

FORECLOSURE

Upstate foreclosures rose 33 percent in January, an increase some realty experts attribute to delays in the foreclosure process. AP FILE

FORECLOSURES RISE IN JANUARY

'Shadow inventory' may be the cause, experts say

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Foreclosures rose sharply in the Greenville-Mauldin-Easley metropolitan area last month.

The number of properties that started the foreclosure process for the first time was up 33 percent in January, after nine consecutive months of declines, said Daren Blomquist, vice president of RealtyTrac, which tracks foreclosure data.

RealtyTrac's latest U.S. Foreclosure Market Report shows foreclosure filings — default notices, scheduled auctions and bank repossessions — were reported on 124,419 properties nationwide in January. That's an 8 percent increase from December, but an 18 percent decrease from January 2013.

One in every 1,058 U.S. housing units had a foreclosure filing during the month, the report said.

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DAREN BLOMQUIST, VP of RealtyTrac

A total of 57,259 properties nationwide also started the foreclosure process for the first time in January, up 10 percent from the previous month yet down 12 percent from January 2013 — the 18th consecutive month where foreclosure starts have decreased annually.

South Carolina also had a 11 percent year-over-year increase in foreclosure starts after eight consecutive months of decreased foreclosure starts.

It may be but a one month jump, Blomquist said, but it is cause for concern because the pattern was seen in other markets around the country.

"There are certainly

some markets that are still experiencing some pretty significant increases in different phases of foreclosure activity," he said.

Places like Florida saw a 39 percent jump in scheduled foreclosure auctions. New Jersey also saw a 39 percent increase in foreclosure auctions, which was its highest level since 2010. The increase in California was 57 percent.

It appears lenders are pushing through another batch of delayed foreclosures across the country that will be hitting the market, Blomquist said.

"Everybody was talking about shadow inventory a couple of years ago, with the concern about these properties

BY THE NUMBERS

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being delayed by lengthy foreclosure procedures that finally would come to and hit the market," Blomquist said.

"I think what we're seeing now is that there actually was some shadow inventory, and it's taking longer to come through and hit the market than maybe people expected," he said.

RealtyTrac does not expect the influx of foreclosure increases to cause home price appreciation because "the market recovery appears to be very strong."

"Although it certainly will provide a speed bump on the road to recovery, it won't derail the recovery," Blomquist said.