

BUSINESS

Foreclosure sales decline

Pace in Greenville area, state expected to pick up this year

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Purchases of foreclosed homes dropped last year in the Greenville metro area and throughout the state, but they aren't expected to continue to fall.

"We believe foreclosure-related sales will pick up in the first two quarters of 2012 as much of the new foreclosure activity we've seen hitting in Greenville and the state in the last few months translates into short sale and bank-owned listings," **Daren Blomquist**, a spokes-

man for Realtytrac, told GreenvilleOnline.com.

According to Realtytrac, an online market for foreclosure properties, sales of homes in some stage of foreclosure accounted for 13.8 percent of all 2011 home sales in the Greenville-Mauldin-Easley area and 12.3 percent of sales statewide.

Those percentages represent a 10.8 percent drop in foreclosure sales from 2010 in the Greenville metro area and a 12.1 decline statewide. Fourth-quarter sales were also down, 15.3 percent in the Greenville area and 8 percent in the

state, Realtytrac said.

Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, said the slowdown in sales is likely due to there not being as many foreclosures in the region last year as there were in 2010.

A Realtytrac report shows the drop in foreclosures from 2010 to 2011 was 20 percent in Greenville and nine percent in South Carolina.

Greenville ReMax agent Lee Cunningham, like Realtytrac, said there was a slowdown in inventory due to the "robo signing" issue, with lenders signing unread documents or faking signatures to speed up foreclosures.

A settlement on the issue was reached this past month between federal and state officials and five of the nation's biggest lenders. As a result, Blomquist expects foreclosure activity in the Greenville area to accelerate.

Realtytrac is seeing a "definite shift toward short sales in the Greenville area as a preferred method for lenders disposing of their distressed inventory," Blomquist said.

Fourth-quarter 2011 pre-foreclosure sales — typically short sales — in Greenville outnumbered bank-owned (REO) sales for the second straight quarter, Blomquist said. In fourth quarter 2010, bank-owned sales outnumbered

pre-foreclosure sales more than two to one.

Pre-foreclosure sales in Greenville increased 21 percent on a year-over-year basis while sales of bank-owned homes declined 51 percent on a year-over-year basis.

"This indicates that lenders are shying away from REO sales because of the increasingly messy and costly foreclosure process and pre-emptively agreeing to short sales," Blomquist said.

The average sales price of a pre-foreclosure sale is typically higher than the average price of an REO.

The average discount for the 1,432 foreclosures sold in the Greenville area last year was 28 percent.