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## Business thrives on foreclosed properties

*Stefanie Frith  
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Two years ago, Joe Cino was looking for foreclosed properties when he came across an advertisement for foreclosure cleaning businesses.

Cino, who used to buy and sell real estate, decided the timing was good, so he jumped in.

Now, he says his company, Reliable REO (Real Estate Owned) Services in Rancho Mirage, cleans out 10 to 20 houses a day.

It also maintains about 500 vacant houses a month — doing everything from maid and pool service to mowing lawns. Cino says he has about 50 subcontractors working for him.

“It’s an unfortunate business to be in, it’s sad, but the reality is, someone has to do it,” Cino said.

Foreclosures are creating an economic boon for entrepreneurs, as brokers and investors require services to clean or “trash-out” homes seized by lenders.

While banks typically hire a real estate agent to resell foreclosed homes, someone has to come in and clean it up from the previous residents.

It costs about \$2,000 to clean out each home, according to Todd Drake, who has operated Empire Real Estate Management in Latham, N.Y., since 2003. The price depends on how much trash there is to clear and how much damage to fix, he said.

With the 575,090 loans that entered into the foreclosure process nationwide in the third quarter of this year, according to the Mortgage Bankers Association, business is brisk.

There are no national numbers on how many new trash-out businesses have developed during the current economic crisis, but an Internet engine search reveals hundreds of listings nationwide.

Entrepreneur Web sites, including [explorestart-ups.com](http://explorestart-ups.com), point to starting a foreclosure cleanup business as a potential moneymaker. Entrepreneur Magazine included a foreclosure cleanup business — Cyprexx Services of Brandon, Fla. — in its 2008 “Hot 100 Fastest Growing Businesses” list.

Cino said he’s seen everything from moldy food and dead and living rats to copper wire ripped from walls. Sometimes he finds the residents still inside and unready to leave.

“We’ve had rocks thrown at us,” Cino said. “There’s yelling, cursing, screaming.”

John Plocher, president and CEO of WSR Preservation Services in Riverside, said he’s found abandoned horses, fish, turtles, dogs and cats left at foreclosed properties.

"Some people are so desperate, they just leave," Plocher, who trashes out 40 to 50 homes a week, said. "They aren't thinking right."

Yet while he often finds "nasty" homes with mold problems, broken furniture, missing wiring and doors, there are those that are left in good condition.

"We occasionally get homes that are beautiful, where people have vacuumed before they left," Plocher, who has been in the cleanup and foreclosure business since 1995, said.

Drake said his Upstate New York firm's business surged until Thanksgiving. While he says it has slowed for the holiday season, he expects it to pick back up in January, when banks are ready to sell more inventory.

Hiring trash-out businesses is a big help, said Gary Blackwell, a broker for New Horizons Realty Company in Atlanta.

He recently hired Cassandra Black of Foreclosure Cleanup in Riverdale, Ga., to fix up a vandalized vacant home. Windows were broken, doors were missing and holes were punched in the walls, Blackwell said.

Business has been good for Black, who says her company trashes out about a dozen homes a month. She owns the business with her husband and has six employees. She says 90 percent of her business comes from Realtors who specialize in foreclosures. The rest are new owners who want the homes fixed up.

"We saw the trend," she said. "It was a hot opportunity."

The Associated Press contributed to this report.

Stefanie Frith is a correspondent for USA TODAY and covers Palm Springs for The Desert Sun.

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