

## US Foreclosures: Records and Rebalancing



Foreclosures in the US were up in the first quarter of 2022 – setting what the data provider calls a “post pandemic high”. The data provider in this case is Attom, who specialize in real estate and property data – including tax, mortgage, deed, risk and other information for “over 155 million properties” country-wide.

It must be noted, however, that this level of foreclosure activity is still considerably better than the highs seen in 2020, before government intervention (more below).

### A Tale of Two Months

Attom’s Q1 2022 US Foreclosure Market Report – released in April 2022 – shows a total of 78,271 properties filed for foreclosure in the first quarter of 2022. This is, they write, “up 39% from the previous quarter and up 132% from a year ago”.

Additionally, in March 2022 alone, the data indicates over 33,000 US property foreclosure filings – an increase of 29% from the prior month and 181% compared to March 2021.

A mere month later, however, in the month-to-month reporting from the same provider (April 2022, released in mid-May), showed “a total of 30,674 properties with foreclosure filings – default notices, scheduled auctions or bank repossessions”. This was down 8% from March, but up 160% from April 2021.

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### Questioning the Headline

It is important to assess data and market reports like this one as pieces of a larger picture – viewed in context of time and other indexes. It is also worth noting that there is typically a delay between economic “crunch”, consumers feeling the pressure and market movements showing the effects of said pressure.

The above caveats notwithstanding, the trend line this report highlights is concerning for investors who watch the residential market and commercial brokers whose specialty/sectors are affected by residential, such as multi-family.

Specifically, the data point that March 2022 was “the 11th consecutive month with a year-over-year increase in US foreclosure activity”, is not a positive direction for this metric.

### Post-Moratorium Balancing

Writing about the Q1 2022 “record”, a spokesperson for Attom explained that this foreclosure activity is “gradually return[ing] to normal levels since the expiration of the government’s moratorium” and the CFPB’s enhanced mortgage servicing guidelines”.

