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Foreclosure filings on a roll in coastal North Carolina

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Benefiting from lots of beaches, a temperate climate and plenty of room to grow, Brunswick County for years has been at or near the top in population growth rates for North Carolina's 100 counties.

Now the Southeastern North Carolina county is near the top in a less glamorous category – growth in foreclosure filings.

Figures from the N.C. Administrative Office of the Courts compiled by the N.C. Justice Center show foreclosure filings last year rose in 67 of North Carolina's 100 counties, reaching a record of 63,341.

That prompted the advocacy group for low-income residents and communities to ask federal and state leaders for a stronger response to help keep people in their homes.

But even that additional assistance might not help stem the flow of filings along the coast, where speculators and the hunt for the perfect second home created a property firestorm earlier this decade.

While the recession battered property markets from coast to coast, it pummeled Brunswick County.

Foreclosure filings last year nearly doubled from 2008 and are up an eye-popping 644 percent since 2000.

In 2009, Brunswick County saw 1,623 filings versus 891 in 2008 – which itself was double the number in 2007.



Foreclosure numbers in Southeastern North Carolina have increased over the past four years.

That's more foreclosed properties last year than in much more populated counties such as New Hanover, Buncombe, Cumberland, Gaston and Onslow.

Pender County also saw a spike, from 322 in 2008 to 474 last year.

New Hanover County hasn't escaped the foreclosure mess either, with the 1,469 filings last year nearly double the number in 2007.

According to RealtyTrac.com, Pleasure Island remains a particular problem area, with a foreclosure rate well above that for the county and state as a whole.

But New Hanover's growth in troubled properties from 2008 to 2009 was a fairly moderate 44 percent.

Woody Hall, an economist at the University of North Carolina Wilmington, said Brunswick's high number of second homes – which are usually among the first assets to get jettisoned when times get tough – coupled with wild speculation and real estate prices that were high when the bubble burst, compounded the problem.

"It's almost part of a perfect storm," he said of the economic forces buffeting Brunswick County.

PUSHING VALUES DOWN

Martha Lee has been selling property in Brunswick for more than three decades.

"The toughest time was when interest rates went to 20 percent," she said, referring to the economic malaise of the late 1970s and early 1980s. "But other than that, this is the worst I've ever seen it."

Lee, who runs several real estate businesses and Web sites including brunswickcountyforeclosures.com, said the free fall in the property market is affecting everyone because lower appraisals and sale prices sink all values in a neighborhood.

And because Brunswick is a popular site for second homes and folks retiring or planning to retire, the souring economic picture nationally hit the county harder and faster than other areas.

That, in turn, has led to job losses in local businesses set up to service a thriving residential and tourism industry, which like a feedback loop has further bludgeoned the property market.

"When times are good, we probably do better than we should," Lee said. "But now, look what's happened."

But Lee said plunging property values have also opened up opportunities for some people, such as young couples and those who can still access credit, to get into the market and find some good deals.

"This is definitely the time, over the next six months," she said, alluding to rumors out of Washington that the Federal Reserve will soon start raising interest rates to tame inflationary pressures.

However, Lee cautioned that sellers have to be realistic about what they're going to get for their properties in today's market.

She said property owners should have their property appraised just before they put it up for sale and not be shocked by the values.

"They need to be unemotional," Lee said. "You need to price it for what it's worth today so you don't have something that just sits on the market for 365 days, which is what we're seeing a lot of today."

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