



Collier, Lee foreclosures continue to soar

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Once again records were broken in June in Lee and Collier counties but not of the good kind.

In Collier, new foreclosure filings jumped to an all-time high of 716. In the first six months of this year, there were 3,827 filings. That's more than the 3,266 for all of last year.

"Obviously it is a bad sign. It means the ills have not been worked out of the mortgage industry in Southwest Florida by any stretch of the imagination yet," said Dwight Brock, Collier County's Clerk of Courts.

To the north, foreclosure filings were up to a record number for a month at 2,518, said Charlie Green, the Lee County Clerk of Courts. But the number of filings per workday decreased because June had 23 workdays, he said. May, which saw 2,356 foreclosures filed, had 21 work days.

"Two days makes a difference," Green said. May averaged about 112 filings per work day, compared to just a little more than 109 per work day for June.

The previous record high in a month was in February which had 21 work days and 2,463 foreclosures filed for an average of about 117 filings per work day. Lee County had 17,417 foreclosure filings in the past fiscal year, which runs from June 2007 to this past May. That number is more than quadruple the number of foreclosures (4,372) from the previous year.

When Collier's filings dipped slightly in February and then again in April, Brock thought they might be leveling off. But they started to rise again.

"They just continue to go up, which says to me that there is still a big problem in the real estate market," he said.

Glenn Ginsburg, a broker for A Delta Realty in North Naples, said he saw the trend coming in early 2007.

"I just never envisioned it would get this bad," he said. "I knew we would see an increase, but not like what we've seen."

He said "it's hysteria that's setting in" because owners have seen their values go down so much that they've decided they don't want to own their homes anymore, so they are stopping their mortgage payments and "turning them back in."

The Fort Myers/Cape Coral area had the dubious distinction of having the second most foreclosures in the country during May with one in 79 homes receiving a foreclosure filing, according to RealtyTrac, an Irvine, Calif.-based foreclosure tracking firm.

Stockton, Calif., came in first with one of every 75 homes receiving the notice. Port St. Lucie-Fort Pierce came in ranked at No. 10 and Miami at No. 19 on RealtyTrac's list.

Seven of the top 10 cities were in California, two in Florida and one in Nevada-Las Vegas.

Earlier this year, the Fort Myers/Cape Coral area ranked No. 1 in foreclosure filings in the country for two

consecutive months.

"May was the third straight month where we've seen a month-to-month increase in foreclosure activity and the 29th straight month we've seen a year-over-year increase," James J. Saccacio, chief executive officer of RealtyTrac, said in a prepared statement about the nationwide trend.

"The nationwide rate of increase for default notices and foreclosure auction notices slowed in May, with default notices up just 1 percent from the previous month and auction notices down 3 percent from the previous month. However, bank repossessions continued to surge in May — posting a double-digit percentage increase from the previous month and more than twice the number reported in May 2007 — which pushed the total inventory of bank-owned REOs in our database to more than 700,000," he said.

New construction is not faring much better.

The number of building permits for single-family homes in unincorporated Lee County, Bonita Springs and Fort Myers Beach declined in June, according to information Lee County Community Development provided.

The department issued permits for 74 single-family homes valued at \$27.4 million. In June 2007, 448 permits were issued, Joan D. LaGuardia, the department's communication manager wrote in a prepared statement.

In May, the department issued 80 permits.

Multi-family units permitted in June were up to 54 from 28 in May. In June 2007, the department issued 33 permits, according to the information provided by Community Development.

Commercial building permits saw a decrease as well in June with 13 permits valued at \$12.6 million pulled, compared to \$21.2 million in May.

"In June 2007, newly permitted commercial buildings were valued at \$333.6 million, an all-time monthly high attributed primarily to the rush to beat a deadline to qualify for a lower road impact fee," LaGuardia wrote.

In Collier, another record was broken in June. Small claims filings hit an all-time high of 401. That was up from 284 in May and 254 in April.

"If you look at the increase in small claims cases in conjunction with the increase in foreclosure cases, that is telling me the economy is now beginning to impact the little man. When you combine both of those that is a bad omen."

The jump in small claims cases — where people are suing each other without a lawyer— indicates people may be more desperate to collect any money they can because they've fallen on hard times.

He said court filings may have also jumped last month because a new state law raised court-related fees and fines on July 1.

Civil filing fees have gone from \$250 to \$295, and tenant evictions have risen from \$70 to \$295, for example. Defendants who file a counterclaim will pay another \$295.

With the spike in foreclosure and small claims filings, Brock's office is struggling to keep up because both are so "resource intensive," he said. Staff from the recording department, which has slowed because of the real estate slump, are spending more time working in the civil department, he said.

"We're getting killed," Brock said.

Lee County

A month-by-month look at foreclosures

January: 2,297

February: 2,463

March: 2,354

April: 2,278

May: 2,356

June: 2,518

Year by year

For each fiscal year (October to May)

'05-06: 836

'06-07: 4,372

'07-08: 17,417

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