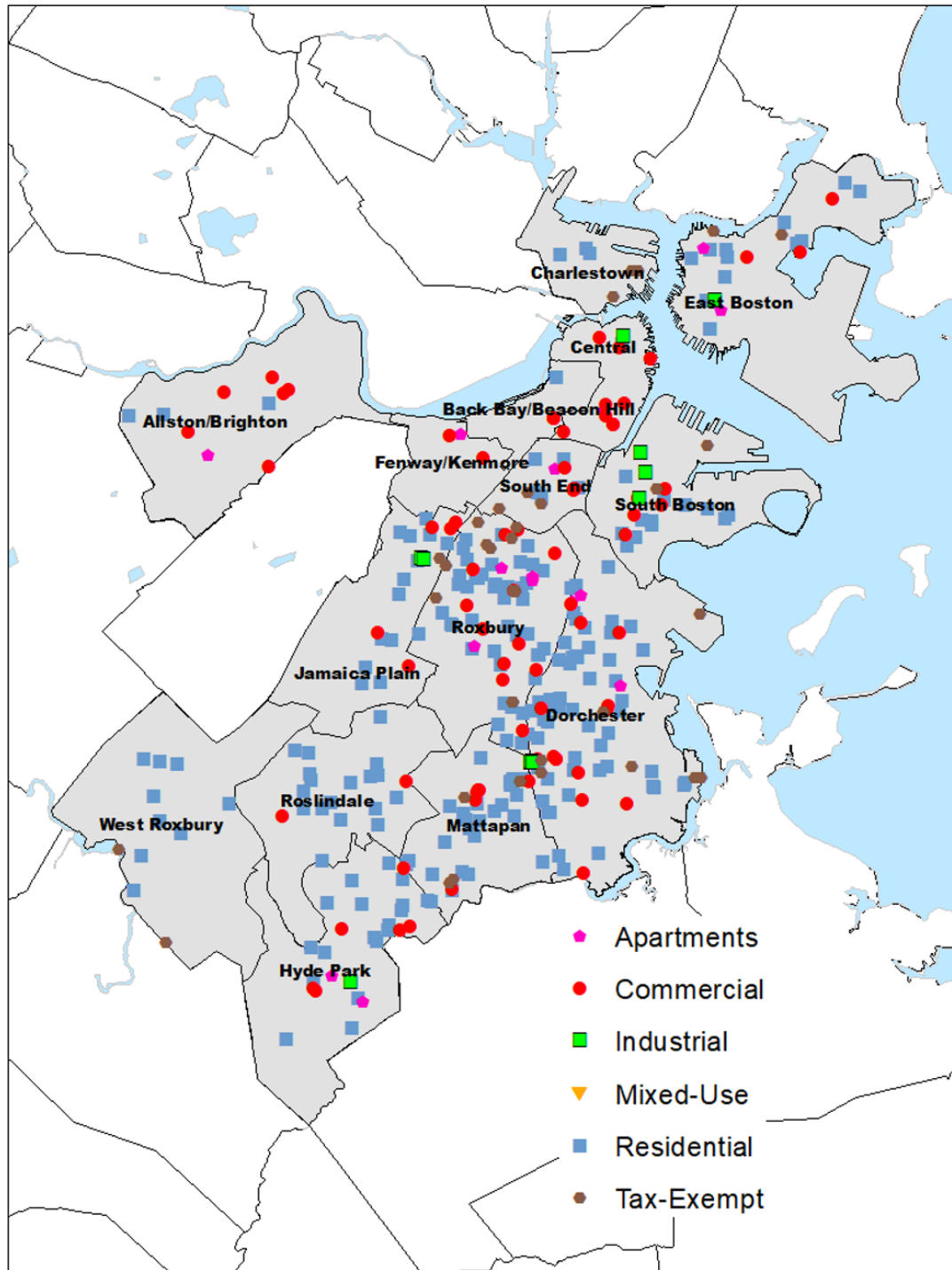
The current inventory consists of 225 (57 percent) residential parcels with one to three units, 80 (20 percent) commercial parcels, and 95 (23 percent) other property-types, including apartments with four or more units, tax-exempt, industrial, and mixed-use properties (**Table 2**).

Tax-exempt properties are those that receive an exemption from local property taxes. In addition to local, state, and federal government agencies, the types of organizations that may qualify include: religious, charitable, benevolent, educational, literary, temperance, or scientific organizations.



## DISTRESSED PROPERTIES: RESULTS

**MAP 1: DISTRESSED BUILDINGS IN BOSTON 2019 (397 PROPERTIES)**



## DISTRESSED PROPERTIES: RESULTS

**Table 2** shows the distribution of residential buildings broken down by property type. Forty-three percent of distressed residential properties are single-family properties, while 38 percent are two-family and three-family. The remainder is composed of apartment buildings and other property types.

**TABLE 2: RESIDENTIAL, MIXED-USE AND APARTMENT BUILDINGS BY PROPERTY TYPE**

PROPERTY TYPE	COUNT	PERCENTAGE
MIXED-USE	29	11%
SINGLE-FAMILY	117	43%
CONDOMINIUMS	4	1%
TWO-FAMILY	50	19%
THREE-FAMILY	50	19%
APARTMENT (4 to 6 units)	11	4%
APARTMENT (7 units or more)	4	1%
MULTIPLE BUILDINGS IN ONE LOT	4	1%
<b>CITYWIDE</b>	<b>269</b>	<b>100%</b>

Sixty-three percent of distressed properties are commercial. The remaining are tax-exempt (29 percent) and industrial (9 percent) (See **Chart 1**). Forty percent of non-residential distressed properties are in Dorchester and Roxbury, 26 percent are in Mattapan, South Boston, and Central, and the remainder are spread throughout other neighborhoods.

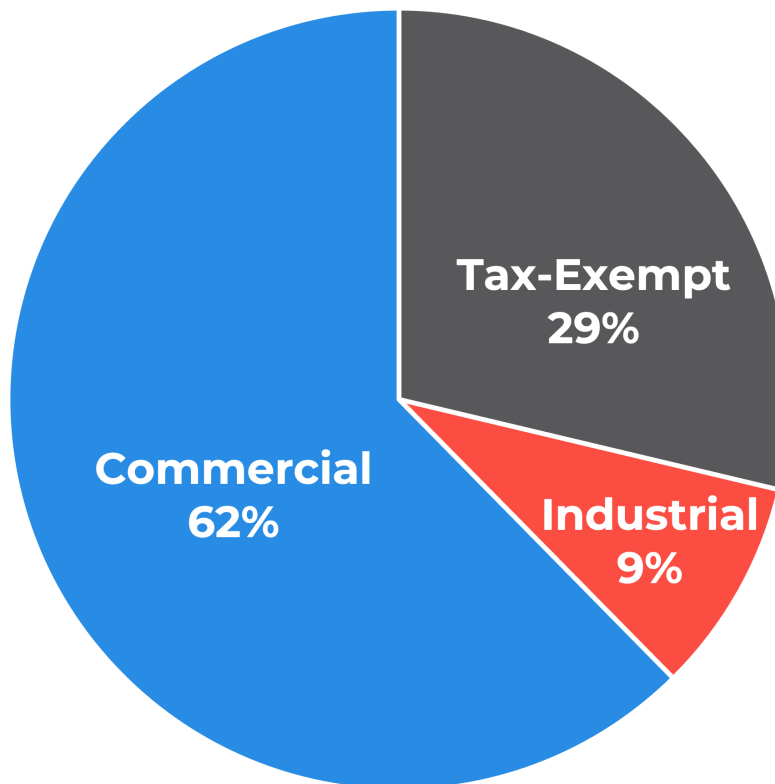
It should be noted that some commercial and many industrial buildings can be difficult to survey accurately. Buildings used as warehouses may be boarded up, or appear derelict and distressed, but may not be vacant. Therefore, some distressed non-residential buildings may go undercounted.



## DISTRESSED PROPERTIES: RESULTS

**Note:** Larger versions of the charts and tables in this report may be viewed by clicking on them.

**CHART 1: DISTRIBUTION OF DISTRESSED BUILDINGS WITHOUT DWELLING UNITS (COMMERCIAL, INDUSTRIAL AND TAX-EXEMPT)<sup>2</sup>**



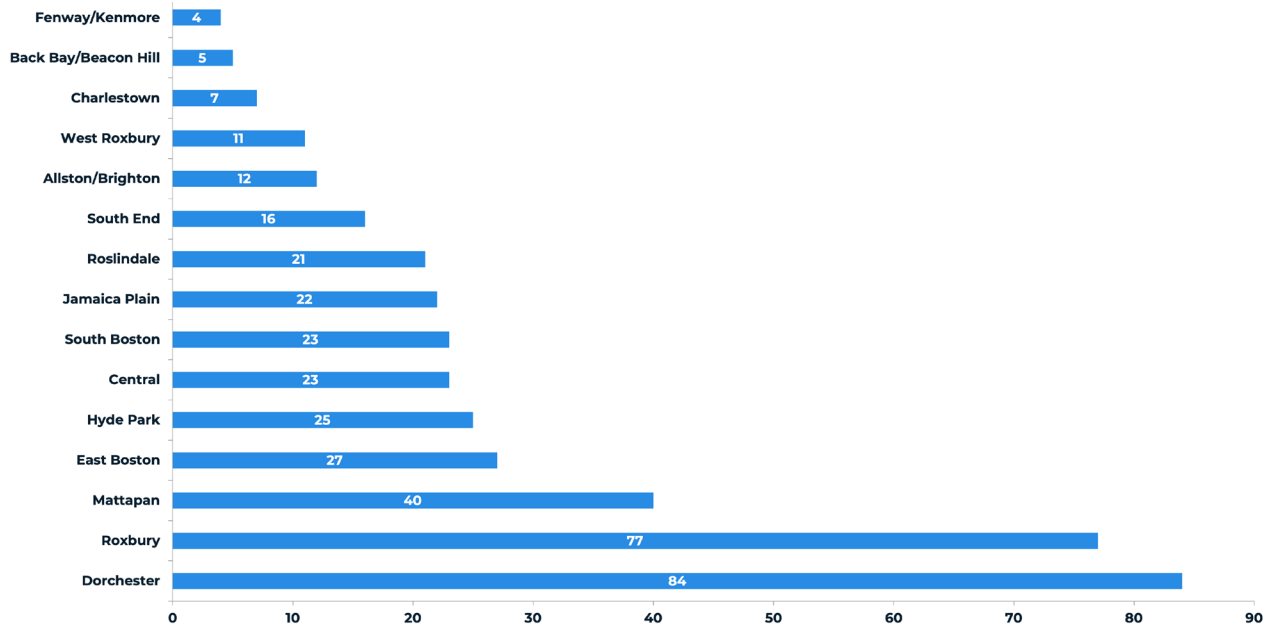
<sup>2</sup> Most tax-exempt parcels do not have dwelling units. There are some tax-exempt parcels owned by government agencies that have dwelling units and some parcels categorized as residential that have been foreclosed because of taxes. These tax-foreclosed parcels are owned by the City until they are converted to affordable housing.



## DISTRESSED PROPERTIES: RESULTS

**Chart 2** and **Table 3** shows the distribution of distressed buildings in Boston's planning districts. Over one-third of distressed properties are located in Dorchester and Roxbury, while 28 percent are in East Boston, Hyde Park, and Mattapan. The remaining 34 percent are scattered throughout other neighborhoods.

### CHART 2: ALL DISTRESSED PROPERTIES BY NEIGHBORHOOD





## DISTRESSED PROPERTIES: RESULTS

**TABLE 3: DISTRESSED BUILDINGS BY NEIGHBORHOOD AND TYPE**

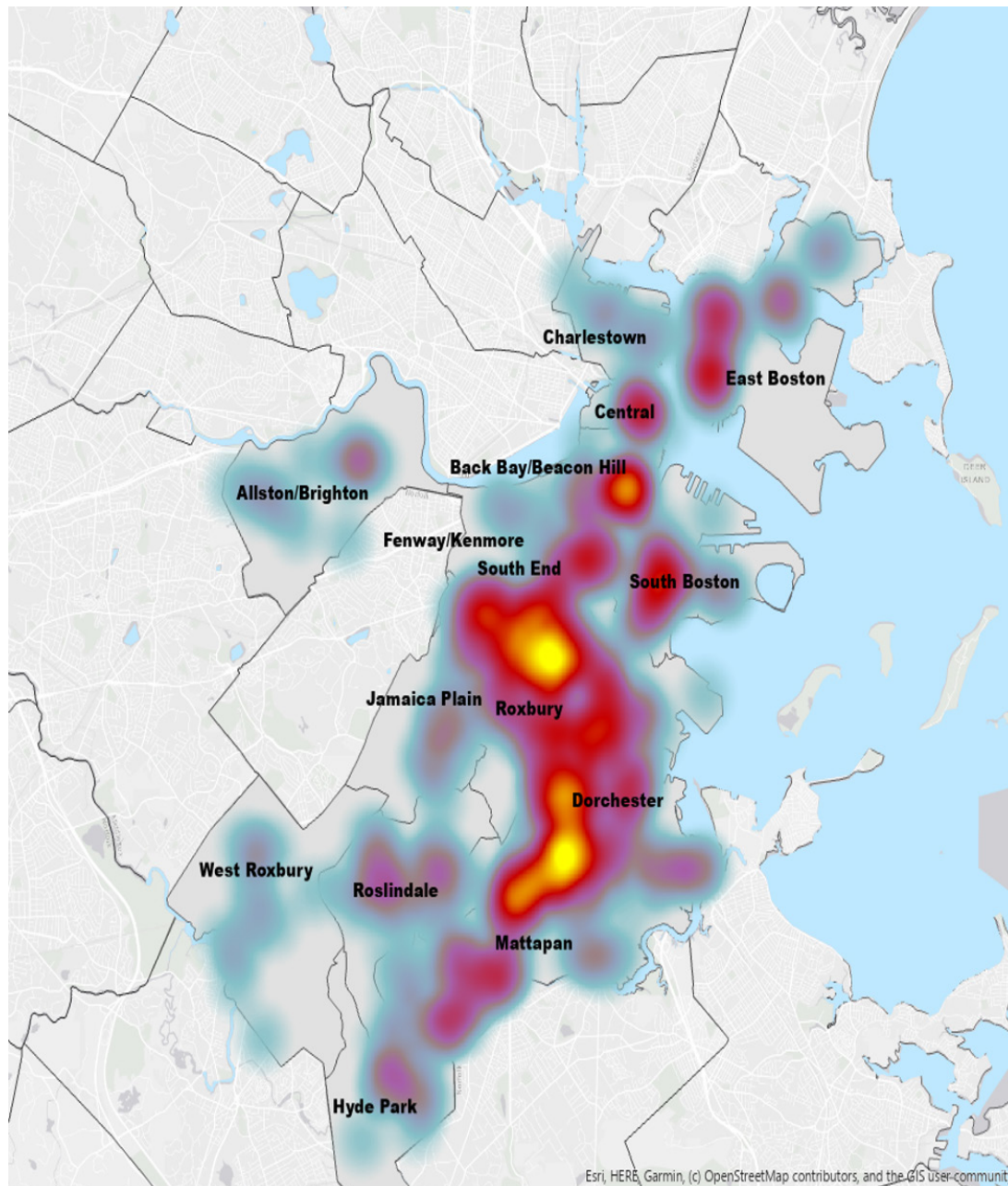
NEIGHBORHOOD	MIXED- USE	RESIDENTIAL (1-3 UNITS)	APARTMENT (4+ UNITS)	COMMERCIAL	INDUSTRIAL	TAX- EXEMPT	ALL	PERCENTAGE
ALLSTON/ BRIGHTON	2	3	15	6	0	0	26	7%
BACK BAY/ BEACON HILL	1	1	0	3	0	0	5	1%
CENTRAL	11	1	0	9	0	0	21	5%
CHARLESTOWN	1	3	0	0	0	3	7	2%
DORCHESTER	0	56	0	15	3	7	81	20%
EAST BOSTON	5	14	0	3	1	2	25	6%
FENWAY/ KENMORE	0	1	0	2	0	0	3	1%
HYDE PARK	0	17	0	5	1	0	23	6%
JAMAICA PLAIN	2	12	0	5	2	1	22	6%
MATTAPAN	0	28	0	8	0	4	40	10%
ROSLINDALE	1	19	0	1	0	0	21	5%
ROXBURY	4	44	0	12	0	13	73	18%
SOUTH BOSTON	0	12	0	6	3	2	23	6%
SOUTH END	2	5	0	5	0	3	15	4%
WEST ROXBURY	0	9	0	0	0	2	11	3%
CITYWIDE	29	225	15	80	10	37	396	



## DISTRESSED PROPERTIES: DENSITY AND PREVALENCE RATES

The densest clusters of distressed properties are located in Roxbury and Dorchester, specifically along M.L.K. Jr Boulevard, Dudley Street, and Warren Street in Roxbury (Map 2), and Blue Hill Avenue in Dorchester and Mattapan. Other significant clusters exist in East Boston, Hyde Park, and South Boston.

### MAP 2: BOSTON DISTRESSED PROPERTY HEAT MAP



## DISTRESSED PROPERTIES: DENSITY AND PREVALENCE RATES

Citywide, there are three distressed residential, apartment, and mixed-use buildings per 1,000 parcels (**Table 5**). Some of the buildings on this list have current or pending rehabilitation work, so their status may change upon the next survey round.

Excluding Fenway/Kenmore's, which has a low number of total parcels, the neighborhood with the highest number of distressed properties per 1,000 parcels is Roxbury with 7.9, which has significant portion of land devoted to open space. While Fenway/Kenmore has the highest ratio of parcels that contain distressed buildings, given the prevalence of larger buildings and institutional parcels with multiple buildings, distress is a smaller percentage of the square footage and housing units.

**TABLE 5: DISTRESSED RESIDENTIAL, APARTMENT, MIXED-USE BUILDINGS PREVALENCE RATES**

NEIGHBORHOOD	TOTAL DISTRESSED RESIDENTIAL, APARTMENT, AND MIXED-USE PARCELS	TOTAL PARCELS*	DISTRESSED PROPERTIES PER 1,000 PARCELS
ALLSTON/BRIGHTON	7	6,217	1.1
BACK BAY/BEACON HILL	0	2,478	0.0
CENTRAL	6	1,452	4.1
CHARLESTOWN	3	2,398	1.3
DORCHESTER	50	13,239	3.8
EAST BOSTON	30	5,200	5.8
FENWAY/KENMORE	5	615	8.1
HYDE PARK	23	7,276	3.2
JAMAICA PLAIN	13	4,867	2.7
MATTAPAN	28	5,153	5.4
ROSLINDALE	17	6,479	2.6
ROXBURY	51	6,478	7.9
SOUTH BOSTON	12	5,260	2.3
SOUTH END	5	2,646	1.9
WEST ROXBURY	6	7,897	0.8
CITYWIDE	256	77,655	3.3



## DISTRESSED PROPERTIES: TAX STATUS

Tax taking foreclosures occur when there are substantial unpaid taxes on a property. The City issues a lien, or a claim to legal ownership, against the property and records the lien in the Registry of Deeds within 60 days. If the taxes are not paid within six months of the due date, the City will file a petition to foreclose on the property. The entire process can take several years, and some properties may not be foreclosed. The City and other entities eventually rehab properties that become owned by the City, typically through a competitive bidding process. They are often converted into affordable housing.

Eighteen percent (43 out of 369) of distressed parcels have overdue taxes associated with them. In total, there is \$220,567 owed. Fifty-eight percent of these properties are residential, 20 percent are commercial, and the remaining 22 percent are other property-types (**Table 6**). Citywide, the average taxes owed per distressed property is just over \$5,100. Residential properties have the most back taxes associated with them, \$100,000 total, which is an average of just over \$3,800 per property. On a per property basis, commercial properties have the highest average at just over \$20,000. The maximum taxes owed for any property is \$88,000.

**TABLE 6: TAXES OWED BY DISTRESSED PROPERTY TYPE**

LAND USE	TOTAL TAXES OWED	AVERAGE TAXES OWED	TOTAL PROPERTIES	PERCENTAGE OF ALL PROPERTIES
APARTMENT	\$461	\$461	1	4%
COMMERCIAL	\$93,021	\$13,289	7	20%
INDUSTRIAL	\$6,865	\$6,865	1	6%
MIXED-USE	\$10,245	\$2,561	4	7%
OTHER	\$10,290	\$2,572	4	4%
RESIDENTIAL	\$99,687	\$3,834	26	58%
<b>TOTAL</b>	<b>\$220,567</b>	<b>\$5,129.47</b>	<b>43</b>	<b>100%</b>



## DISTRESSED PROPERTIES: FORECLOSURES AND NO CURRENT REHABILITATION WORK

### FORECLOSURES

Foreclosures have been declining significantly since 2012. Nevertheless, there were 300 foreclosure petitions, the first step in the process, filed in 2019. A total of 40 foreclosures were executed in 2019. Of the 396 buildings identified as distressed in 2019, 12 percent (47) have had foreclosure petitions, and six percent (21) have been foreclosed in the last five years (2015-2019).

### DISTRESSED PROPERTIES WITH NO CURRENT REHABILITATION WORK (PUBLIC LIST)

There are a total of 158 properties that do not have permits pulled or current plans for rehabilitation. The majority of these properties are residential (60 percent), followed by commercial (22 percent) (**Table 7**). The bulk of these properties are in Roxbury (22 percent), Dorchester (18 percent), and Mattapan (14 percent) (**Table 8**).

**TABLE 7: DISTRESSED PROPERTIES WITH NO CURRENT/FUTURE REHABILITATION WORK**

PROPERTY TYPE	COUNT	PERCENTAGE
MIXED-USE	13	8%
RESIDENTIAL	95	60%
APARTMENT	5	3%
COMMERCIAL	34	22%
INDUSTRIAL	11	7%
<b>TOTAL</b>	<b>158</b>	<b>100%</b>



## DISTRESSED PROPERTIES: FORECLOSURES AND NO CURRENT REHABILITATION WORK

**TABLE 8: DISTRESSED RESIDENTIAL, APARTMENT, MIXED-USE BUILDINGS PREVALENCE RATES**

NEIGHBORHOOD	COUNT	PERCENTAGE
ALLSTON/BRIGHTON	5	3%
BACK BAY/BEACON HILL	0	0%
CENTRAL	7	4%
CHARLESTOWN	0	0%
DORCHESTER	28	18%
EAST BOSTON	6	4%
FENWAY/KENMORE	4	3%
HYDE PARK	15	9%
JAMAICA PLAIN	7	4%
MATTAPAN	22	14%
ROSLINDALE	10	6%
ROXBURY	35	22%
SOUTH BOSTON	10	6%
SOUTH END	4	3%
WEST ROXBURY	5	3%
CITYWIDE	158	100%



## DISTRESSED PROPERTIES: CITY STRATEGY

The City's multi-pronged distressed building strategy has helped reduce the number of distressed buildings. Implemented by DND, the plan includes the following major components:

- DND's Boston Home Center and Neighborhood Housing Development divisions work with the Office of Economic Development to provide funding, project management, and technical assistance to eligible private building owners and developers to renovate and redevelop distressed buildings.
- DND shares the entire list with the Assessing Department to ensure that owners of distressed properties are not receiving an unwarranted residential exemption.
- DND also shares the list with the Inspectional Services Division for follow-up on specific properties, when needed.
- Properties that owe taxes may be taken by the City through Tax Foreclosure, which will lead to their redevelopment.
- A list of privately-owned distressed buildings is published on DND'S website, providing potential developers the opportunity to contact owners and purchase distressed properties.
- DND also reaches out to private property owners included in the survey to clarify the status of the building and offer advice or assistance with financing, renovation, or marketing.

See the next sections for examples of properties that have improved over last year.





## DISTRESSED PROPERTIES: BEFORE AND AFTER

### 31 WOODLAND ST, ROSLINDALE





## DISTRESSED PROPERTIES: BEFORE AND AFTER

### 55 DALE ST, ROXBURY



## DISTRESSED PROPERTIES: SURVEY METHODOLOGY

Each year's survey process begins by compiling a list of potentially distressed properties. Before 2016, the survey was based primarily on DND's data, fieldwork, and constituent reporting. DND now collects additional data sources including, but not limited to, data from Boston Fire Department, the Boston 311 Constituent Service Center, and Boston Water and Sewer. DND also revisits the properties that were identified as distressed the previous year. The additional data sources create a more accurate list of properties throughout the City, providing a more comprehensive picture of distressed properties.

Once the final list of potentially distressed properties is compiled, a route map is created for efficient travel between sites. Sites visits are conducted in the summer and fall of each year. A photo is taken of each building, and data are collected from a visual inspection of the property's exterior. DND surveyors do not inspect a property's interior. New distressed properties found while conducting the survey are also added to the database.

The final list of surveyed properties is cross-referenced with other data sources to obtain more information about the properties. Other databases include sales, foreclosure, taxes, and permit data. If the analysis shows that there is evidence of transfer (sale), improvement of the property, or pending plans for rehabilitation, the property is not included on the public list. DND then attempts to contact the owners or property managers by mail to confirm or correct the status of the property. When DND does not hear from the owners, and therefore has no knowledge of plans for rehabilitation, this information is made public.

DND makes an effort to determine when any newly identified properties became distressed. This "carbon dating" process includes checking for utility shut-off dates, fires, board-up permits, and images to estimate when the property became distressed.

*Distressed Buildings Trends* is prepared by Mario Teran of the Policy Development and Research division of the City of Boston Department of Neighborhood Development. For more information about this publication, contact Mario Teran at (617) 635-0692 or at [Mario.Teran@Boston.Gov](mailto:Mario.Teran@Boston.Gov). For a list of currently distressed properties go to [www.cityofboston.gov/dnd/pdr/Distressed\\_Buildings\\_Reports.asp](http://www.cityofboston.gov/dnd/pdr/Distressed_Buildings_Reports.asp)

