

Austin bucks the trend -- metro foreclosures down 6 percent in 2007

Austin Business Journal - 1:55 PM CDT Tuesday, August 21, 2007

Foreclosures in the metropolitan area are down 6 percent so far this year making Austin the only major Texas market to show steady improvement in the foreclosure picture, a monthly report shows.

A total of 574 properties in the market are listed for the upcoming September foreclosure auction, down 21 percent from September 2006, according to figures from the Addison-based Foreclosure Listing Service Inc. So far this year, the metropolitan area has logged 4,971 foreclosed properties, down from 5,707 in the first nine months of 2006.

George Roddy, president of Foreclosure Listing Service, says Austin is faring far better than other Texas markets like Dallas/Fort Worth and San Antonio where foreclosures are up 12 percent and 5 percent respectively.

"In recent months, the increased rate of foreclosures has finally become 'national' news; however, in Texas, foreclosures have been on the high-side of the foreclosure cycle for the past several years," says Roddy. "Foreclosure rates began climbing in Texas back in 2001."

Yet while Austin is ahead of other cities, foreclosure rates here are still on the high-end of the cycle. For example, the 2,627 postings recorded for Travis County so far this year is up 112 percent compared with the same period in 2001.

While many want to blame lax lending practices for the current mortgage meltdown, Roddy says there are other factors also at work, including increases in cost of living, rising credit card debt, interest rate increases and the growing difficulty in filing for bankruptcy.

Speaking on the future of the mortgage industry Roddy says confidence in the market has certainly taken a beating, "but even with the new guidelines and requirements put in place for borrowers, this is not a problem that will be solved overnight."

Changes in foreclosure filings year-to-date by county are as follows:

- **Travis down 5 percent**
- **Williamson down 9 percent**
- **Hays down 9 percent**
- **Bastrop down 1 percent**

Courtesy of JB Goodwin