

Delaware State News



The State Capital Daily

THERE'S NO PLACE LIKE HOME



Delaware State News/Marc Clery

This house at 6 Lakeview Drive in Dover is up for auction today at Auction.com.

Delaware foreclosures among highest in nation

By Ian Gronau
Delaware State News

DOVER — As of February one of every 1,012 “units” in the state was a foreclosure, said Bayard Williams, president of the Delaware Association of Realtors.

This puts Delaware among the top five states in the nation in terms of high foreclosure rates.

Despite the dubious ranking, Mr. Williams believes there is reason for optimism.

“It’s starting to pick up,” he said. “The number of properties that received a foreclosure filing in February was 19 percent lower than the previous month and that’s down 35 percent from the same time last year.”

Mr. Williams believes that many factors play into the state’s high foreclosure rate.

“It’s taken a long time to recov-

The rash of foreclosures isn’t as bad in Kent County (one in 1,221 units) as it is in New Castle County (one in 838 units).

er from the 2008 recession, and I don’t think we’ve recovered as quickly as some other parts of the country,” he said. “There’s been a lag effect due to the local economy.”

The damage caused by the recession appeared for many in the loss of home equity, said Mr. Williams. Homeowners who may have refinanced on their homes before the recession hit found themselves in a particularly bad position.

“When they refinanced, they pulled as much equity back out as they were allowed prior to the downturn in the market — when the market went south, they ended up upside down on their loans,” he said.

“We’re even seeing some people who’ve been in their homes for 20 or 30 years trying to sell and you’d think that they’d have a lot of eq-

See **Foreclosures** — Page 8

Ransomware sets back State News operations

DOVER — A ransomware attack on the company’s servers curtailed operations at the Delaware State News Wednesday.

Our tech experts continue to address the threats to our systems. The attack knocked the newspaper staff offline and, in most cases, left us inaccessible by phone.

Obviously, this attack interfered with our ability to serve our readers and advertisers fully and effectively Wednesday. We apologize for any inconveniences this has caused.

The Delaware State News staff is working diligently this evening to prepare Thursday’s newspaper.

Today’s edition contains its usual complement of news, features and display advertisements. Some classified and legal advertisements were delayed. Obituaries will be prepared for Friday’s edition.

Phones and email should be fully operational Thursday morning.

Thanks for your understanding.

State health officials keeping watch over mumps outbreak

By Matt Bittle
Delaware State News

DOVER — The 11 cases of mumps confirmed by the state last month are more than Delaware saw from 2003 to 2017.

The Division of Public Health on March 22 announced three cases of mumps, a viral infection that often results in fatigue, headache, loss of appetite and, most noticeably, a swollen face.

The number of cases grew to nine a week later and 11 one day after the second announcement.

All 11 of those individuals attended or live with someone who attended a Mexican dance in Wilmington Feb. 10 or March 3. Both dances were held at the Chase Center on the Riverfront.

DPH urges anyone who attended either event to see a doctor to determine if they contracted mumps.

“We can prevent further spread of the disease through vaccination and are urgently asking anyone who attended the

See **Mumps** — Page 8

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Mumps

Continued From Page 1

dance, whether or not they developed symptoms, and those living with persons who are confirmed to have mumps, to contact their primary care provider as soon as possible for evaluation for mumps and vaccination where recommended," the division's director, Karyl Rattay, said in a statement.

According to the agency, there were 10 cases in Delaware between 2003 and 2017.

DPH said there have been more outbreaks nationwide over the past two and a half years, especially in schools, colleges and camps.

Mumps spreads through saliva or mucus and can be transferred by a cough, sneeze or kiss.

"Mumps outbreaks can occur any time of year," DPH Medical Director Awele Maduka-Ezeh said in an email. "A major factor contributing to outbreaks is being in a crowded environment, such as attending the same class, playing on the same sports team or living in a dormitory with a person who has mumps.

"Also, certain behaviors that result in ex-

changing saliva, such as kissing or sharing utensils, cups, lip balm or cigarettes, might increase spread of the virus."

Symptoms generally appear about two and a half weeks after infection but may pop up earlier or later, and some people with mumps may not display any symptoms.

Individuals known or believed to have mumps are urged to stay home until five days after the emergence of swollen salivary glands.

There is no specific treatment for the virus.

While mumps is generally mild, it can cause complications, especially in adults. Sufferers can have inflammation of the brain, surrounding tissue, testicles, ovaries or breasts, as well as deafness.

The Centers for Disease Control and Prevention recommends children get the vaccine for measles, mumps and rubella at 12 to 15 months and then again at 4 to 6 years.

It also calls for individuals at a high risk of exposure to people with mumps to get a third dose of the vaccine.

While some diseases have spread in recent years due to increased numbers of people not vac-

inating their children, mumps has been found in those who have gotten their shots as well as those who haven't.

The vaccine remains heavily recommended, and two doses of it is 88 percent effective in regard to preventing mumps.

Delaware requires students in the school system be vaccinated for a variety of diseases, including mumps, measles and hepatitis B. The state does offer exemptions for children with weakened immune systems and on religious grounds.

Individuals who attended the dance event or live with someone who has mumps and are not covered by their health insurance can contact the state for assistance.

In New Castle County, people can call the Hudson State Service Center Immunization Clinic at 283-7587 to schedule an appointment to get vaccinated. Kent County residents can contact the Kent County Immunization Clinic at 857-5140, and those in Sussex County may call the Georgetown Immunization Clinic at 515-3220.

Possible cases of mumps should be reported to DPH by phone at 744-4990, by email at reportdisease@state.de.us or by fax at 223-1540.

Foreclosures

Continued From Page 1

uity at that point to put toward closing costs and the purchase of their next house. But, that's not always the case anymore. It's tighter now."

On the purchasing end both the housing inventory is low and first-time home buyers struggle more than they have in the past, noted Mr. Williams.

"We don't have a ton of high paying jobs in the state, many of the first time home buyers are suffering from stagnant wages and also have to work through heavy student loan debt," he added.

Although it's too early to tell, Mr. Williams speculates that the state's increase in the transfer tax rate last year has also had a negative effect on home sales.

The rate was hiked 1 percent in July during the thick of the state's budget negotiations. Before, the state had split the 3 percent transfer tax with counties, but the new revenue from the increase to 4 percent has been added to the state's general fund.

At the time, the change was estimated to take in another \$45 million for state coffers during the remainder of 2017 and a possible \$71 million this year.

"It's still early to know what the effect has been, but common sense tells you that both sellers and buyers have had to bring more money to the table to close — it's just another contributing factor working against the market," said Mr. Williams.

Despite the downward pressures, Mr. Williams expects conditions to continue to improve, but not "overnight."

"We're climbing out," he said. "As the economy improves in the country and we pick up some extra jobs here in the state, things will likely continue to improve, but there are a lot of factors at play.

Kent County picture

The rash of foreclosures isn't as bad in Kent County (one in 1,221 units) as it is in New Castle County (one in 838 units).



Delaware State News/Marc Clery
Cynthia Witt stands in front of her Woodburn Realty office in Dover. She said that in the wake of the recession many foreclosures seemed to be a product of lost equity, but many of the newer foreclosure filings seem to be related to poorly timed refinancing and sluggish appreciation.

Cynthia Witt of Woodburn Realty in Dover, who's been tracking foreclosures in Kent County for many years, said the rate remains high, but does seem to be slowly improving.

"Last year, 11 percent of total real estate sales were sheriff sales," she said. "We averaged almost 27 percent of sales that were either bank owned or sheriff sales. But, back in 2012 that was 37 percent, so numbers have been improving."

However, Ms. Witt points out that the character of the foreclosures seems to be changing. While in the wake of the recession many foreclosures seemed to be a product of lost equity, many of the newer foreclosure filings seem to be related to poorly timed refinancing and sluggish appreciation.

"Shortly after 2008, a lot of sheriff sales went through because someone had bought something they could barely afford before the recession, and then they lost their job, got pregnant, got sick or divorced and wound up upside down on their mortgage," said Ms. Witt.

"Now, there are a lot of people who refinanced and just can't get their money back out of the house. The rate at which houses appreciate has taken a dive, so that only makes it harder.

"Back in the '80s we used to be able to confidently tell people if they stayed in a house for 3 years, they

could sell it and walk away.

"Now, someone may have bought a house for \$259,000 five years ago and they're selling it for \$262,000. That's not even enough to cover transfer taxes and closing costs."

Heirs inheriting houses with more debt against them than they're worth has also kept the foreclosure rate high, Ms. Witt thinks. Reverse mortgages, where a home owner agrees to sell back their home equity to a lender for regular payments usually to supplement retirement income, have been particularly pernicious in this respect.

"There's been a tremendous increase in the amount of sheriff sales for the property of deceased owners," said Ms. Witt. "Lots of times an heir will inherit a property and they just don't see the point of trying to go through the process of selling it because it isn't worth what's owed on it. It doesn't hurt their credit to let it get foreclosed on, so that's often what they do."

Kent County Sheriff Jason Mollohan noted that he's seen a significant rise in the number of estates being represented by next of kin during recent auctions — usually indicating an inheritance of the property.

However, like Mr. Williams, Ms. Witt sees room for hope.

"Based on raw numbers I'd say the market is still healthy," she said. "Numbers are still being bolstered

up because there is still a lot of new construction being sold — particularly in the Smyrna, Camden and Magnolia areas. Many of the buyers seem to be out-of-staters possibly retiring here."

Another encouraging trend Ms. Witt sees is that a scrappy cohort of contractors seem to be taking advantage of cheap real estate being foreclosed on.

"I'm seeing a lot of this happening in Dover, some in Harrington and Smyrna too — it's usually concentrated in the urban areas," she said. "There are probably a dozen or so small contractors that are very active in picking up property that goes at a sheriff sale for way below what you'd expect.

"They buy it, fix it up and flip it. There is a lot of this going on — probably about eight to ten houses per month.

"They're playing a very necessary role in the market right now. These houses would probably just be sitting and crumbling otherwise."

Through their activities, Ms. Witt says the contractors are upgrading housing stock that first time home buyers might have been steered away from by their realtors or home inspectors because of the upfront costs of renovation.

"When I started this business, and old house was something built before 1800, but now, an 'old house' is something built over five years ago," she laughed.

"The work these contractors are doing, though, is bringing these older homes and neighborhoods downtown to a more desirable level. I believe if it continues, it may get to the point in five years where you drive through these neighborhoods and really notice the difference."

Sheriff Mollohan agrees, noting that he's started to see a greater number of "familiar faces" at auctions.

"That's absolutely going on at our foreclosure sales. We're seeing a good number of the same people come in," he said. "Not only that, but the level of interest between both foreclosures and tax sales has been increasing on the bidder side. It's tricky to judge because we don't preregister people, but I can tell there is more interest lately."

Staff writer Ian Gronau can be reached at 741-8272 or igronau@newszap.com.



Bayard Williams