

## BUSINESS

# Foreclosed home sales decline

Paperwork confusion may be reason

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Confusion about proper processing and documentation may have had a ripple effect on local sales of foreclosure homes.

That's one explanation given for the 57 percent year-over-year decrease in sales of bank-owned (REO) homes in the Greenville-Mauldin-Easley metro area during the third quarter of 2011.

A quarterly trend report by RealtyTrac, an online marketplace for foreclosure properties, shows a total of 310 homes in some stage of foreclosure

in the Greenville metro were sold in the year's third quarter. That's a drop of 27.91 percent from the previous quarter and 30.65 year over year.

Daren Blomquist, spokesman for RealtyTrac, told GreenvilleOnline.com that "lenders in many areas are pulling back on sales of bank-owned properties because of concerns that the title of the property might be clouded by an improper foreclosure proceeding. We see that in Greenville."

However, the Greenville area did see a 27 percent spike in short sales on an annual basis, another trend showing up in other

markets.

Blomquist said this trend indicates that lenders may be "more willing to approve short sales as a way of short-circuiting the increasingly messy and risky foreclosure process."

"One positive consequence of the artificial shortage of REOs and the increase in short sales in Greenville is that the average price of foreclosure-related sales has gone up, both on a quarterly basis (up 5.5 percent from the second quarter) and on an annual basis (up 8 percent from third quarter of 2010)," he said.

Homebuyers also purchased fewer foreclosures throughout South Carolina between July 1 and Sept.

30, 2011.

The total number of all homes sold that quarter was 1,712 which is a 28.16 percent decline from second quarter 2011.

Nationwide, 221,536 residential properties in some stage of foreclosure were sold nationwide in the third quarter, RealtyTrac said. That's down 22 percent of all sales in second quarter 2011 and 30 percent from a year ago.

Brandon Moore, chief executive officer of RealtyTrac, said the trend is not too surprising given the continued ambiguity surrounding proper foreclosure procedures.

The good news for Greenville, said Blomquist, is that an uptick in

foreclosure-related sales "should not cause home prices there to crater because foreclosure sales are not overwhelming the market, accounting for about 12 percent of all sales — compared to 20 percent of all sales nationwide and more than 50 percent of all sales in some of the harder-hit metros."

The average sales price of foreclosure-related homes was \$114,255 in the Greenville area, \$136,021 in the state, and \$165,322 nationwide in the third quarter.

Homebuyers who purchased foreclosures had an average discount of 29.2 percent in the Greenville area, 27.1 in the state, and 34 nationwide.