

More than 1.2 million foreclosures reported in 2006

by Bend Weekly News Sources

U.S. Foreclosure Filings Up 42 Percent From 2005

Year-end data from the 2006 U.S. Foreclosure Market Report shows more than 1.2 million foreclosure filings were reported nationwide during the year, up 42 percent from 2005 and a foreclosure rate of one foreclosure filing for every 92 U.S. households, RealtyTrac announced Thursday.

RealtyTrac publishes the largest and most comprehensive national database of pre-foreclosure and foreclosure properties, with over 800,000 properties from nearly 2,500 counties across the country, and is the foreclosure data provider to MSN Real Estate, Yahoo! Real Estate and The Wall Street Journal's Real Estate Journal.

"While foreclosures are not at historically high levels, a 42 percent year-over-year increase is certainly noteworthy," said James J. Saccacio, chief executive officer of RealtyTrac. "The increase in the number of properties in foreclosure was driven partly by the general slowing of overall housing sales, and partly by the impact of monthly mortgage payments increasing dramatically for homeowners who held some of the riskier types of adjustable rate and sub-prime mortgages. As more and more of these loans re-set, we saw a surge to finish the year, with the fourth quarter producing more foreclosure filings than any of the three previous quarters."

The number of total foreclosure filings rose from about 885,000 in 2005 to 1,259,118 in 2006. While that is a substantial increase, it is still within the scope of normal historical averages, according to Saccacio.

"It's true that foreclosures could have a negative impact on the housing market if they continue to increase at this rate. And in some of the more problematic local markets they already may be contributing to slowing home price appreciation and a glut of homes for sale," he said. "However, most local markets have been able to re-absorb foreclosure homes without seeing any major damage to the local economy."

Colorado, Georgia, Nevada post highest foreclosure rates

Colorado documented the nation's highest state foreclosure rate for the year, one foreclosure filing for every 33 households -- or 3 percent of the state's households. The state reported a total of 54,747 foreclosure filings during the year, an 85 percent increase from 2005 and the eighth highest total among all the states.

Georgia and Nevada both reported one foreclosure filing for every 41 households in 2006, but Georgia edged out Nevada with a slightly higher percentage of households in foreclosure -- 2.5 percent compared to 2.4 percent in Nevada. Georgia reported a total of 75,975 foreclosure filings during the year, the sixth most of any state and a 67 percent year-over-year increase. Nevada foreclosures surged in fourth quarter, pushing the state's total for the year to 21,045 -- nearly three times the number reported in 2005.

Other states with foreclosure rates among the nation's 10 highest included Texas, Michigan, Indiana, Florida, Ohio, Utah and Tennessee.

Texas, California, Florida report biggest foreclosure totals

Texas reported 156,876 foreclosure filings for the year, the most of any state and nearly 13 percent of the national total. The state consistently reported big foreclosure numbers throughout 2006, documenting the highest monthly total eight times, and foreclosures for the year were up more than 14 percent from 2005. Texas' foreclosure total represented nearly 2 percent of the state's households -- or one foreclosure filing for every 51 households -- giving the state the nation's fourth highest state foreclosure rate.

Rising foreclosure activity in the fourth quarter pushed California's 2006 foreclosure total to second highest among the states. The state reported 142,429 foreclosure filings during the year, more than twice the number reported in 2005 and accounting for more than 11 percent of the national total. California's 2006 foreclosure rate of one foreclosure filing for every 86 households -- or 1.2 percent of households -- ranked 14th among the

states

Florida foreclosure activity remained relatively flat in 2006, up just 2 percent from 2005, but the state's foreclosure total still placed third highest among all the states. Florida reported 124,721 foreclosure filings during the year, a foreclosure rate of one foreclosure filing for every 59 households -- or 1.7 percent of households. The state's foreclosure rate dropped to seventh highest in 2006 after claiming the top spot in 2005.

Other states with 2006 foreclosure totals among the nation's 10 highest included Ohio, Michigan, Georgia, Illinois, Colorado, New York and Indiana.

Detroit, Atlanta, Indianapolis report highest metro foreclosure rates

With an average of more than 10,000 foreclosure filings in each quarter, Detroit documented the highest annual foreclosure rate among the nation's 100 largest metropolitan statistical areas. Foreclosure filings in the city represented 4.9 percent of all households -- or one foreclosure filing for every 21 households. The city's foreclosure rate was 4.5 times the national average.

Atlanta's 2006 foreclosure total of 63,737 represented 4.4 percent of the city's households -- second highest among the top 100 MSAs and more than four times the national average. Consistently high foreclosure filings throughout the year helped the Atlanta's foreclosure rate rank in the number-two spot despite never being higher than third place in any quarter.

Indianapolis foreclosures decreased in the second, third and fourth quarters, but the city still documented the nation's third highest metro foreclosure rate -- with total foreclosure filings representing 4.3 percent of all households.

Other cities with foreclosure rates among the nation's 10 highest were Denver, Dallas, Fort Worth, Las Vegas, Memphis, Fort Lauderdale and Miami.

The RealtyTrac U.S. Foreclosure Market Report provides the total number of homes entering some stage of foreclosure nationwide and by state in each quarter of 2006. The total for each quarter and for the year includes foreclosure filings for all three phases of foreclosure: Defaults -- Notice of Default (NOD) and Lis Pendens (LIS); Auctions -- Notice of Trustee Sale and Notice of Foreclosure Sale (NTS and NFS); and Real Estate Owned, or REO properties (that have been foreclosed on and repurchased by a bank).

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