



# Lenders on pace to take back 50,000 South Florida homes this year

Paul Owers, Sun Sentinel  
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Lenders are repossessing foreclosed homes in South Florida at a faster clip and are on pace to take back nearly 50,000 properties this year, according to a report Tuesday.

The increase, from 30,400 repossessions last year, stems in part from the migration of the foreclosure sales process to the Internet, said Peter Zalewski, principal of Bal Harbour-based CondoVultures.com.

"The online auctions are providing a certain cleansing process," said Zalewski, whose firm serves as a consultant to investor groups looking to buy properties at deeply discounted prices.

During the first half of 2010, banks took title to an average of 4,000 properties a month in [Miami-Dade](#), Broward and [Palm Beach](#) counties — an 83 percent increase over the same period of 2009.

Repossessions soared 125 percent in Miami-Dade, 112 percent in [Palm Beach County](#) and 42 percent in Broward. The number is higher than at any time in the past 20 years, Zalewski said.

If lenders close in on 50,000 South Florida repossessions in 2010, it would shatter the modern-day record set in 2009.

Online foreclosure auctions began this year in Miami-Dade, Broward and Palm Beach counties. Previously, auctions were held in person at the county courthouses.

[Florida](#) is the first state in the nation to put foreclosure sales online, after a change in state law in 2008.

The online auctions are speeding foreclosure sales and helping to clear the backlog of cases, agreed Lloyd McClendon, chief executive of RealAuction.com. The [Plantation](#)-based company runs the online auctions in Broward, Miami-Dade and 15 other Florida counties.

McClendon said the increase in bank repossessions also is a result of a new rule in Miami-Dade, Broward and Palm Beach counties that requires a court order to cancel a foreclosure auction.

"More cases are going to sale on schedule," he said. "It's less playing around."

The inventory of bank-owned homes is expected to flood the resale market in the coming months, almost certainly hurting prices that have stabilized recently.

But Zalewski said there is reason for optimism. He points out that South Florida foreclosure filings are down 34 percent in the first half of 2010, an indication that the housing market is poised to improve after a devastating downturn that has extended into a fifth year.

Typically, a lender files a foreclosure notice when a homeowner is 90 days past due on the mortgage. If the homeowner can't work out a deal to stay in the home, the lender takes back the property through a foreclosure auction.

West Palm Beach housing analyst Brad Hunter said the decline in foreclosure filings signals the winding down of the subprime mortgage debacle affecting borrowers with poor credit histories. But Hunter expects foreclosures to spread to more middle- and upper-income homeowners who didn't take out subprime mortgages.

"I think it's premature to say we're out of the woods," he said. "The housing recovery is going to depend on jobs, and so far we haven't seen an increase in jobs."

<http://www.sun-sentinel.com/business/fl-bank-repossession-20100713,0,2581311.story>