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Rising foreclosure rate will 'haunt the state for years,' expert says

By Martin C. Daks

New Jersey foreclosure filings climbed 2.5 percent in 2010 compared to 2009 — higher than the 1.7 percent national increase, according to a report issued Thursday by Irvine, Calif.-based **RealtyTrac**, which tracks and sells foreclosure information

New Jersey had 64,808 properties with foreclosure filings in 2010, or one for every 54 housing units, according to the report, which ranked the state 14th highest in the nation among foreclosures.



Jeffrey Otteau

"New Jersey's job recovery has lagged behind national job creation — at least, until recently — which likely helped to drive foreclosure filings," said **Jeffrey Otteau**, president of East Brunswick-based **Otteau Valuation Group**. "Also, in 2009, the state had a large backlog of foreclosure filings and fell months behind in the process, so some 2009 filings were not recorded until 2010."

Nationally, last year's numbers dipped, because many major lenders had to temporarily halt some foreclosure proceedings following questions about whether they followed the proper foreclosure procedures, according to RealtyTrac CEO **James J. Saccacio**.

"Many of the foreclosure proceedings that were stopped in late 2010 — which we estimate may be as high as a quarter million — will likely be restarted and add to the numbers in early 2011," he added.

In New Jersey, about 94,000 homes are in "shadow foreclosure," or some stage of delinquency that's shy of an actual filing, according to Otteau.

"Not all of them will actually go to foreclosure, but the high number indicates that 2011 filings will likely jump by at least 10 percent compared to 2010," Otteau said. "This problem will haunt the state for years to come."

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