



Division of Housing

Colorado Department
of Local Affairs

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Colorado Division of Housing 1st Quarter 2007 Foreclosure Report

Summary and Methods

In response to recommendations from the Colorado Blue Ribbon Panel on Housing and the Colorado Foreclosure Prevention Task Force, the Colorado Division of Housing has compiled the attached information regarding foreclosures in Colorado.

These statistics have been collected to provide as accurate a view as possible of foreclosures in Colorado, and to determine which regions of the state are being most heavily impacted by foreclosures. The data is provided on a county-by-county basis and is based on foreclosure filings through the Public Trustee's office of each county.

The public trustee filings provide an objective measure of how many foreclosure proceedings have been initiated in a given county. Such filings can be "cured" and "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure. However, public trustee numbers are a reliable indicator of the number of homeowners in a county who have become seriously delinquent on home loans, providing insights into the overall health of the housing market within that county.

This report seeks to provide two essential pieces of information: How many foreclosures were filed in each county, and how many of those filings proceeded to final foreclosure sale.

Study Findings

For the first quarter of 2007, Colorado public trustees reported 9,254 foreclosure filings. 2007 foreclosure filings for the first quarter alone equal one-third of all filings from 2006 when 28,453 foreclosure filings were reported.

If foreclosure filings keep on pace for the rest of the year, much of the state will experience an increase in foreclosure filings ranging from 20%-30%. Foreclosure filings in Colorado increased 31% from 2005 to 2006 and 110% between 2003 and 2006. Forecasts indicate that, barring major changes in economic conditions, foreclosure filings in Colorado will increase to approximately 36,000 for 2007, a 25% increase from 2006.

The most significant foreclosure activity is on the Front Range of Colorado. For example, the counties with the most foreclosure filings per household were Adams, Weld, Arapahoe, Denver, and Pueblo. Adams and Weld counties topped the list with 1 in 98 and 1 in 124 households in foreclosure respectively. In Denver County, 1 in 127 households are in foreclosure. El Paso County and Pueblo County reported foreclosure rates of 1 in 254 and 1 in 152 respectively.

In the mountains and the Western Slope, foreclosure rates are much lower with Mesa County and Summit County reporting a foreclosure rate of 1 in 505 and 1 in 680 respectively. La Plata County reported a foreclosure rate of 1 in 1126.

In the Denver Metro area, foreclosure rates ranged from 1 in 98 in Adams County to 1 in 524 in Boulder County. Boulder County reported far fewer foreclosures per household than any other metro county. Arapahoe County reported 1 in 133 and Jefferson County reported 1 in 248.

Statewide, there were approximately 1 in 385 households in foreclosure for the first quarter.

In the central mountains and on the Western Slope, a very active housing market makes it relatively easy to sell a home if one is unable to keep up with payments. On the Front Range and on the Eastern Plains, due partly to a large supply of for-sale housing, it is more difficult to sell a home quickly; the foreclosure numbers reflect this.

Forecasts for 2007

Extrapolating from the first quarter, and barring any large changes in economic conditions for the next three quarters of 2007, foreclosure filings in Colorado will increase to approximately 36,000 for 2007, a 25% increase from 2006.

Projections for the full year of 2007 further suggest that Adams and Arapahoe counties may experience increases of about 30%, with Denver county foreclosure activity looking to increase more than 35%. Weld, Larimer, El Paso, and Pueblo counties are likely to see increases of approximately 20%.

Jefferson, Boulder, and Broomfield counties look to experience smaller increases, with foreclosure activity increasing 5-10%. Douglas County may even see a drop in foreclosures for 2007, perhaps by as much as 20%. Some mountain counties may experience declines in total foreclosures as well, such as Garfield, Routt, and Summit counties.

Seasonal variations in foreclosure filings are generally not large under most conditions. The 1st and 4th quarters generally experience the most foreclosure activity, with the 2nd quarter having the least. Foreclosure rates tend to gradually build from the middle of the year through the end of the year.

Other Foreclosure Reports

Throughout the Front Range, the foreclosure rate per household has worsened since 2003, the first year statewide Public Trustee data is available. However, the Public Trustee data indicates that foreclosure numbers have been exaggerated by some organizations providing foreclosure data on the state.

For example, Realtytrac, an often-cited source for foreclosure statistics, reported that Colorado had experienced 6,267 foreclosures for the month of March alone and 16,430 foreclosures for the full 1st quarter.

Realtytrac has provided widely reported foreclosure data stating that in 2006, Colorado experienced 54,747 foreclosures and had a total foreclosure rate of 1 in 33 households. According to Division of Housing data, the 2006 statewide foreclosure rate for Colorado was 1 in 58 households with a total number of 28,453 foreclosure filings.

In addition to this disparity is the fact that it is common for only 50%-80% of properties in foreclosure to proceed to a foreclosure sale at auction. Many properties in foreclosure are withdrawn from the foreclosure process prior to final sale for a variety of reasons.

This disparity is likely a function of different methods used in counting foreclosures, and while we assume good faith on the part of Realtytrac, we have concluded that their method overcounts foreclosures in Colorado.

The Colorado Division of Housing plans to continue counting foreclosure data from Public Trustees on a quarterly basis and will be releasing data for the Second Quarter of 2007 later this year.

The Colorado Division of Housing wishes to acknowledge the invaluable assistance of Robert Sagel, the Public Trustee of Morgan County, and the Public Trustee Association, although Mr. Sagel and the Association bear no responsibility for the conclusions and analysis contained in this summary.

Methods

The Colorado Division of Housing has sought to collect foreclosure information on all 64 counties. Data is collected directly from the Public Trustee's office in each county. Our current dataset includes 51 of 64 counties (81 percent). All of the non-reporting counties are counties with a very small number of households (such as Mineral and Saguache counties), and we believe our system can accurately create a picture of the foreclosure situation. The sampled counties are also designed to take into account regional differences. We have focused especially on the most populous counties to ensure that over 95% of foreclosures in the state are covered by this survey.

The Colorado Division of Housing will continue to seek foreclosure data where it is missing or is not yet available.

To calculate per-household foreclosure statistics and rankings, the sample employs the most populous and metropolitan counties, and also includes a sampling from all parts of the state to provide information on regional differences throughout the state.

The per-household calculation for each county is based on 2005 household estimates. This means that for 2006, the higher foreclosure number (in most cases) for 2006 will be divided into the 2005 household estimate number. This will inflate the final per-household calculation since it does not take into account the growth in total households from 2005 through 2006. Even though 2006 household numbers are not yet available, we have used the 2005 number to provide an opportunity to draw some comparisons between counties.

The household number is that of "total occupied housing units" in each county. This is the number used by other organizations that publish foreclosure ranking data.

Note the primary number used here to count foreclosures is the number of foreclosures filed with the county Public Trustee. This is the point at which the Public Trustee's office in each county notifies the homeowner that foreclosure proceedings have been initiated. At this point in the process, there are still opportunities for the homeowner to avoid foreclosure.

It is not unusual that 20%-40% of foreclosure filings will **not** proceed all the way to foreclosure sale. This means that, depending on the county, only 50%-80% of foreclosures opened actually proceed to final foreclosure.

1st Quarter (January-March) Foreclosure Statistics 2007

	2006 full-year totals	2007 Foreclosures 1st Quarter - Jan. 1 - Mar. 31	1st Quarter Cures	% to total	1st Quarter Withdrawals	% to total	1st Quarter Sales	% sold at auction
Adams	4,330	1,456	no data		no data		no data	
Alamosa	47	18	1	5.6%	7	38.9%	12	66.7%
Arapahoe	4,719	1,569	43	2.7%	359	22.9%	969	61.8%
Archuleta	43	6	0	0.0%	1	16.7%	3	50.0%
Baca	13	4	0	0.0%	0	0.0%	4	100.0%
Bent								
Broomfield	195	53	3	5.7%	16	30.2%	45	84.9%
Boulder	790	214	14	6.5%	37	17.3%	128	59.8%
Chaffee	60	14	0	0.0%	5	35.7%	9	64.3%
Cheyenne								
Clear Creek		30	0	0.0%	3	10.0%	11	36.7%
Conejos	17	6	2	33.3%	2	33.3%	2	33.3%
Costilla		4	1	25.0%	1	25.0%	2	50.0%
Crowley	22	2	1	50.0%	1	50.0%	2	100.0%
Custer	21	8	1	12.5%	0	0.0%	0	0.0%
Delta	87	19	2	10.5%	4	21.1%	13	68.4%
Denver	5,162	1,940	no data		no data		no data	
Dolores	5	5	0	0.0%	0	0.0%	1	20.0%
Douglas	1,258	191	17	8.9%	53	27.7%	103	53.9%
Eagle		14	0	0.0%	5	35.7%	8	57.1%
Elbert*	198	66	see w/d		18	27.3%	36	54.5%
El Paso	2,570	828	42	5.1%	245	29.6%	462	55.8%
Fremont		79	no data		no data		no data	
Garfield	96	18	3	16.7%	9	50.0%	6	33.3%
Gilpin	46	16	0	0.0%	1	6.3%	3	18.8%
Grand	47	13	2	15.4%	4	30.8%	8	61.5%
Gunnison		9	1	11.1%	3	33.3%	1	11.1%
Hinsdale		0	0		0		0	
Huerfano								
Jackson	4	0	0		0		0	
Jefferson	2,971	839	39	4.6%	276	32.9%	527	62.8%
Kiowa								
Kit Carson	23							
La Plata	50	17	1	5.9%	8	47.1%	14	82.4%
Lake	29	5	0	0.0%	1	20.0%	2	40.0%
Larimer	1,253	382	18	4.7%	104	27.2%	271	70.9%
Las Animas	62	25	2	8.0%	4	16.0%	3	12.0%
Lincoln		6	0	0.0%	1	16.7%	2	33.3%
Logan	64	26	4	15.4%	10	38.5%	7	26.9%
Mesa	312	102	14	13.7%	17	16.7%	9	8.8%

Mineral								
Moffat								
Montezuma								
Montrose		32	20	62.5%	24	75.0%	8	25.0%
Morgan	147	46	2	4.3%	17	37.0%	28	60.9%
Otero	125	39	6	15.4%	8	20.5%	14	35.9%
Ouray	5	2	0	0.0%	0	0.0%	2	100.0%
Park	208	51	1	2.0%	11	21.6%	33	64.7%
Philips	11	10	0	0.0%	1	10.0%	3	30.0%
Pitkin								
Prowers		14	0	0.0%	5	35.7%	11	78.6%
Pueblo	1,174	383	14	3.7%	99	25.8%	247	64.5%
Rio Blanco	13	3	0	0.0%	0	0.0%	1	33.3%
Rio Grande								
Routt	53	9	3	33.3%	6	66.7%	8	88.9%
Saguache								
San Juan	1	0	0		0		0	
San Miguel		7	1	14.3%	2	28.6%	2	28.6%
Sedgwick	4	0	0		0		0	
Summit*	83	16	6	37.5%	see cures		1	6.3%
Teller								
Washington	18	3	0	0.0%	0	0.0%	1	33.3%
Weld	2,073	647	16	2.5%	138	21.3%	425	65.7%
Yuma	26	8	0	0.0%	0	0.0%	3	37.5%
* Withdrawl and cures the same								
TOTALS	28453	9254	280	3.0%	1506	16.3%	3450	37.3%
		52 of 64 counties reporting						

Sampling of Foreclosure Rates in Colorado Counties

	total occupied units (2005 estimate)	Total Foreclosures 1st quarter 2007	No. occupied units per foreclosure by county. (Based on 2005 populations only) (1 foreclosure per n households)
Adams	142,649	1,456	1 in 98
Arapahoe	208,629	1,569	1 in 133
Broomfield	16,481	53	
Boulder	112,176	214	1 in 524
Denver	246,566	1,940	1 in 127
Douglas	87,350	191	1 in 457
El Paso	210,407	828	1 in 254
Jefferson	207,720	839	1 in 248
Larimer	105,193	382	1 in 275
Mesa	51,544	102	1 in 505
Pueblo	58,125	383	1 in 152
Weld	80,054	647	1 in 124
La Plata	19,143	17	1 in 1126
Otero	7,625	39	1 in 196
Garfield	18,726	18	1 in 1040
Morgan	9,888	46	1 in 215
Summit	10,881	16	1 in 680
TOTAL	1,593,157	8,740	1 of 385