

# Area foreclosures continue climb, top 10,000 on year

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Central Texas foreclosure postings continue to rise, with 1,071 properties posted for the Sept. 1 auction, up 40 percent from the same month last year, according to figures released Friday. Last September, 765 properties were posted.

For the first nine months of this year, there were 10,098 notices in Travis, Williamson, Hays and Bastrop counties, up 56 percent compared with the same period last year. That level tops the 9,008 notices filed for 2008, according to Foreclosure Listing Service Inc., the Addison firm that tracks the numbers.

## **Experts say the numbers, while elevated, aren't affecting home values in the region.**

The 56 percent jump was the largest percentage gain in year-to-date postings among the state's major metro areas. Bexar County postings rose 40 percent, and in the Dallas-Fort Worth area, postings climbed 20 percent over the past year.

**During the past five years, however, the Austin area has seen the smallest gain in year-to-date postings among the three metro areas, the company said.**

Postings in the Austin area have topped 1,000 per month for eight months in a row.

"Foreclosures will continue at a higher than normal pace until the economy turns around," said Peter Sajovich, a local real estate broker who buys foreclosed properties for investors.

"This is natural and to be expected in a normal downturn of a business cycle. Additionally, the era of 'Investors Gone Wild' is over, and we are now seeing a tremendous number of investor-owned properties coming to foreclosure, which will probably continue for another two or three years," Sajovich said.

**Mark Sprague, a housing industry consultant with Residential Strategies Inc., said that "nationally, we have not hit bottom for home values, unfortunately, which in turn affects those moving from other markets to Austin."**

**"Although there is not a better time to buy a house in Austin, we still have some national housing values that have to hit bottom first, to see a turnaround."**

David Reed, senior loan officer with Integrity Home Mortgage, said he anticipates some slowing of filings, as Central Texas is "not in the middle of massive layoffs and our economy is still one of the best in the country.

"Yes, over the year the percentage increases look staggering, but at the same time we should also point out how many homes are not in foreclosure," Reed said.

**Experts say the high number of foreclosures isn't affecting home values in the region, mainly because they represent just a fraction of the overall housing market.**

**"I think people who think they're going to get a 50 percent discount on a house because it was foreclosed on soon find out that the banks are able to sell their properties at or near market," Reed said. "There are simply not enough foreclosures right now to impact an appraisal.**

**"If we ever get to the point where a neighborhood is flooded with bank-owned homes, then, yes, values will start to decline, but we're simply not there."**

**Courtesy of JB Goodwin**