



# The United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006  
Phone (202) 293-7330 • Fax (202) 293-2352  
E-mail: [info@usmayors.org](mailto:info@usmayors.org) URL: [usmayors.org](http://usmayors.org)

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Contact: Elena Temple [etemple@usmayors.org](mailto:etemple@usmayors.org)  
202-309-4906 cell  
Carlos Vogel [cvoegel@usmayors.org](mailto:cvoegel@usmayors.org)  
202-257-9797 cell

## CONTINUING MORTGAGE FORECLOSURE CRISIS ADDS TO PROBLEM PROPERTY INVENTORIES, COSTS IN CITIES ACROSS U.S.

### *Mayors' Survey Finds Existing Problems Made Worse Over Past Year*

Washington, D.C. - Today's report by RealtyTrac on increasing mortgage foreclosure problems in cities across the nation comes as no surprise to mayors whose existing, and growing, problems with vacant and abandoned properties, both residential and commercial, have been exacerbated for another year by the mortgage crisis.

The most recent survey of mayors conducted by The U.S. Conference of Mayors – the fourth in the Conference's series on cities' efforts to combat problems of vacant and abandoned properties – shows that, over the past year, more than three in four of the survey cities have seen an increase in the number of vacant and abandoned residential properties as a result of the foreclosure crisis. Across these cities – 77 were included in this year's survey – the increase averaged 33 percent, with two of the cities reporting 200 percent increases and two others reporting increases over 100 percent. There are an estimated 146,057 vacant and abandoned residential properties in the cities able to provide an estimate, with residential inventories of 1,000 or more being reported by more than one-third.

Adding to the problem, 63 percent of the survey cities report an increase in vacant and abandoned commercial properties during the past year as a result of the mortgage foreclosure and related credit crises. There are an estimated 15,413 vacant and abandoned commercial properties in the cities able to provide an estimate. Nine of the cities reported having inventories of 500 or more; this includes five cities with inventories of 1,000 or more.

About half of the mayors responding to the survey declared the current mortgage foreclosure problem in their city to be serious or very serious – the rating was very serious for 26 percent and serious for 23 percent. Another 38 percent said their problem was moderately serious. Forty percent of the mayors said their vacant and abandoned property problems had been exacerbated significantly by the continuing economic downturn, and 55 percent said the effect of the downturn had been moderate. Only 5 percent felt the current economic climate was not exacerbating their problems to any extent.

In his foreword to the survey report, the Conference's CEO and Executive Director, Tom Cochran, says the growing numbers of problem properties “represent increased demands for services to maintain them physically, to secure them, to rehabilitate them as needed, to get them into the hands of new owners, or to dispose of them in other ways. And again this year, cities are forced to meet these demands in an environment in which a national economic downturn has translated into a dramatic drop in state and local revenues.”

Despite revenue losses experienced during the economic slowdown, 36 percent of the cities have allocated additional city funds to their efforts, and 56 percent say they need to allocate even more funds from any source available.

Again this year, the survey mayors' outlook is pessimistic: All but a few (92 percent) expect mortgage foreclosure problems in their cities to increase or stay the same in the year ahead. Of these, well over half expect the problems to increase; 39 percent expect no change.

The survey report is published by the Conference's Task Force on Vacant and Abandoned Properties, which is co-chaired by Bethlehem (PA) Mayor John B. Callahan and Youngstown (OH) Mayor Jay Williams. The report is available on the Conference's Web site, [www.usmayors.org](http://www.usmayors.org).