

The Environmental Impact of Foreclosed Homes Turned into Zombie Properties

We all know our safety—and that of our environment—is constantly under attack. Sometimes these attacks come from very unique, seemingly innocent situations. For example, foreclosed properties could be bad for your health—and the future of our environment.

What Is a Zombie Foreclosure?

Any time property owners fall behind on loan payments, they run the risk of entering into foreclosure. This is most common among homeowners—but commercial properties are at risk too.

The foreclosure process is very lengthy, time consuming, and filled with legalese. It is easy for a property owner to feel overwhelmed, discouraged, and pessimistic. Assuming the bank will take over their property no matter what they do, many of these homeowners pack up and move away.

However, for one reason or another, the bank *doesn't* acquire ownership. Technically, the property owner is still in possession of the title—even though they've moved on. These abandoned properties in a state of ownership limbo are called zombie properties (or zombie foreclosures).

Why Do Zombie Foreclosures Happen?

There are various reasons why a bank might cancel the foreclosure process.

The most common cause of zombie properties is the location. These foreclosure homes are in low-income areas and the bank

isn't excited to obtain responsibility of a property in such a neighborhood.

Other times, squatters might take over the property or it falls into severe disrepair. In these situations, the effort to obtain ownership is more trouble than it's worth.

The cost of foreclosing on the property might be more than the property is worth or more than what is owed to the bank. In these cases, the bank wouldn't waste the money to complete the process. Similarly, the bank might not choose to proceed if the institution already has an excess of foreclosed homes in its inventory.

Zombie Properties are More Common than You Think

At one point, the number of zombie properties had soared above 300,000. While the number of abandoned properties has come down, experts still report one in five homes has been given up as a lost cause.

Some states have started to get the zombie property problem under control; but as recently as June 2014, half of the states in the U.S. had seen an *increase* in the number of abandoned homes.

This is especially true in states with the lengthiest foreclosure process: Florida, Illinois, New York, and New Jersey.

The Widespread Effects of Zombie Foreclosures

Abandoned properties quickly become a public nuisance. Studies show that a block with a vacant property has:

- More than 3 times as many drug calls to police
- Almost 2 times as many theft calls

Another study conducted in Philadelphia (a city that spends nearly \$2 million each year to clean vacant lots) said any home within 150 feet of an abandoned property loses more than \$7,000 in value.

Besides the damage these homes do to our wallets, they also have a terrifying effect on our health and safety. Abandoned buildings have pests, rodents, falling rubble, and sharp, rusty objects.

Plus, the risk of fire increases with zombie properties. Each year in the US, there are more than 12,000 air-polluting fires in vacant buildings which causes more than \$73 million in damage.

But most importantly, these abandoned properties are wreaking havoc on our environment. Mold, standing water, and lethal chemicals are just a few of the things we have to worry about.

Homes aren't the only buildings being vacated. Many commercial properties are left unattended, too. Many of them are classified as "brownfields," buildings that once housed dangerous chemicals in massive quantities. Known carcinogens like lead, mercury, asbestos, petroleum, and PCBs are still present. These uncontained chemicals can seep into the drinking water. They are blown around during fires. They are quietly destroying our depleting natural resources.

The Solution

RealtyTrac offers two solutions for the zombie property problem.



In reality, the solution will depend on the property and the surrounding area. No matter which method professionals use to rectify the problem, we all need to consider how management of these properties will affect our environment.

Do you have experience with a zombie property? Did you live in close proximity to one? How did it affect your life, home, and health?

Sources:

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