

Business Expansion, Improved Employment the Cure for Home Foreclosures?

NEW YORK, N.Y., Jan. 27 (SEND2PRESS NEWSWIRE) – The foreclosure trends are again in today's news, and according to data compiled by ForeclosureWarehouse.com, this situation seems as though it is not going to get any better regardless of how much the government tries to help, until more jobs are created and sustained.

Downsizing, rightsizing, outsourcing, and other terms for laying-off and firing employees have fueled part of the U.S. foreclosure crisis in recent years. As businesses rush to the bottom line for the cheapest labor costs and the highest returns, they then wonder why they cannot sell as many products to as many people.

You may have heard one scenario: A person gets notice that their job could be terminated, and the company gives the employee a choice between accepting the same or similar job in another city/state or accept the exact same job at a lower income. The employee determines that he or she would be better off staying put so that, at least, no additional costs would be incurred, while the spouse may experience the same situation or is outright fired.

Add to this the possibility that a company moves offshore, or employs more offshore labor, or cannot compete with offshore companies, or all of these circumstances simultaneously with many companies and the problems are soon a disaster. Add to that the speculation and flipping of homes in previous years and there will likely be an even greater number of people that fall behind as fewer homes are sold.

In some cities where better employment opportunities are available, less hardship is endured, while in other areas of the country, the loss of a job or the decrease in income can be devastating. While many people are experiencing the higher costs of home ownership due to adjustable mortgage interest rates' rise and subsequent cost increase to the homeowner to the point the owner cannot continue to meet the payment and falls delinquent, an income loss or setback further exacerbates the situation.

As more homes become liabilities to banks and mortgage companies, short sales and loan modifications are being tried, sometimes successfully, and sometimes not. Lenders are forced to either report the property as a liability which weakens their capabilities to be competitive lenders, or simply not report/acknowledge the property is in default by the homeowner. A foreclosure and auction of the property quickly gets the property removed from their books with as little financial loss as possible.

In the meantime, the neighborhood of the foreclosed/distressed home is affected where the value of the surrounding homes then takes a hit because of

the distressed property in its midst. Other homes in the area are affected and their price value then decreases. Each neighboring area is then experiencing the same effect and compounds the problem.

But in cities where more business growth and expansion promises to employ more people, the exact opposite appears to be happening. Data gathered in just the last month of 2010 reveals that mediation, short sales, and a gradual reduction in the number of foreclosed properties have helped the home financing market to weather a storm of turmoil and trouble that has been absorbed on the backs of the taxpayers with government programs, moratoriums, and other measures intended to help more people avoid foreclosures.

Perhaps the most important clue that the crisis may be beginning to pass is the construction of new hospitals and medical facilities, growth in business and expansion of companies who are hiring a few more employees or plan to soon. In some instances the data from ForeclosureWarehouse.com shows where the foreclosure properties have been sold and the backlog of homes has been relieved to some degree, hinting that the worst of the economic correction may be behind some states, while employment concerns still plague other regions:

State / % increase or decrease in foreclosures

CA	4.7
FL	5.22
GA	6.82
AZ	3.48
MI	12.29
TX	3.63
NC	8.09
CO	-2.41
VA	-0.29
AL	-4.9
TN	-7.22
NY	-1.19
MS	-5.26
NJ	-4.0

Texas saw only a modest rise in foreclosures due in part to its wide business diversity, but the fact that it increased foreclosure percentages and [New York](#) decreased foreclosure percentages may be a better indicator of the volume of actual foreclosures in process prior to this point in time. [Michigan](#), for example, continues to see declining improvement possibilities in the wake of automotive troubles and manufacturing jobs lost in recent years, as people continue to lose jobs and their ability to meet financial commitments.

Foreclosure Warehouse (www.ForeclosureWarehouse.com) lists nationwide foreclosure homes and bank foreclosures for sale, with Daily updated listings of foreclosure homes, pre-foreclosures, bankruptcies and foreclosure auctions.

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