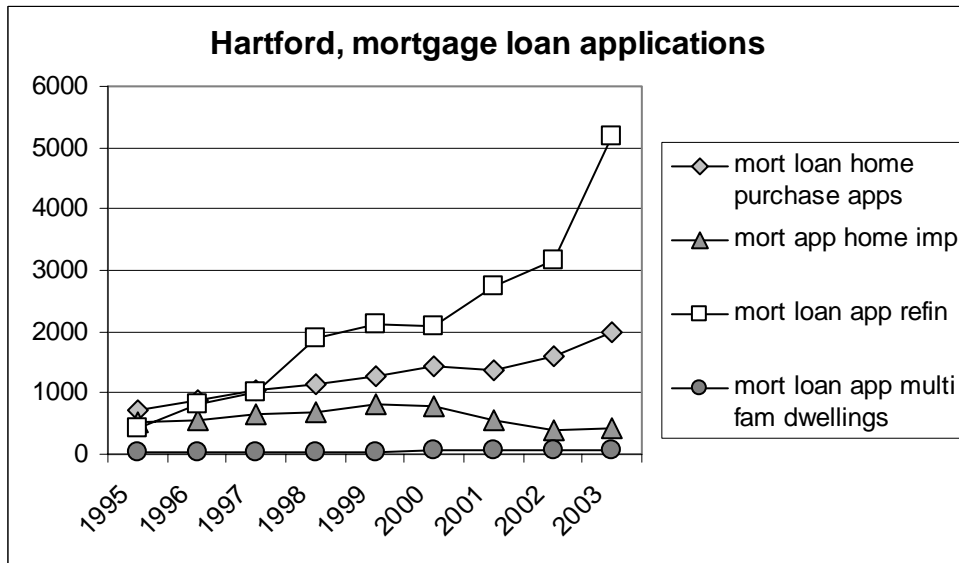


# Mortgage Loan Applications in Hartford, 1995 to 2003

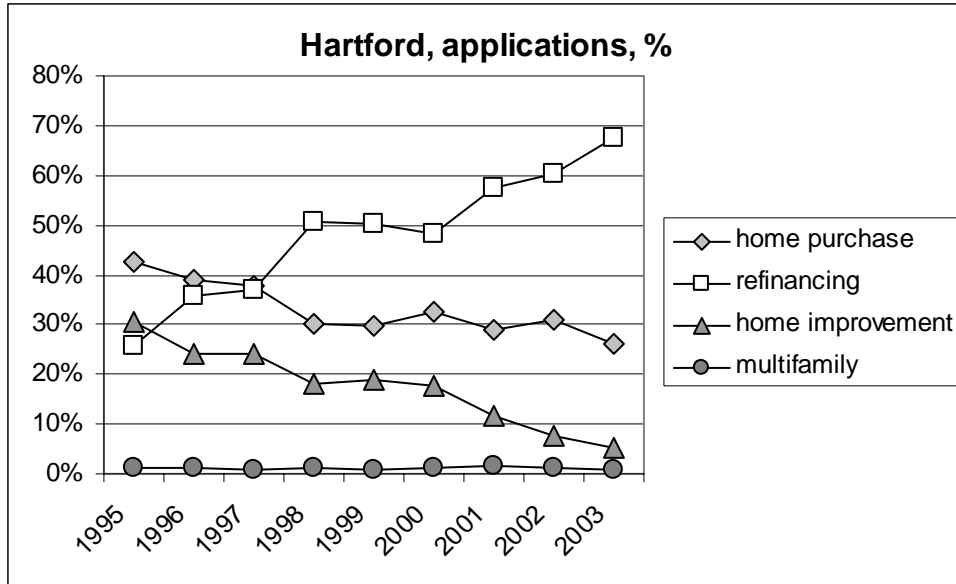
**HARTFORDINFO.ORG**

Citywide, the number of mortgage loan applications submitted to lenders increased dramatically between 1995 and 2003.<sup>1</sup> Although mortgage loan applications for home purchases rose steadily throughout the period, the most dramatic increase in applications was for mortgage refinancing. The dramatic drop in mortgage interest rates during the mid 1990s allowed many homeowners to restructure their existing debt and to realize some equity return for the first time since the drop in local real state values in the period between 1989 and 1993.



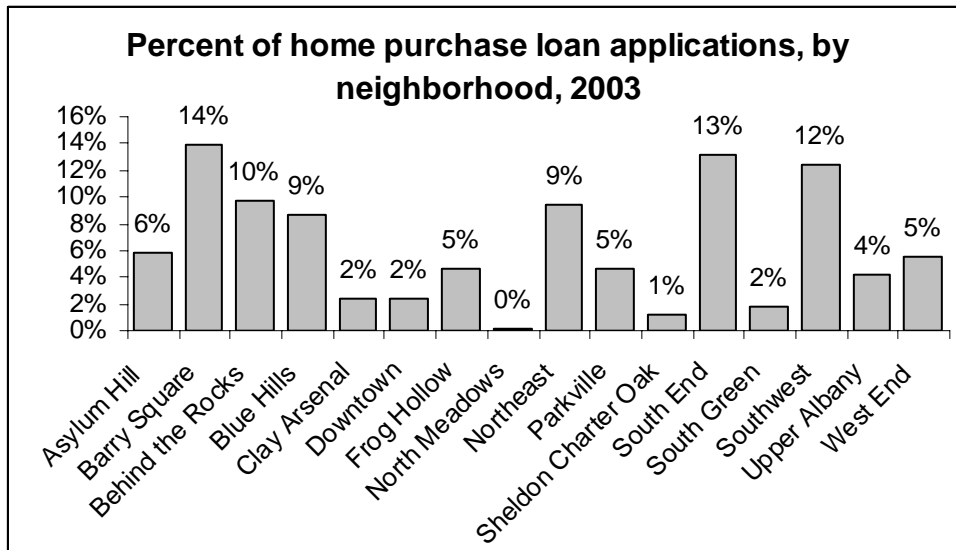
Between 1995 and 2003, 53% of mortgage loans applications submitted for properties in the city have been filed for home refinancing. Since 1998, the number of applications submitted for home refinancing loans has dramatically outpaced the number of applications filed for home purchase loans.

<sup>1</sup> Applications are not necessarily approved, accepted or originated.



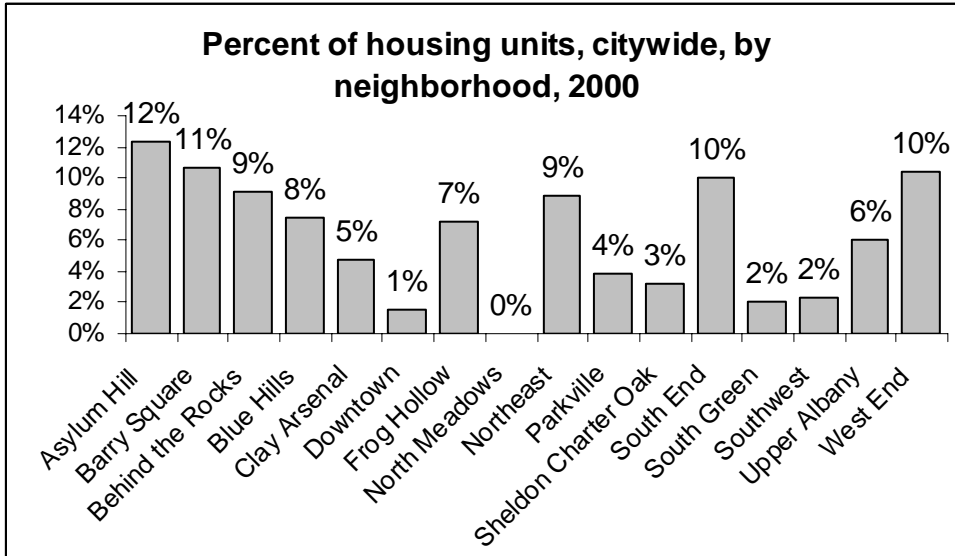
Since mortgage applications (61%) filed in the city between 1995 and 2003 were refinancing loans, it appears that most homeowners chose to take advantage of lower interest rates to refinance over the last decade. The last U.S. Census reported that there were 11,064 homeowners in Hartford in 2000. Between 1995 and 2003, homeowners in Hartford submitted 19,468 applications for home refinancing loans.

Almost 40% of applications filed for home purchase loans in the city in 2003 were filed for properties in just three neighborhoods, Barry Square, South End and Southwest.



Comparing home purchase loan applications with the number of housing units in each neighborhood, as reported on the 2000 Census, can be useful in identifying the areas of the city most sought after by prospective homeowners. The Southwest, with only 2% of the city's housing units accounted for 12% of all applications in 2003. Given that the

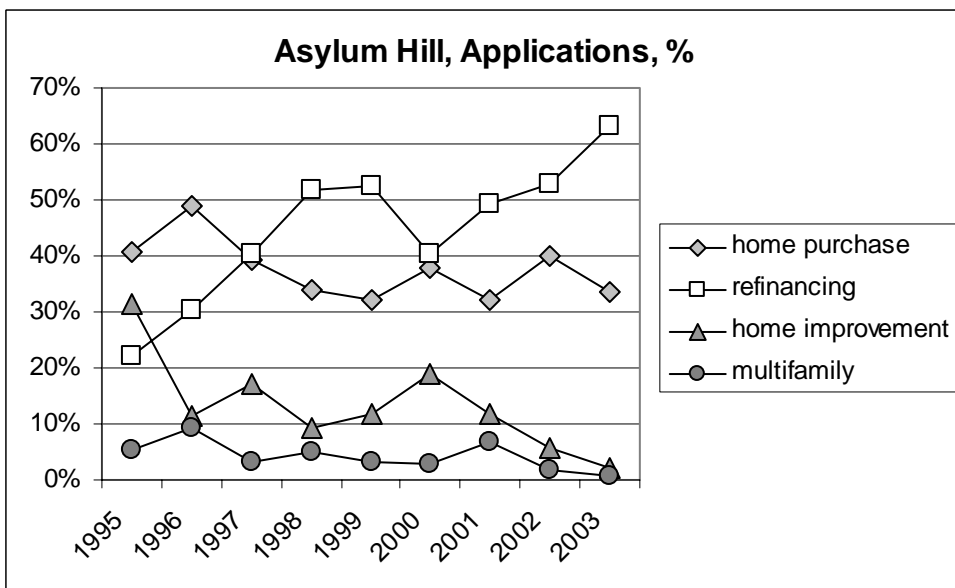
Southwest neighborhood has one of the highest concentrations of single-unit, detached homes in the city, it is clear that this type of housing was most desirable to buyers in 2003. Neighborhoods in the southern half of the city, in general attracted more interest from prospective buyers.



**Asylum Hill**

In Asylum Hill the number of applications submitted for home purchase mortgages rose from 21 in 1995 to 117 in 2003. During the same period, applications for home refinancing rose from 11 to 200.

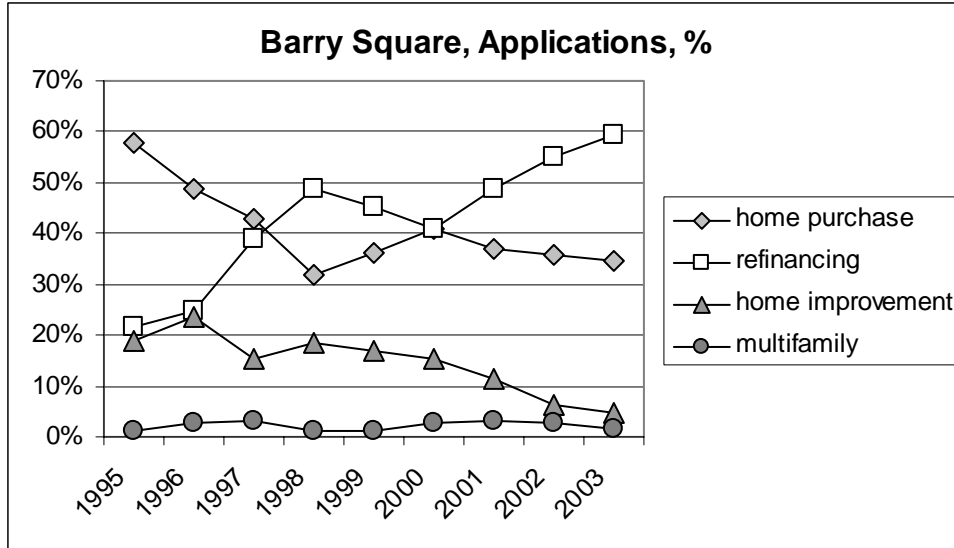
The number of applications filed for home refinancing more than doubled in Asylum Hill between 2000 and 2003. By 2003, over 60% of mortgage loan applications filed in 2000 were to refinance existing mortgage debt.



### **Barry Square**

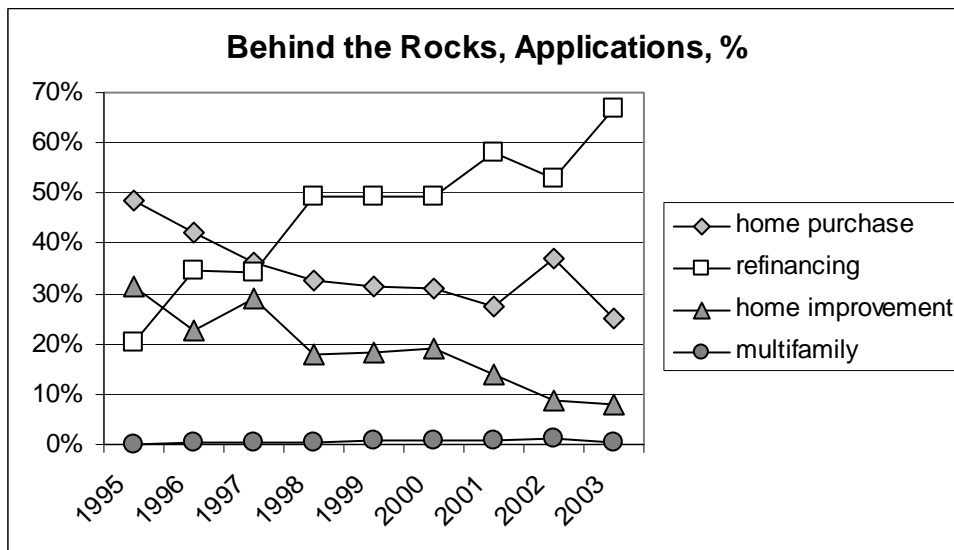
Barry Square is the most populous neighborhood in the city. Trends in mortgage loan applications filed for properties in the neighborhood were similar to citywide trends. Applications for home refinancing led all other types of mortgage loans.

In the mid 1990s, applications for home purchase accounted for almost 60% of all loan applications filed for properties in Barry Square. By 2003, the percentage of applications for home purchases had fallen to about 35% against even stronger growth among homeowners wishing to refinance existing mortgage debt.



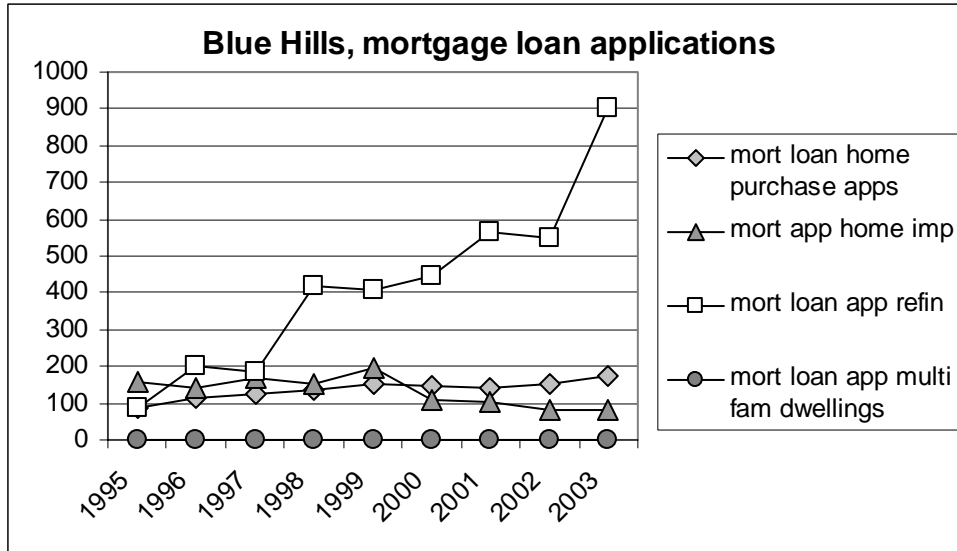
### **Behind the Rocks**

The Behind the Rocks neighborhood contains about 9% of the city's housing units. In 2003, 10% of mortgage loan applications filed for home purchases in the city were for properties in this neighborhood. As in most other neighborhoods around the city, refinancing loans were the most sought after property loans.

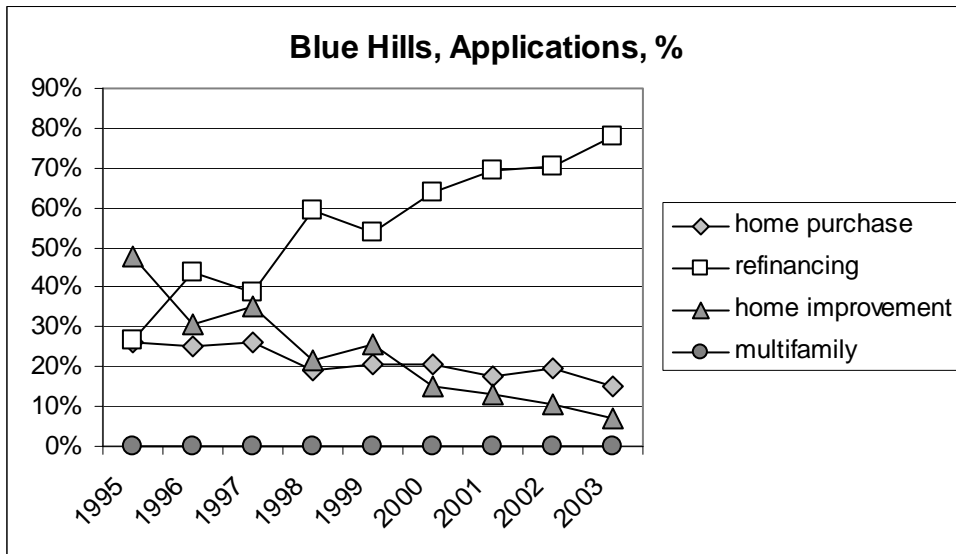


**Blue Hills**

Although applications for home purchases doubled in Blue Hills between 1995 and 2003, growth in the demand for properties in this neighborhood virtually stalled between 1999 and 2002, signaling greater interest among buyers in other parts of the city.



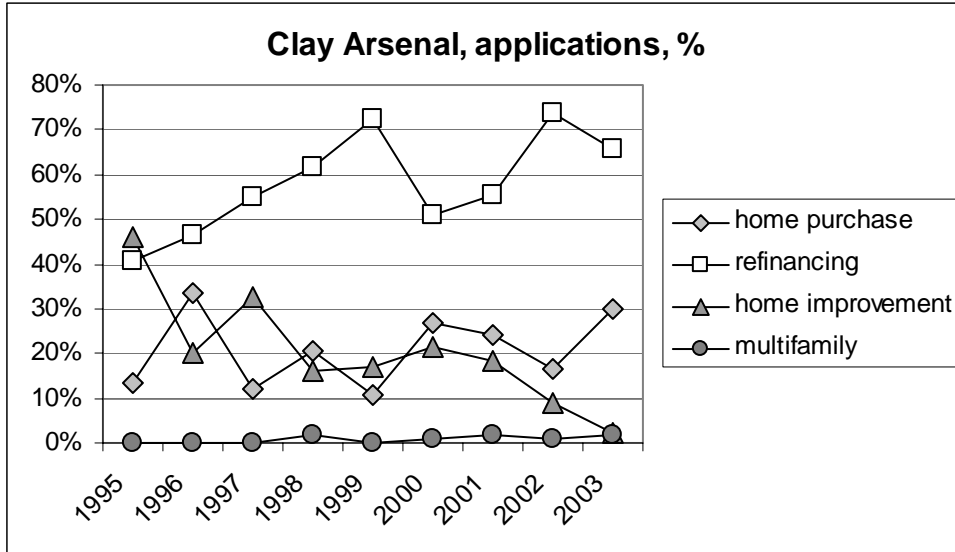
By 2003, almost 80% of home mortgage loan applications in Blue Hills were for home refinancing, the highest rate in the city.



### **Clay Arsenal**

Applications for home mortgage loans in Clay Arsenal varied dramatically from year to year between 1995 and 2003. Although the number of applications filed for home purchases increased 9-fold over the nine year period, the increases were not steady. The number of applications filed actually declined in four years from their level a year earlier.

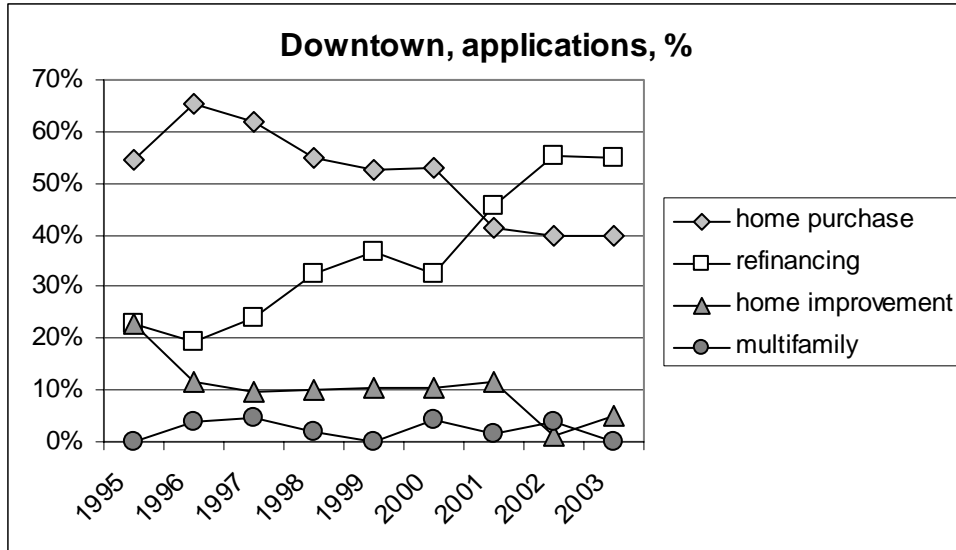
Homeowners in Clay Arsenal began to refinance home debt earlier than homeowners in other parts of the city. In 1995, 41% of applications filed in Clay Arsenal were for refinancing loans. Citywide, the figure was only 31%.



### **Downtown**

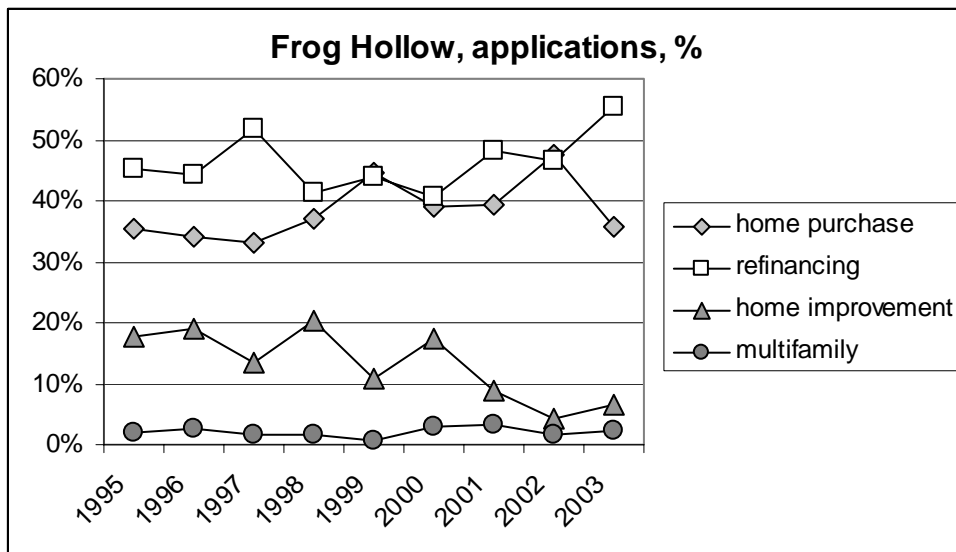
Until 2001, applications for home purchase loans outpaced applications for refinancing loans in downtown. Home purchase loan applications increased more than four-fold over the period, and applications for mortgage loans increased seven-fold.

In 1996, almost 70% of mortgage loan applications filed in Downtown were for home purchase, the highest rate for any neighborhood in the city. Other neighborhoods with a high percentage of home purchase loan applications in the mid-1990s were Sheldon Charter-Oak (62% in 1995), South Green (72% in 1995), South End (61% in 1995) and Southwest (61% in 1995).



**Frog Hollow**

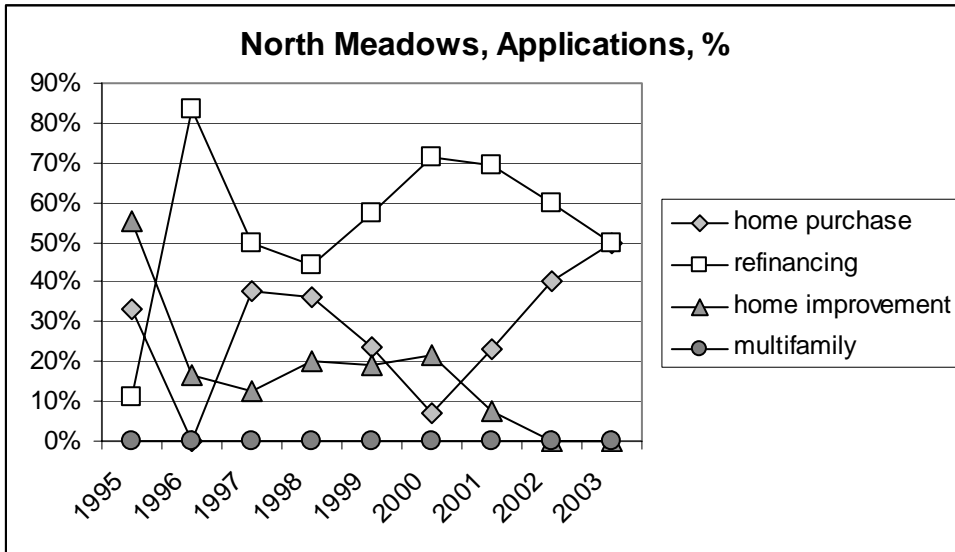
Frog Hollow saw a five-fold increase in home mortgage loan applications between 1995 and 2002. Unlike the rest of the city, the increase in mortgage loans applications for home purchase kept track with refinancing applications. This might reflect sales of new, subsidized homes that were built in the area during the mid-1990s to the early-2000s. Frog Hollow experienced a significant thinning in housing stock between 1990 and 2000. Housing development and mortgage loan assistance targeting low- and moderate-income homeowners in the neighborhood certainly had a significant impact on the mix of loan applications submitted between 1995 and 2002.



**North Meadows**

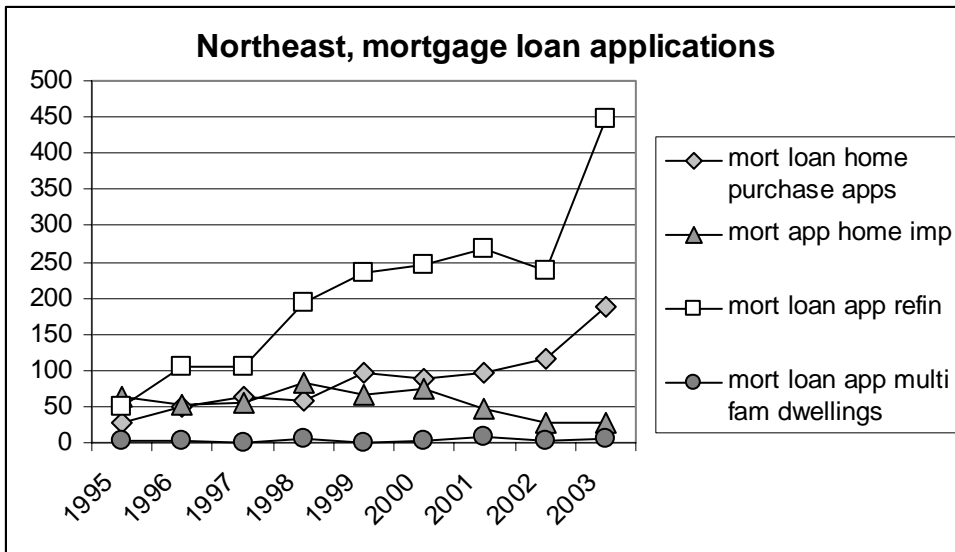
North Meadows is primarily zoned for commercial and industrial use. As a result there is very little residential housing stock in the area which explains the low number of loan applications and the wide swing in applications filed from year to year. The peak year

for home purchases applications filed for properties in North Meadows was 1998 when 9 applications were filed. Because of the small number of residential properties, trends for North Meadows are somewhat anomalous of citywide trends.



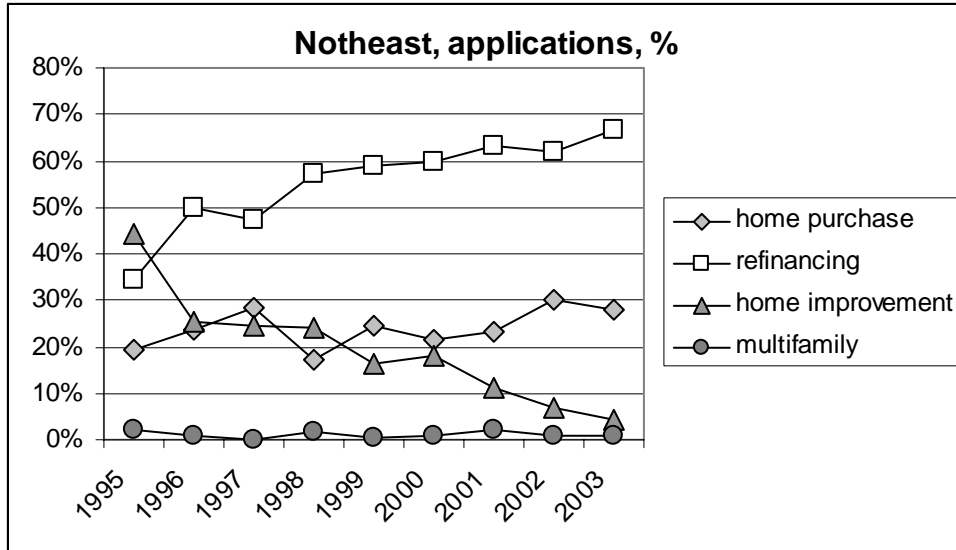
**Northeast**

Trends in the types and volumes of mortgage loan applications in the Northeast neighborhood generally confirmed to citywide trends. Applications for refinancing loans outpaced all other type of mortgage loans. There was a seven-fold increase in applications for home purchases and an almost nine-fold increase in applications for refinancing loans between 1995 and 2003.



Home refinancing loan applications s accounted for a majority of mortgage applications in all but two of nine years.

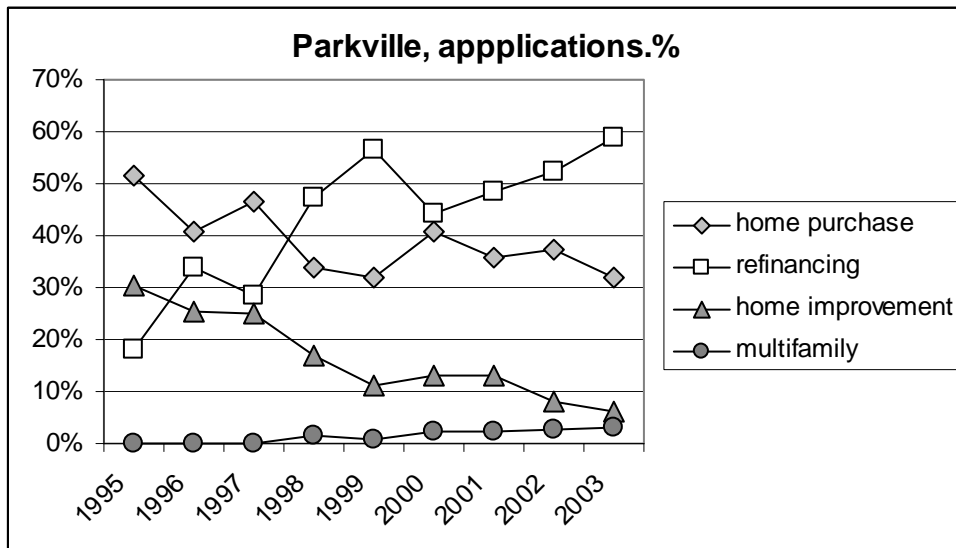




**Parkville**

Parkville is one of Hartford’s smaller neighborhoods. According to the 2000 Census, only 4% of the city’s housing stock was located here. Similar to most other neighborhoods, the growth in applications filed for refinancing outpaced applications for all other types of mortgage loans.

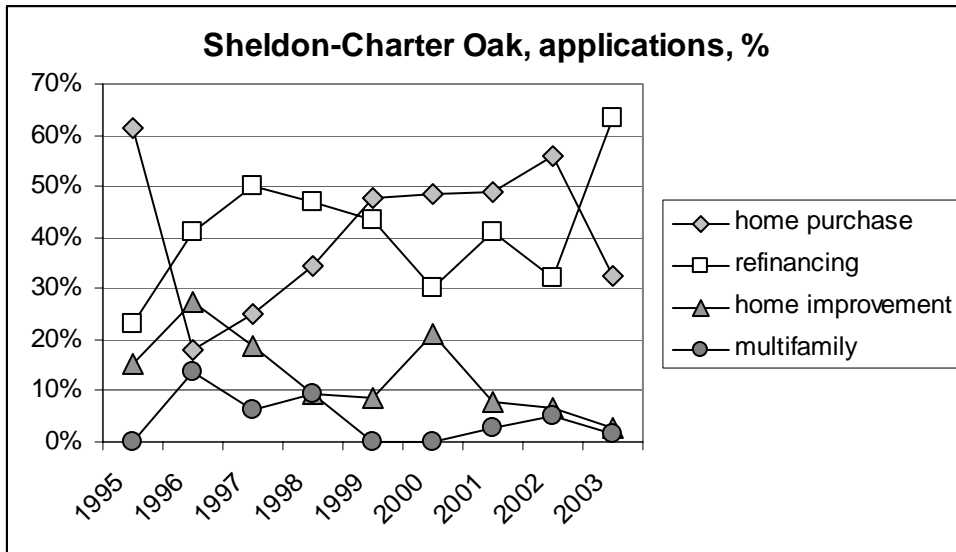
Like most neighborhoods in the city, the percentage of applications for home improvement loans declined as a percentage of all loans over the nine year period. In 1995, 30% of applications were by home improvements. By 2003, the figure had shrunk to slightly more than 6%.



**Sheldon Charter-Oak**

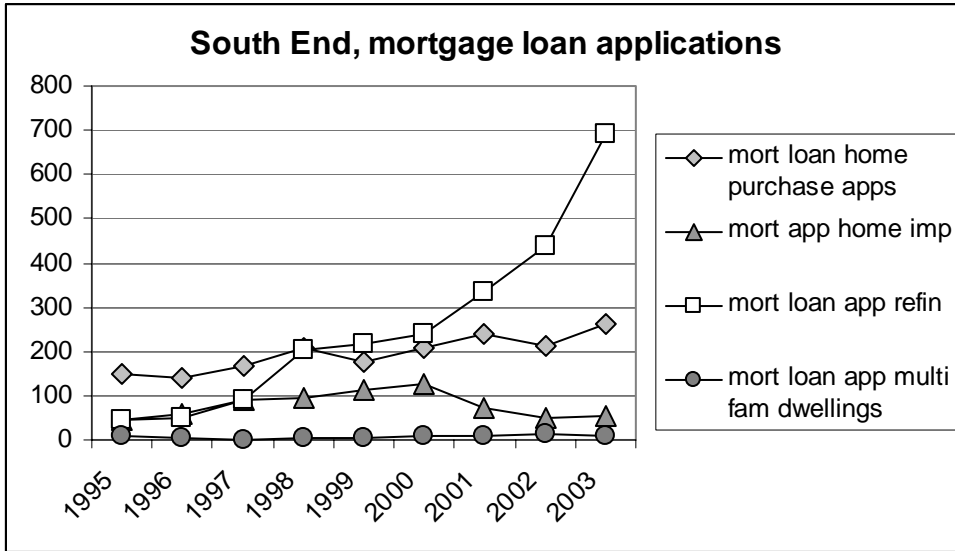
Trends in Sheldon Charter-Oak were remarkably similar to those in the Frog Hollow neighborhood. In both neighborhoods, increases in applications for home purchases generally kept pace increases in applications for refinancing loans. In both neighborhoods there was a significant drop in home purchase loan applications between 2002 and 2003.

The Dutch Point housing project is located in the Sheldon Charter-Oak neighborhood. Plans are currently underway to reduce the size and composition of Dutch Point. The area's proximity to the Adriaen's Landing development has certainly played a role in the healthy growth in the number of home purchase loan applications filed for properties in the area.

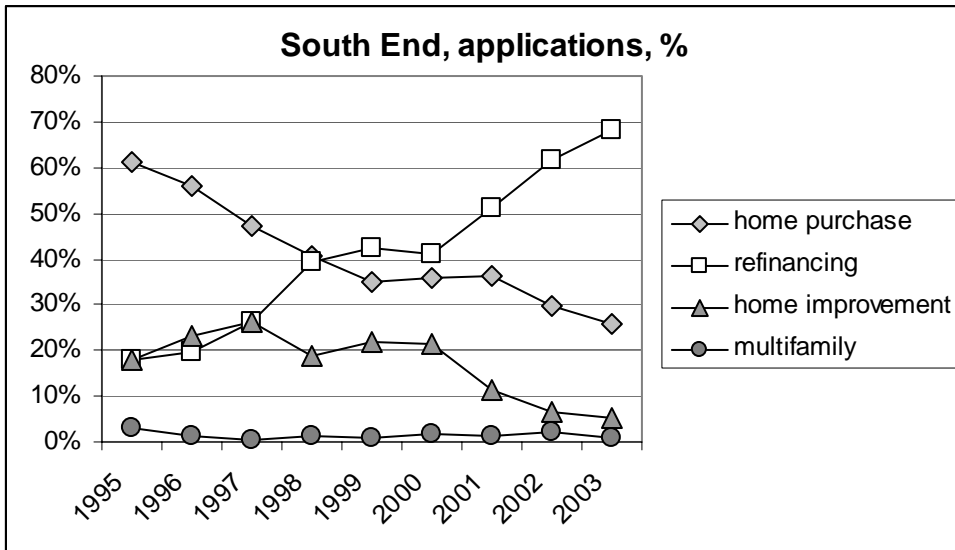


**South End**

Homes in the South End were much sought after by prospective home buyers in the city. Thirteen percent (13%) of all home purchase applications filed for properties in the city were for properties in the South End.

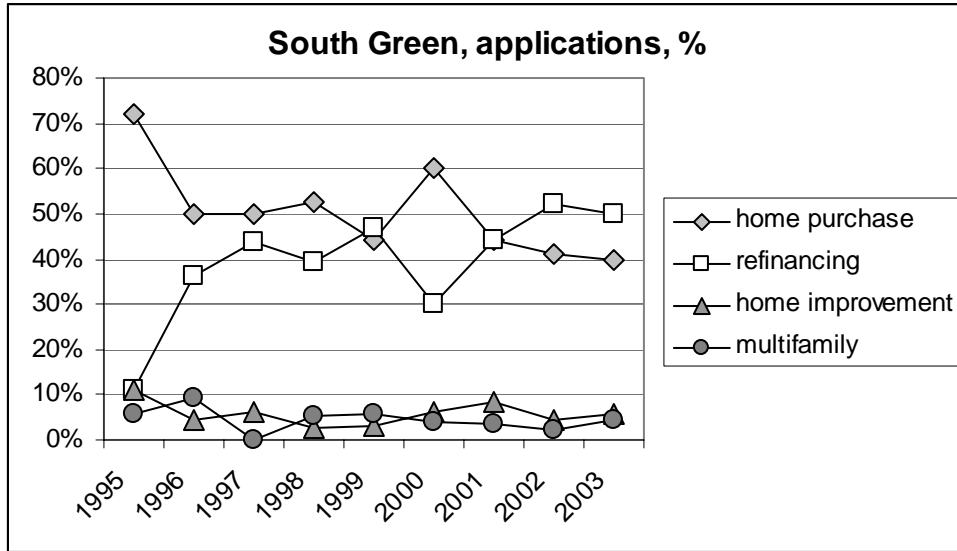


There was almost a complete inversion in the percentage of loan applications submitted for properties in the South End. In 1995, over 60% of loan applications in the area were for property purchases. By 2003, almost 70% of applications were for home refinancing loans.



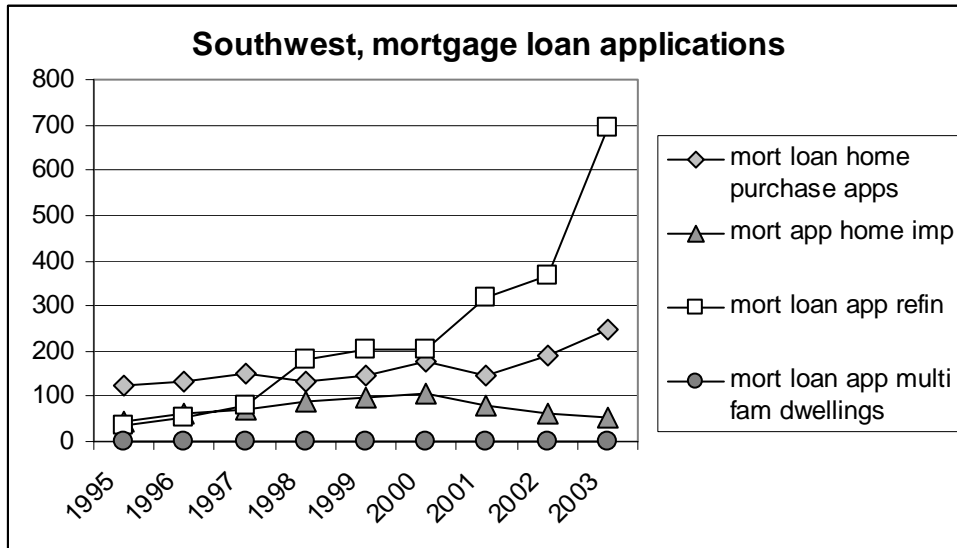
**South Green**

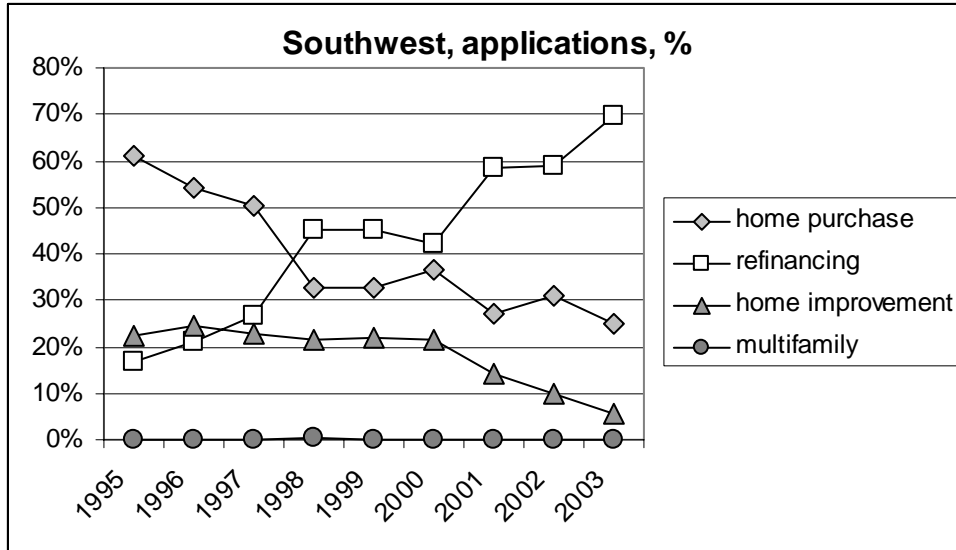
Trends among mortgage loan applications in South Green were similar to trends in Frog Hollow and Sheldon Charter-Oak.



**Southwest**

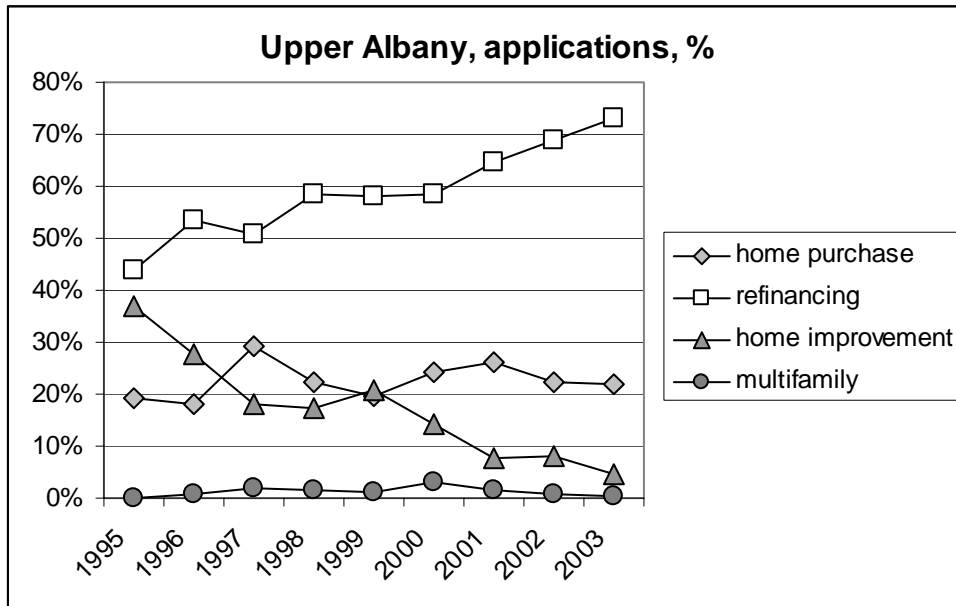
Demand for housing in the Southwest neighborhood was very strong when compared to other neighborhoods in the city. This neighborhood was one of the last neighborhoods developed in the city and has few multi-family properties. The neighborhood also has the highest owner occupancy rate in the city.





**Upper Albany**

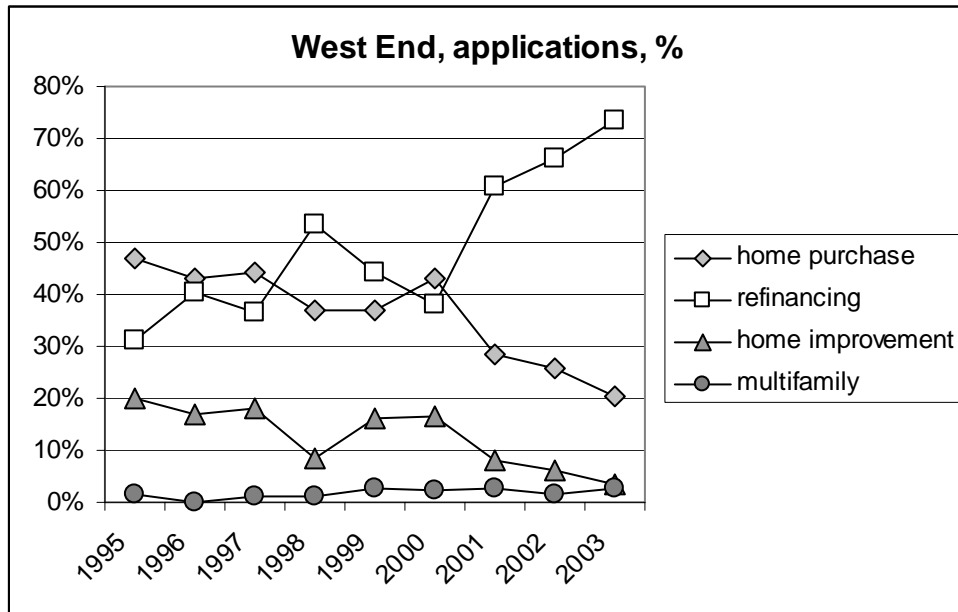
Although Upper Albany demonstrated signs of recovery in its housing sector, the city’s North End neighborhoods generally underperformed neighborhoods in the southern half of the city. Upper Albany, Clay Arsenal and Northeast were the only three neighborhoods where the number of applications for home refinancing significantly outpaces home purchase loans during the entire period between 1995 and 2003.



**West End**

The West End, once known as the affluent West End, did not attract prospective home buyers the way neighborhoods in the southern half of the city did. The West End contains 10% of the city’s housing but only 5% of home purchase loan applications were submitted for West End properties. Although applications for home purchases doubled,

the demand might have been higher given the number of housing units in the area. The mix of applications in the West End generally reflects the pattern citywide.




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Acknowledgements: This report was prepared by Ivan Kuzyk for HartfordInfo.org.