## Home Foreclosures Skyrocket

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During the pandemic, home foreclosures were almost unheard of. There were a variety of reasons for this. The federal government was pumping billions of dollars into the economy to keep it afloat, and some CDC regulations along with local and state government regulations made it illegal for banks to foreclose under their emergency rules. But since then, those rules and the economy have changed.

There are now a wide variety of factors contributing to foreclosure rates. These include high inflation, negative real wage growth (meaning that wages aren't keeping up with inflation), much higher interest rates and a wide variety of layoffs. All of these factors are putting pressure on consumers.

In addition to items mentioned above, the country appears to be moving into a banking crisis. Over the past two months, three major banks have failed and there is every reason to believe that more will follow. These failures are making it a lot more difficult for homeowners who want... or need... to refinance existing loans.

All of this combined with large vacancy rates in commercial properties across the country lead us to believe 2023 will be a very difficult year for the real estate industry.

by Jim Malmberg

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