

REAL ESTATE

Foreclosure figures tell state's sad story

Yet another company has released down-in-the-dumps home foreclosure figures, just in time for the holidays.

Florida leads the Southeast in filings and is second only to California in total foreclosures nationwide, according to **ForeclosureS.com**, a Sacramento-based real estate investment advisory firm.

More than 107,500 Florida property owners have filed for foreclosure so far in 2006. That's already an increase of 13 percent from the 95,269 who filed for all of last year. The company cited defaults in Broward and Miami-Dade counties as contributing to the rise.

Nationwide, nearly 877,000 homeowners were in foreclosure so far this year, up 37 percent from the 640,454 who filed last year, **ForeclosureS.com** said.

Escalating home values from 2000 to 2005 caused buyers to overextend themselves. Many took out short-term, adjustable-rate mortgages for homes they otherwise couldn't afford and saw their monthly payments balloon as interest rates rose.

While there's no denying that more homeowners will likely struggle with foreclosure in the coming months, it's difficult to put the problem in perspective because real estate analysts differ in how they report foreclosure data.

Figures from **ForeclosureS.com** and Irvine, Calif.-based **RealtyTrac**, for instance, include homeowners in preforeclosure, the point when a lender files a notice of intention to take back the property. Many of those people resolve their debts before losing their homes.

Another firm, Boca Raton-based **Foreclosure.com**, counts only properties that are in foreclosure, meaning lenders are moving to take back the homes. The **Mortgage Bankers Association** also separates mortgage delinquencies from actual foreclosures.

In a quarterly snapshot of the mortgage market released last week, the Mortgage Bankers reported that the percentage of mortgage payments that were 30 or more days past due for all loans tracked jumped to 4.67 percent in the July-to-September third quarter.

That marked a sharp rise from the second quarter delinquency rate of 4.39 percent and



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was the worst showing since the fourth quarter of 2005. But Florida's foreclosure rate was below the national average.

Generally, lenders consider homeowners in foreclosure when they are 120 days late making payments, said Louis Spagnuolo, a senior mortgage banker for **Home 123** in Boca Raton.

"Unfortunately, there is no uniform standard for when somebody is in foreclosure," Spagnuolo said. "The industry needs to come up with some kind of a standard so everyone can know what these numbers mean because right now they're misleading."

■ South Florida's condominium market might be shaky, but **H&H Development** is going ahead with a 10-story project in West Palm Beach near City-Place.

The Coral Gables-based developer is building 288 condos priced from \$300,000 to \$600,000. **H&H** says it has about 80 percent of the units under contract.

Construction has started and the condos are due to be complete in late 2007.

The development, called City Palms, is on the site of the old Hibiscus Inn on Hibiscus Street. **H&H** bought the land and other holdings from Richard Limehouse last year for about \$7 million. It was one of a handful of deals in the area in which long-time property owners sold to deep-pocketed condo developers.

The slowing housing market has caused developers to shelve projects in Palm Beach and Broward counties, but Harvey Hernandez, CEO of **H&H**, said he's not worried. He said he's pleased with the sales pace so far and expects to sell any remaining condos next year.

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