

South Jersey towns see more than 16 percent increase in vacant homes

PressOfAtlanticCity.com

Housing Vacancies

A house on Hollywood Dr. in Northfield is part of increased numbers of vacant houses in South Jersey. In its vacancy, gutters are falling, pool has not been drained and old papers pile up on the porch. Thursday, January 2012.

Posted: |

New developments riddled with unsold homes, vacant bank-owned homes not yet on the market, an overall mood of gloominess — that's the legacy of the real estate bust.

U.S. Census reports show that while the number of total housing units increased nationally by almost 14 percent from 2000 to 2010, the number of vacant housing units ballooned by almost 44 percent.

Michael Busler, a fellow at the William J. Hughes Center for Public Policy at Richard Stockton College, says the gloomy trend may not have reached its end point. "It's going to get a little bit worse before it gets better," he said.

New Jersey's numbers are just as striking — an increase in housing of more than 7 percent while the number of vacant units increased by more than 38 percent. One Essex County town, Belleville, for example, saw the number of vacant housing units jump 134 percent as the number of overall units went up just 1 percent.

Locally, 14 of 23 Atlantic County municipalities have seen the number of vacant housing units increase by 16 percent or more from 2000 to 2010. In addition, 11 of 16 towns in Cape May County and 10 of 14 towns in Cumberland County have seen a similar jump.

"People are becoming frustrated by the system, and a lot of them are walking away from properties," said James Schroeder, an attorney and real estate agent with Keller Williams in Northfield. He cited statistics from the New Jersey Law Review stating that there were 1.5 million homes nationwide in foreclosure and ready for sale, another 3.5 million to 4 million within three to six months of being sold.

In the end, he said, his company believes that it will be another five to seven years before the traditional housing market picks up again.

For Gary Goldfluss, a Realtor at Century 21 Cataneo & Associates in Holmdel who has dealt with the Ocean County market, the situation can be boiled down to two words: "consumer confidence."

"That's the real problem," Goldfluss said. "That's why rentals are big right now. People don't know if they're going to have a job tomorrow."

Disturbing numbers

Vacancy numbers are complicated by several factors — most of all by the fact that many homes listed as vacant are actually seasonal summer homes, which is why shore town numbers are so high.

The best way of determining which houses are totally unoccupied is to look at the numbers of units

that are “for sale” only — but then the numbers are even starker.

Cape May County saw an overall increase in vacant units for sale, not seasonal, of 75 percent compared with just an 8 percent increase in total units.

Upper Township saw an increase of 232 percent (83 vacant units for sale in 2010 compared with 25 in 2000), while Cape May saw a 245 percent increase (38 compared to 11), Wildwood Crest a 442 percent increase (130 compared to 24) and Cape May Point a whopping 650 percent increase (15 compared to 2).

Nine Atlantic County towns have seen increases in vacant units for sale of 75 percent or more, including increases of 100 percent in Longport and Estell Manor, 111 percent in Buena Vista Township, 126 percent in Linwood and 204 percent in Somers Point — which saw the number of homes vacant and for sale almost triple, going from 24 in 2000 to 73 in 2010.

Nine other towns in the county have a double-digit increase in the percentage of vacant units for sale, leading to a 32 percent increase overall — in a county that saw just an 11 percent increase in total units.

In Ocean County, the number of homes vacant and for sale in Barnegat Township more than doubled (76 to 172). In Stafford Township, that figure jumped from 151 to 272.

Within those larger townships, several 55-and-older communities have seen huge disparities in vacant housing compared to new housing. In Holiday City-Berkeley, the number of units stayed practically the same while the number of vacant units for sale rose by 52 percent. The same trends could be seen at Leisure Village East (a 1 percent increase in total units, a 157 percent increase in vacant units for sale) and most dramatically at the smaller Holiday Heights (units grew by 2 percent; vacant units for sale exploded by 400 percent).

Not all the numbers have such a wide gap, however. In many larger townships, which saw a huge amount of new development, the increase in total units was about equal to the increase in vacant units for sale — although that may just mean that many of those new homes went unsold or were foreclosed upon.

Egg Harbor Township, for example, saw a 35 percent increase in total units and a 31 percent increase in vacant units for sale. Galloway Township saw a much higher increase in vacant units for sale (45 percent) than total units (24 percent), as did Hamilton Township (58 percent compared with 35 percent).

Shaky outlook

But will the situation actually get worse? Busler said one of the reasons for his pessimism was the delay in foreclosures due to legal issues over “robo-signings” — in which mortgage companies didn’t review mortgages and signed them electronically — which has led to a holdup in foreclosures and many bank-owned homes only now hitting the market, Busler said.

The economic picture, he added, doesn’t help either.

“Making things worse is that there is a very low demand for housing due to the high unemployment rate nationwide, and in Atlantic County in particular” Busler said. “Even those who can afford houses are not convinced housing prices have bottomed. They’re staying out of the market until they’re

convinced housing prices have stabilized.”

For example, he said, homes that may have been selling for \$300,000 four to five years ago, before the crash, may be selling for \$200,000 following foreclosure.

“The last thing they want to do is pay \$200,000 this year when they could get it for \$180,000 next year,” Busler said.

For his part, Schroeder said owners would be better off working out a deal with lenders to stay in the homes while working out some agreement, either to reduce payments, short-sell the home — selling the home to another homeowner at below market value — or work out a deed-in-lieu-of-foreclosure sale, in which the lender pays a fee of about \$3,000 to sign over the deed instead of going through the foreclosure process.

“Most lenders say, ‘Please, stay in the house,’ but people have their head in the sand,” Schroeder said. “We want to see those houses go to Realtors and be short sales. We want to see someone move out and someone move in. You don’t want to see a house vacant.”

When houses are vacant, Schroeder said, “it hurts the municipality, because they don’t get paid for taxes, it’s hard on the police ... and it’s harder to sell homes in the neighborhood — the grass isn’t cut, the gutters are falling down.”

One such example is a home on Hollywood Drive in Northfield, where a notice on the door dated February 2010 states that “this property has been secured by Field Asset Service Inc.” A newspaper from August 2011 sits a few feet from the front steps, although several dozen old newspapers sit unseen on the front porch, next to an old chair, a broom and a hubcap.

“It’s an eyesore for the neighborhood,” said neighbor Craig France. “I haven’t seen a ‘for sale’ sign on it, and nobody really knows what’s wrong with the house. It had a beautiful pool in back. I’m assuming that’s decimated.”

Craig and his wife, Helen, said that the family that once lived there dealt with several health issues and deaths in the years before foreclosure, something that the recently unemployed France can relate to.

“We’re all in the same boat,” France said. “But my wife and I are lucky. There’s a hell of a lot more people in worse shape than we are.”

As for the house, “I would say that in the foreseeable future, they’re going to have to knock it down,” France said. “I can’t see anybody spending money to improve it.”

Another neighbor, John Carney, agreed.

“It’s so bad in there, the house has to be torn down,” Carney said he was told.

And if appearances weren’t enough, the large glut of vacant homes has other downsides, too, Schroeder added: thieves who “rip out all the copper wire out of a house and rip out the AC units.”

Not all experts are pessimistic, however. New Jersey Association of Realtors President Allan “Dutch” Dechert, the co-owner of Ferguson Dechert Real Estate in Avalon, said he believed “vacant numbers are going to go down for sure. If you’re buying a home, times are good.”

With such stark vacant housing numbers, though, he knows people are skeptical.

“People say, ‘Oh, you’re just trying to sell houses,’” Dechert said. “But ... rates are at a record low, and there are good investments out there.”

Busler, however, looked at the still-growing supply of new homes compared to the low demand.

“There’s a large glut of homes on the market,” Busler said. “I try to be as optimistic as possible. I was a real estate developer myself. But it’s just very difficult to see any optimistic signs today for the housing market.”

Neill Borowski contributed to this report.

Contact Steven Lemongello:

609-272-7275

Posted in Breaking, Atlantic, Cape may, Cumberland, Ocean, New jersey, Top three, Real estate on Saturday, January 14, 2012 9:00 pm. Updated: 9:34 am.

Story Commenting Notice

PressofAtlanticCity.com uses Facebook as its primary method for story commenting on the site. This feature allows you to share easily content and comments with your social network, and you will be able to see what your friends and other PressofAtlanticCity.com readers are responding to as well. Simply log into Facebook below to post your comment. View our full terms of service and privacy agreement

[Click here to report a comment as abusive.](#)

A-1 Residential Cleaning - One hour of residential cleaning (a \$87 Value) f...

When your home needs cleaning, call on A-1 Residential Cleaning of Ventnor City, NJ. We are a team of professional home cleaners who do the cleaning the way you want it done. Our family-owned an...

Should owner Jeffrey Lurie have fired coach Andy Reid after the Eagles' 8-8 season?

© Copyright 2012, pressofAtlanticCity.com, Pleasantville, NJ. Powered by BLOX Content Management System from TownNews.com. [[Terms of Use](#) | [Privacy Policy](#)]