Foreclosures in area reverse downward trend for 1Q

Analysts say increase expected as backlog in paperwork begins to clear

By Angelia Davis
Staff writer
davisal@greenvilleonline.com

After four straight quarters of year-over-year decreases, foreclosure activity in the Greenville-Mauldin-Easley metro area changed its course.

Foreclosures in the metro area rose 15 percent in first quarter 2012, compared to the same period last year, and the area is ranked 61st highest among all metro areas nationwide with a population of 200,000 or more, according to RealtyTrac's U.S. Foreclosure Market Report for the first quarter of 2012.

The Greenville area is one of the local markets that showed "clear evidence of resurging" foreclosure activity, said RealtyTrac spokesman Daren Blomquist. The region, he said, is following a South Carolina statewide trend that was started in fourth quarter 2011.

South Carolina foreclosure activity increased on an annual basis in fourth quarter 2011 for the first time after three straight quarters with annual decreases, Blomquist said.

That upward trend continued statewide in the first quarter of this year, with a 26 percent year-over-year increase in foreclosure activity, boosting the state's foreclosure rate to the 11th highest nationwide in the first quarter.

"We expected to see this resurgence in foreclosure activity in 2012 given the foreclosure processing delays in 2011 and the backlog of distressed properties that built up as a result," Blomquist said. "We're not yet seeing this pattern in all parts of the country, but we do expect it to be repeated in an increasing number of markets going forward in 2012."

Nationwide, foreclosure filings were down 2 percent from the previous quarter and 16 percent from first quarter 2011. The first quarter total of 572,928 properties receiving a foreclosure filing was the lowest quarterly total since the fourth quarter 2007, when the total 527,740 was RealtyTrac said.

But Brandon Moore, RealtyTrac's chief executive officer said, the low numbers are not an indication that the "massive reservoir of distressed properties built up over the past several year has somehow evaporated."

"There are hairline cracks in the dam, evident in the sizable foreclosure activity increases in judicial foreclosure states over the past several months, along with an increase in foreclosure starts in many judicial and non-judicial states in March," Moore said.

Evenutally, he said, that dam will burst.

In other areas of the Upstate, foreclosure filings for first quarter 2012 were up 36.12 percent in Anderson and 5.33 percent in Spartanburg compared to the same time last year. One in every 106 housing units in Anderson had a foreclosure filing in the first quarter, while in Spartanburg, it was one in every 207 housing units.

Filings were also up 8.51 percent in Charleston and 95 percent in Myrtle Beach. Columbia and Hilton Head saw year-over-year decreases of 5.87 percent and 8.50 percent, respectively.

In the Greenville area, one in every 192 housing units had a foreclosure filing in the year's first quarter. Filings in the state affected one in every 207 housing units and for the nation, one in every 230.