

The Morning News

Local News for Northwest Arkansas

Foreclosures Linked To Falling Home Prices

By [Kim Souza](#)
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SPRINGDALE — Washington County led the state in foreclosure filings in July with 31 notices of default, 215 notices of trustee sales and 296 properties going back to lenders in the form real estate owned.

One in every 151 households in Washington County faced foreclosure in July, according to [Realtytrac.com](#).

Foreclosure filings in the county are up 173 percent from a year ago. This compares to a 32 percent increase across the nation, affecting one in every 355 households.

In Arkansas, one in every 572 households were affected by serious mortgage delinquencies last month. This rate jumped 110 percent from a year ago.

Benton County's filings increased 156 percent from a year ago. The county ranks second in the state with one in every 171 households in jeopardy, Realtytrac reported.

Local economists have predicted the filing rates will continue to escalate this year on the heels of higher unemployment.

The higher rates of foreclosure in Northwest Arkansas have been linked to the region's active population growth and record home sales just prior to the recession.

Jeff Collins of Streetsmart Data Services in Fayetteville has said home buyers at the market's height often put little money down and have since seen their home values fall, putting them in a negative equity position.

Economists warn that when a homeowner owes more than the property is worth they are more likely to walk away from that property if they lose a job.

The latest Skyline Report commissioned by Arvest Bank found both the average price of homes sold and the price per square foot has declined by double digits in the past year.

Benton County average home prices decreased by 11.6 percent from a year ago. In Washington County, the average price decreased by 10 percent.

The price per square foot declined 15.5 percent in Benton County to an average of \$75.41. Washington County's price fell 13.2 percent to average \$83.50 per square foot, according to the report.