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Buyers harder to find, even at tax auctions

Number of unsold properties in Richland and Lexington counties surprises officials

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Several hundred properties with overdue taxes did not sell at auctions this week in Richland and Lexington counties, surprising tax collectors who say it's rare for delinquent properties to go unsold.

"I'm astounded by the numbers this year," Gene Rishkofski said of Lexington County's 460 unsold properties, mostly parcels of land. "We've never had real estate in these large numbers that did not sell."

Last year, 101 properties did not sell, which means the increase is about 3 1/2 times the 2008 figure.

Richland County had about 530 properties that didn't attract bids at Monday's auction, Treasurer David Adams said. That's a 63 percent increase over 205 that were not sold a year ago.

Agreeing with Rishkofski that much of the reason is the recession, Adams said, "We were a little surprised by that (increase)."

Most of the properties that did not sell at the auctions were parcels of land that were to be developed into subdivisions, the tax collectors said.

One veteran delinquent property investor said the reason for the trend is the same reason many homeowners lose money when they sell.

"The risk is the property may not be worth what you paid for it," said Jack Grindstaff, a retiree who has been bidding on properties for a decade. "People are just not willing to put up their money to take the risk."

In another indicator of the economy's impact on taxpayers, more people lost the title to their properties this year after a yearlong grace period for 2007 taxes.

In Richland County, title to 326 properties changed hands, up 198 from 2007 when 128 delinquent parcels sold to new owners, Adams said. That's about a 150 percent increase.

"I'm afraid there is going to be an uptick in that (for 2009)," Adams said.

Lexington's tally was 164 properties that got new owners in 2008, compared with 108 the previous year, Rishkofski said. That's about a 52 percent increase.

Original property owners lose title if they cannot pay two years of overdue taxes. They get about one year before their property is auctioned and an additional year to come up with the overdue and current taxes, plus penalties, according to the treasurers' offices.

In January, Richland County owners will get a third opportunity to hold on to their unsold property. The county will hold a sealed-bid offer in late January, Adams said.

In Lexington, owners have another chance as well. They may contact Rishkofski to make an offer, which he takes to the county's Forfeited Land Commission. The commission decides whether to accept the offer.

Overall, Monday's auctions for 2008's delinquent taxes yielded about \$30 million for 2,300 delinquent homes, mobile homes and parcels of land, according to the latest figures. Taxes due on those properties totaled \$3.2 million.

In Richland County, 954 properties sold for \$19.9 million, Adams said. The county is due \$1.9 million in taxes on them.

The highest bid was \$3.1 million for 96 acres sandwiched between Two Notch Road and Greenhill Parish Parkway off Spears Creek Church Road. The property sold for \$6.7 million in 2004. The lowest bid for any property was \$300.

In Lexington, 1,321 properties sold for \$10.2 million, Rishkofski said. The county is due \$1.3 million in taxes.

The highest bid was \$1.8 million for the Ashley Furniture and Home Store on Harbison Boulevard. The lowest was \$100.

Rishkofski is counting on a return to fewer properties falling into delinquency and almost none failing to receive a bid at auction.

"With the upturn in the economy," he said, "I'm hoping it's going to get better."

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