

Weather drawing by Sterling Mitchell Harris, Wilmington

Chance of rain

Partly sunny in the morning, then becoming mostly cloudy. A chance of showers and thunderstorms. Highs around 80. Chance of rain 50 percent.

See **FOR THE RECORD**, Page 2A

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TAKE NOTE

Two injured in crash near Sabina

Two people were care-flighted to Miami Valley Hospital, Dayton, following a Friday crash in Clinton County at the intersection of U.S. 22/SR 3 and state Route 72, west of Sabina. Further details were not available at presstime Friday.

INSIDE



WILMINGTON News Journal

Saturday, June 21, 2008

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Housing market post-DHL: Anybody's guess

CLINTON COUNTY

Agents, appraisers, lenders make predictions, give advice

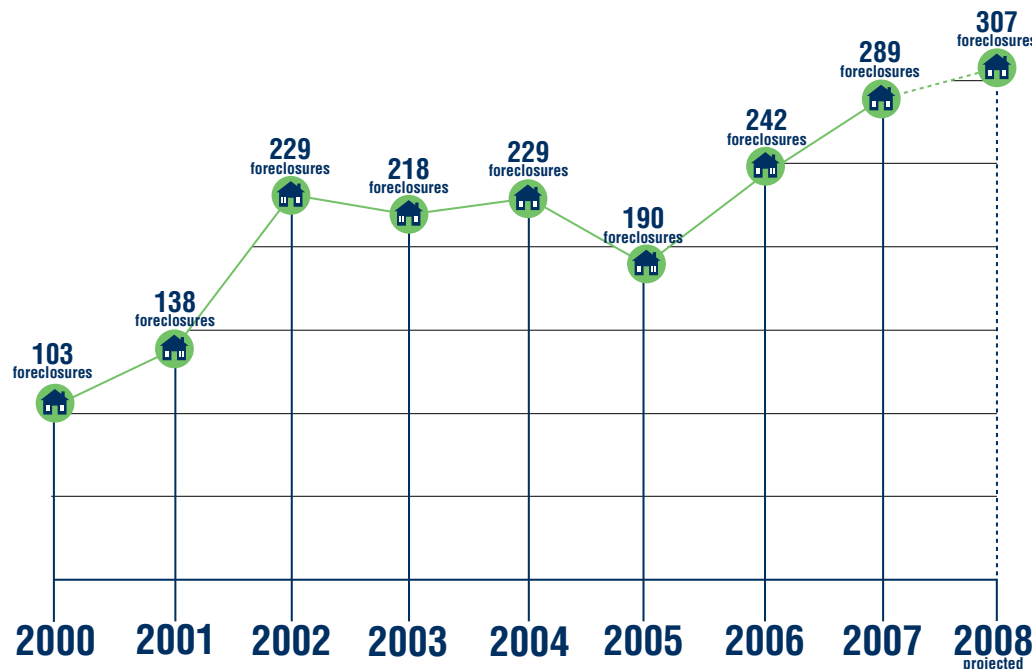
By **BRANDON SMITH**
Staff Intern

There's no question that if 8,000 jobs — or more — are lost in Clinton County in the next two years, the housing market is going to look different than it does today, according to local real estate experts.

But since DHL's announcement May 28 that it plans to give all its domestic air freight business to UPS, it appears the housing market hasn't changed much.

As of Thursday, there are 411 homes in Clinton County

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News Journal art/Brandon Smith and Tina Murdock

Foreclosures in Clinton County have been rising steadily since 2005, according to the county Clerk of Courts, from whom this data was taken. Be forewarned, however, that the projected number shown here for 2008 does not reflect DHL's recent announcement or potential closing, since data representing that is not available.

Arrests pending in Rombach bust

Marijuana, heroin found

Arrests are pending as a result of a bust near East End Elementary School last week.

According to John Burke, commander of the Greater Warren County Drug Task Force, a search warrant was served at a residence on Rombach Avenue near the school.

Both the drug task force and the Wilmington Police Department were present when the warrant was served.

Burke said 1 1/2 pounds of marijuana was found at the residence along with 24 capsules of heroin.

HOUSING

Continued from Page 1A

on the market. Fifty-six of those are pending closing, a rate of 14 percent, said Butch Peele, co-owner of Peele and Lundy Realtors. “Which is pretty typical for this time of year. That increases to 20 percent typically by July.”

Three-hundred-and-fifty-five homes were on the market at this time last year, he said.

Yet many local real estate agents are quick to admit that it will be a few weeks before the announcement’s impact can be accurately judged.

The housing market in Clinton County had already been affected somewhat by the national mortgage crisis.

“I can remember that if you had one property a month at the sheriff’s sale, that was high,” said Gary Kersey, broker and auctioneer at Kersey Real Estate and Auction Company in Wilmington, about foreclosed homes going to auction.

In 2007, Clinton County residents filed 289 foreclosures, continuing a trend of significant increase. Not all of those were sold at sheriff’s auction, however, due to special circumstances like the borrower declaring bankruptcy or making a deal with the lender.

Based on the number of households in the county at the 2000 census — 15,416 — one out of every 53 households foreclosed at some point in 2007. The state average was one foreclosure for every 410 households, according to RealtyTrac Incorporated. The national average was one out of every 483 households.

Said another way, Ohio’s 2007 foreclosure rate was 0.24 percent, while Clinton County’s was 1.875 percent, 7.8 times higher.

But counties surrounding Clinton County were also experiencing higher rates.

Greene County was faring best, with a 2007 rate of 1.208 percent. Highland County’s rate is worse than Clinton County’s, at 2.058 percent. Fayette County was near Clinton County in 2007 foreclosures: 1.754 percent.

Warren County’s rate, as calculated by the number of households in 2000, would not be reliable since its population has grown so rapidly since then — greater than 25 percent. Population of the other counties listed has grown only marginally, except for Fayette County’s population, which fell marginally.

The Clinton County Sheriff’s Office tries to hold a real estate auction each month, but doesn’t have a regular date for it. Auctions are held in a first floor hallway area of the Clinton County Courthouse. The last one was at 10 a.m. Friday.

Based on the rate of foreclosure measured up to June 6, Clinton County would see 307 foreclosures in 2008, a slight increase over previous years. But again, that number does not reflect DHL’s announcement or, if the global freight giant indeed departs, the effect that might have.

By Wednesday, 12 foreclosures had been filed with the Clinton County Clerk of Courts in June, a rate that’s actually lower than that of previous months this year. That is to say, lower than foreclosure rates before the DHL announcement.

But it’s anybody’s guess as to what will happen in the coming months and years.

“I’m certain that there’ll be continuous foreclosures” if DHL leaves the local airport, said Wilma McBrayer, a local broker at McBrayer Real Estate, “because that’s where we are. That’s where people are with debt.

“I’m sure they’ll get some compensation,” she said, speaking in future tense about ABX Air’s and ASTAR’s workforces finding employment elsewhere. “But nothing like they were making. We’ll have a slow, slow period for a while, but I think we’ll make it through.”

Scott Streber, President of Streber Mortgage, thinks Clinton County residents will

persist because they are a financially conservative people.

“There are some people who are over-extended, but there are a lot of conservative people in Clinton County,” he said. “They may only get \$110,000 out of a \$150,000 house, but what if they only owe 40? Those people are doing all right.”

Streber said having a savings “for a rainy day” makes a big difference in personal finances in the face of layoffs. He advocates saving as much as possible, as soon as possible, especially if you’re a DHL Air Park employee.

Given the situation, grim predictions can hardly be avoided. But every real estate agent, appraiser, mortgage lender and broker who the *News Journal* spoke to offered hopeful messages or ways they could help.

McBrayer described how many of her clients thought they would move to Wilmington only temporarily, but liked the area so much that they stayed here through various jobs in various cities: Columbus, Cincinnati, Dayton. “We’ll pull through this,” said McBrayer.

Peele said that next week, he has a meeting with some local families “for the sole purpose of sharing my information. ... Many of them are saying, you know what, we do not want to leave Wilmington. ... It’s a pretty special little place. We are what we are, but we’re a very blessed little community.”

“We’re gonna be here for the people, no matter what happens,” said Billy Arehart, president of the Clinton County Board of Realtors.

A decent appraisal so far
The price of real estate in Clinton County has stayed fairly consistent since the announcement, say appraisers in the area.

Jim Hannah, area manager at Halderman Farm Management, said he hasn’t seen any significant decrease in prices himself, but he has heard about “a couple cases.”

Kersey said the market wasn’t very good before DHL’s announcement, but since that time, not much has changed.

Arehart expressed similar sentiment, saying that while he had several more listings than normal, the state of the larger economy has more to do with that than DHL.

“We’re not seeing an influx. People aren’t overreacting,” he said. And further, realtors are “easily adaptable to different situations. We don’t respond to hype.”

But Arehart later said that realtors, like people in many other professions, are at the whim of consumers.

And consumers sometimes respond to hype.

“I’m not finding it to be concerning yet,” said McBrayer.

What might the market do?

If DHL cuts 8,000 jobs, and at least hundreds more are lost in the area because of it, the housing market may be stressed.

Hannah thinks his key clients, farm owners, won’t likely be affected. But the value of other property may take a dive “in the range of 10-20 percent,” he said.

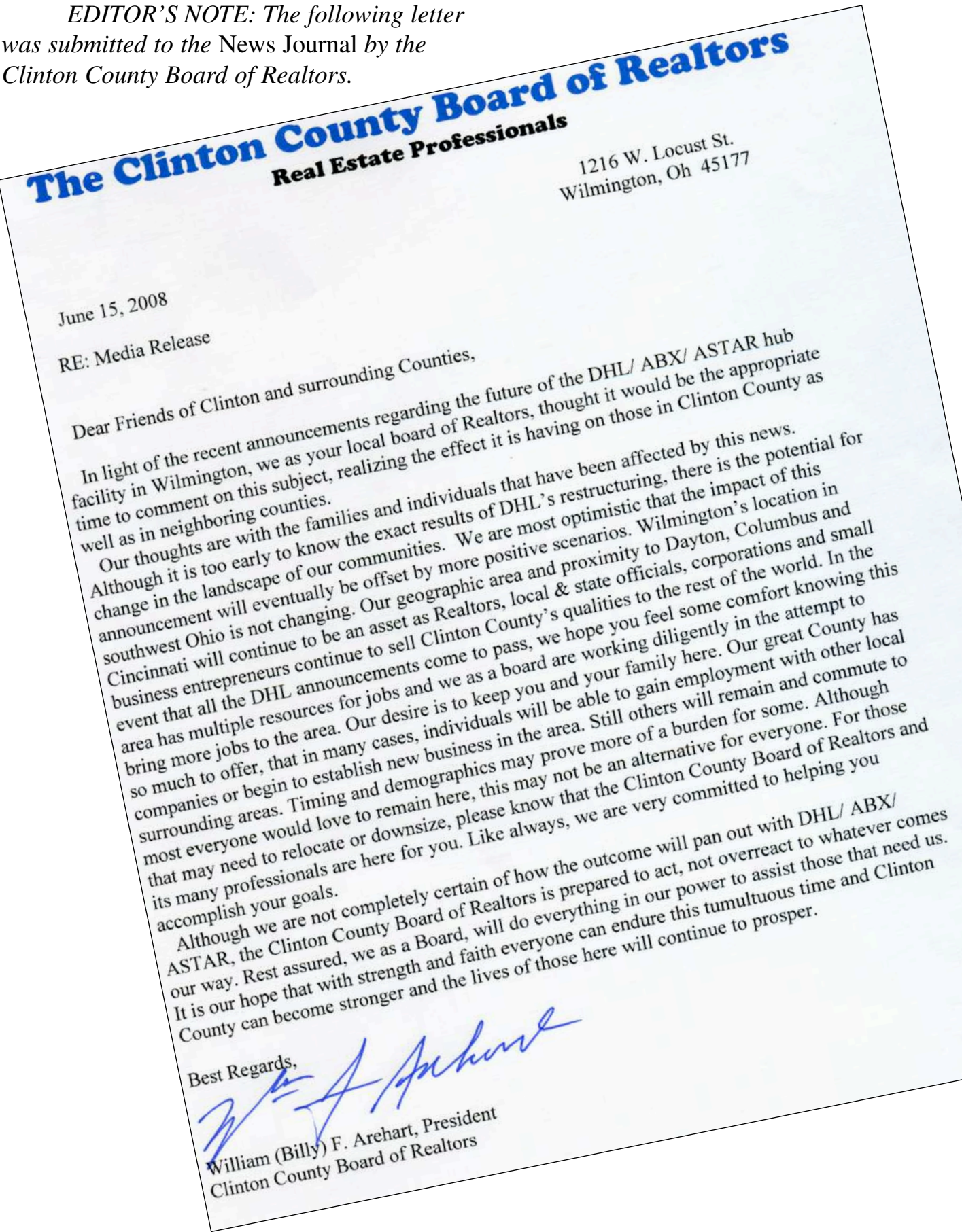
Kersey had this to say: “Every property is different; every location is different. There’ll be somebody out there that will pay the price for something they want. Yes, there will be some, shall we say, depressed prices, but it’s not gonna be just real estate. It’s gonna be the supermarkets, the hospitals. ... We’re gonna have to face the fact that it’s gonna be a burden on all services. ... There’s really nothing in the textbook to tell us how to deal with this.”

“But look on the bright side,” he said. “We could be out in Iowa, you know, total devastation.”

Advice from those in-the-know

Kersey: “I think people realize what’s going on,” he said. “You’d be naive to think otherwise. Right now if you’re in a house, and things work, and you feel safe and secure,

EDITOR’S NOTE: The following letter was submitted to the News Journal by the Clinton County Board of Realtors.



you might just say, ‘we’re just gonna ride this one out’.”

Streber: “Prayer. When God closes one door, he’s gonna open others. I guess, if you’re waiting to this point to prepare, you’ve missed the boat,” he said. “It goes back to the ‘conservative’ thing. Not to sound harsh by any means — some people live paycheck to paycheck. ... We’re gonna be proactive and help people out any way we can.”

John Limbert, president of National Bank and Trust: “Anyone who’s an employee of ABX or DHL or ASTAR, who could be impacted by the potential loss of jobs ... ought to do two things right away. They should sit down with whoever their lender is ... and advise them that I have a loan with you, this is my financial situation, I would like to talk about what any alternatives are. Just be proactive about it. ... If you’ve had a good pay record, you’re going to find that just about every lender will react the following way: in spite of what you read in the paper — not in your paper, but in most national papers — lenders don’t want to have problems with borrowers and repayment. ... no lender ultimately wants a home back or a car back or a motor home back. Banks aren’t in the business of owning property.

“And secondly, sit down, especially if you’re married with your spouse, and develop a financial plan, that takes into account where you are right now financially, especially in the life of your loan.”

Many Web sites have printable forms available for self-assessment of finances.



Wilma McBrayer, a Wilmington realtor, plants a "Sale Pending" sign in the yard at 92 Kentucky Avenue in Wilmington, a foreclosed property that attracted a couple who are first-time home buyers.

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