

3.8M Homes Stand Vacant

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At a time when for-sale inventories remain constrained, a growing number of vacant homes are being held off the market nationwide. The bulk of these 3.8 million vacant homes are bank-owned properties or homes that are in badly need of repair. Some of these abandoned homes, known as "zombie foreclosures," were abandoned by their owners before the foreclosure process was finished. RealtyTrac reports that in the second quarter there were about 127,021 "zombie foreclosures," which numbered at 24 percent of all active foreclosures.

Indeed, the Census Bureau says that for a "large portion" of these vacant homes the status is unknown.

The 3.8 million vacant homes are nearly twice as many as the total listings that are currently for-sale on the nation's MLSs.

Many of these vacancies are concentrated in certain areas of the country. For example, nearly 40 percent of the vacant homes nationwide are located in just 10 percent of all census tracts, according to HUD. Wayne County, Mich., and Cook County, Ill., have more than 200 high-vacancy neighborhoods. Cook County alone has 55,000 abandoned homes, one of the highest amounts in the country.

Read more: [1 in 4 Foreclosures Are 'Zombies'](#)

In some areas, economists see some improvement. "A growing number of states and cities have enacted public policy measures to combat the problem of zombie foreclosures, and we are seeing the results of those efforts in the overall decrease nationwide as well as in several hard-hit markets such as Chicago, Miami and Cleveland," says Daren Blomquist, vice president at RealtyTrac. "Still, as banks push through long-deferred foreclosures that are more likely to be owner-vacated this year, we are seeing a somewhat surprising increase in zombie foreclosures in markets with overall low foreclosure rates such as Los Angeles, Houston and Boston."

But in a pocketful of markets, the abandoned homes remain problematic for cities. For example, Detroit owns 16,000 vacant homes due to tax lien foreclosures, where home owners failed to pay their property taxes and other municipal fees. Baltimore also has more than 16,000 vacant homes while Philadelphia has 40,000.

Cities are tackling the vacancies differently. For example, in Cleveland, nearly 6,000 foreclosed, abandoned homes are being demolished as city officials try to rescue neighborhoods from blight, crime, and falling home prices. In Buffalo, N.Y., city officials began selling its 4,500 vacant homes for a \$1 each.

Source: "[The Dry Rot in America's Housing Stock: A Sad Legacy of the Foreclosure Era](#)," Real