4th Quarter 2017 Foreclosure Report

The Colorado Division of Housing is a division of the Colorado Department of Local Affairs

March 6, 2018

Summary and Methods

As part of an effort to provide information to the public and government agencies on economic trends in Colorado, the Division of Housing compiles quarterly totals on foreclosure activity in Colorado Counties. Data is collected from the public trustee in each county and published quarterly by the Division of Housing.

This report seeks to provide two essential pieces of information:

Foreclosure Filing Statistics:

The recording of the notice of election and demand (NED) is the event that begins the foreclosure process. In general, when a borrower is at least 3 months delinquent and in default, the lender will file an NED with the public trustee and the borrower will receive notice of the initial sale date. This notice will be sent from the public trustee's office in the county in which the property is located, and at this point, the property is in foreclosure.

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. However, Public Trustee numbers are a useful indicator of the number of loans in a county that have become seriously delinquent, and they provide insights into the overall health of the real estate market within that county.

We should note that in addition to single-family homes, condominiums, and townhomes, NED statistics include filings on agricultural, industrial, commercial, and multifamily properties. Vacant land is included as well.

Foreclosure Sale Statistics: Approximately 110-125 days after the initial filing, the property may be sold at the Public Trustee auction to a third party or to the mortgage company. Once the foreclosure sale takes place, eviction proceedings will proceed during the next several weeks.

As listed below, the foreclosure filings number and the foreclosure auction sales number are two independent numbers. In other words, the properties that went to final sale during the current quarter are not the same properties which entered the foreclosure process the same quarter. For example, among properties that went to sale during a given quarter, a large portion of those foreclosures were filed at least four months earlier, meaning a foreclosure filing and foreclosure sale do not occur within the same quarter. The period between the foreclosure filing and the foreclosure sale at auction is legally at least 110 days, but in some cases, this period may actually last much longer.

Why are both numbers important?

The foreclosure filings number provides a view of how many borrowers have become seriously delinquent on their loans. Foreclosure filings provide a good guide to foreclosure activity in a given county, and while a property may be withdrawn from the foreclosure process after a filing is made, the filings statistics nevertheless indicate where borrowers are delinquent and in default.

The foreclosure sale numbers generally indicate how many borrowers have lost all equity in the property as the result of it being sold to another party at auction, including the mortgage company, an investor, or others. Many households in the foreclosure process lose their properties through a variety of processes such as short sales and deed-in-lieu-of-foreclosure agreements. Losing the property through a foreclosure sale, however, is generally most damaging to the credit of the borrower, and foreclosure (unless the property is sold at auction for more than the value of the loan) does not allow for the borrower to preserve any of the equity he or she might still have in that property.

Study Findings

During the fourth quarter of 2017, Colorado public trustees reported 1,654 foreclosure filings and 447 sales at auction (completed foreclosures). During the fourth quarter of 2016, there were 1,794 filings and 633 sales. Comparing year-over-year for the fourth quarter, foreclosure filings fell 7.8 percent and completed foreclosures fell 29.4 percent.

Comparing the fourth quarter of 2017 to the third quarter of 2017, foreclosure filings rose 2.7 percent from 1,610 to 1,654. Foreclosure sales fell 3.9 percent from 465 to 447 during the same period.

The foreclosure sales totals reported for the fourth quarter of 2017 was the lowest sales totals recorded since the Division of Housing began tracking quarterly foreclosure totals in 2007.

Graph 1 shows quarterly totals in foreclosure filings and sales. In recent quarters, foreclosure filings have stabilized and flattened somewhat, although foreclosure sales have continued to fall to new lows in nearly every quarter.

Graph 1: Quarterly Foreclosure Filings vs. Sales at Auction:
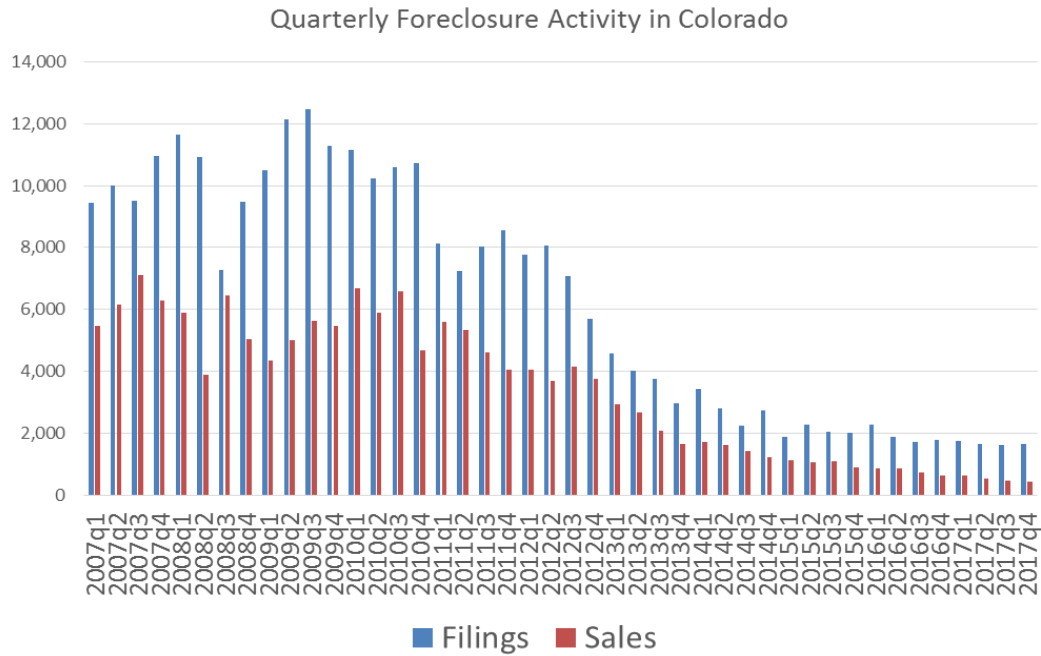
Graph 2: Annual Foreclosure Totals:
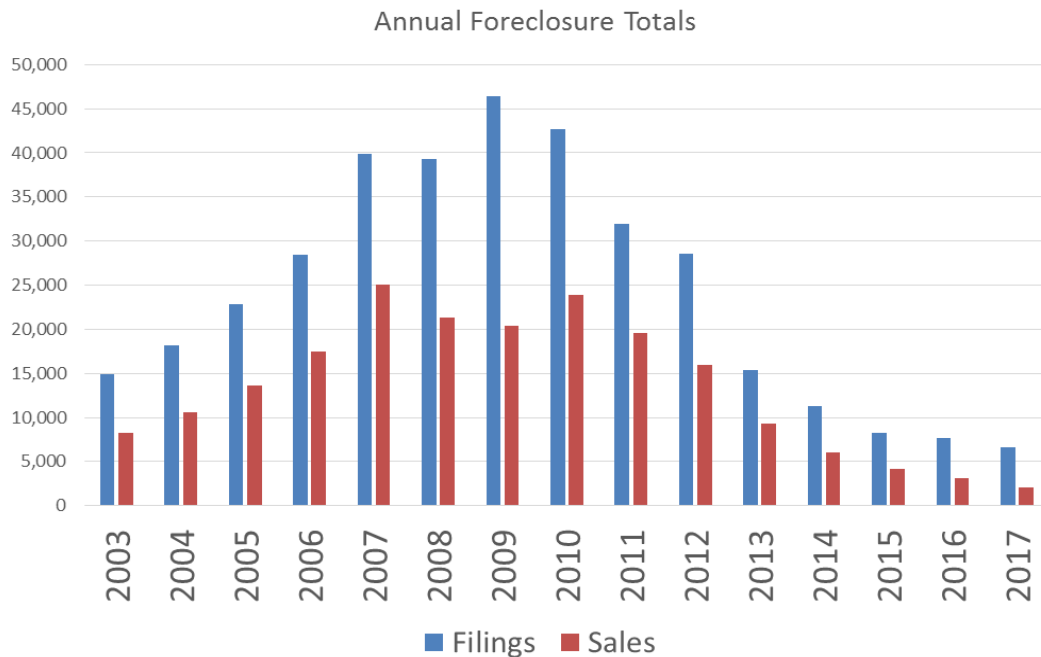
Note: Annual totals are available since 2003, but quarterly totals are only available since 2007.

Table 1: Foreclosure Filings

Year	Foreclosure Filings
2003	14,858
2004	18,127
2005	22,894
2006	28,435
2007	39,920
2008	39,333
2009	46,394
2010	42,692
2011	31,975
2012	28,579
2013	15,333
2014	11,235
2015	8,241
2016	7,666
2017	6,680

Table 2: Foreclosure Sales at Auction

Year	Foreclosure Sales
2003	8,239
2004	10,566
2005	13,642
2006	17,451
2007	25,054
2008	21,306
2009	20,437
2010	23,891
2011	19,617
2012	15,903
2013	9,318
2014	6,003
2015	4,209
2016	3,128
2017	2,100

Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the fourth quarter of 2017, both filings and sales fell for the seventh year in a row.

Graph 3: Foreclosure filings separated by quarter and year.
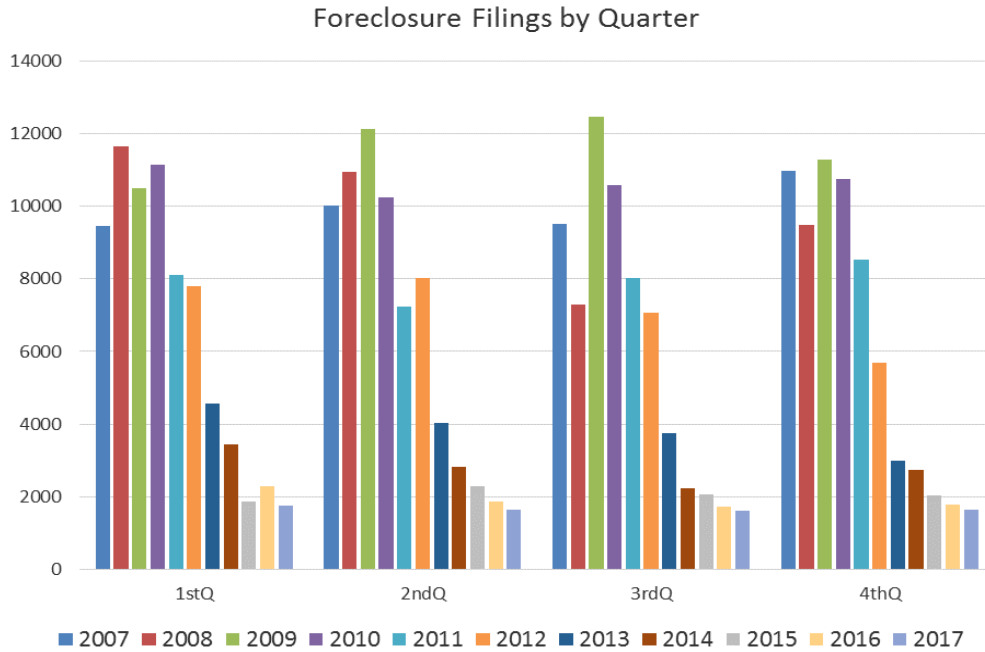
Graph 4: Foreclosure sales separated by quarter and year.
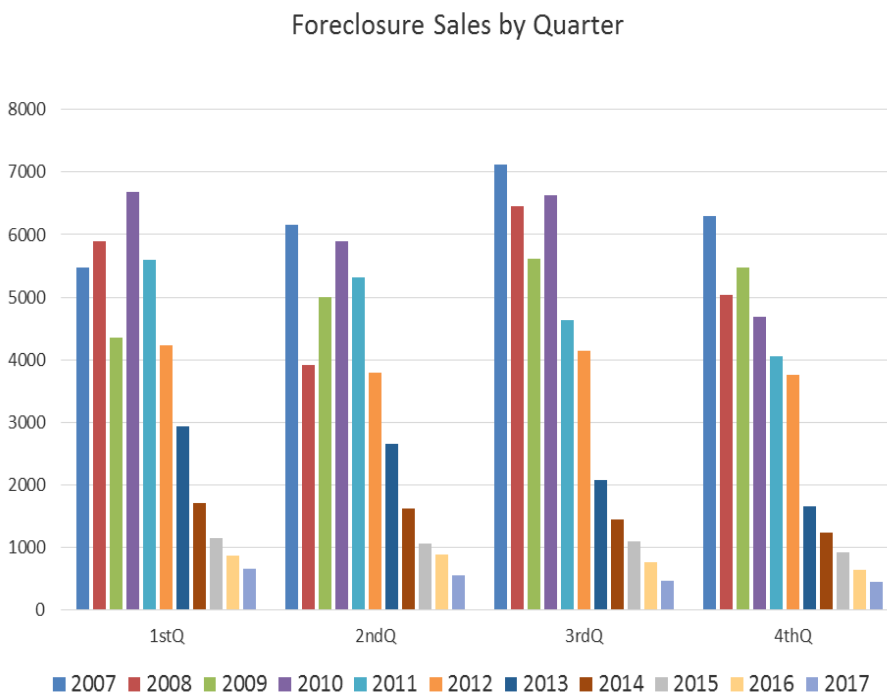
County Statistics

Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 70 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure activity in Colorado, indicating that foreclosure activity is now less limited to metropolitan areas than was the case in the past.

Aggregate statewide totals and trends do not necessarily reflect changes in foreclosure totals at the county level as county-level changes were not uniform throughout the state.

The map below shows foreclosure rates in each county. Categories reflect proportions of households completing the foreclosure process in each county. Fourth-quarter totals for 2017 show that, in general, the fourth quarter was the least active quarter for foreclosures in a decade. Even the counties with the highest foreclosure rates during the fourth quarter are still well below peak levels.

Map 1 shows how counties compared to each other during the fourth quarter. The Denver Metro area and Northern Colorado show some of the state's lowest foreclosure rates.

Map 1: Foreclosure rates in Colorado Counties, by quartile, 4th Quarter 2017
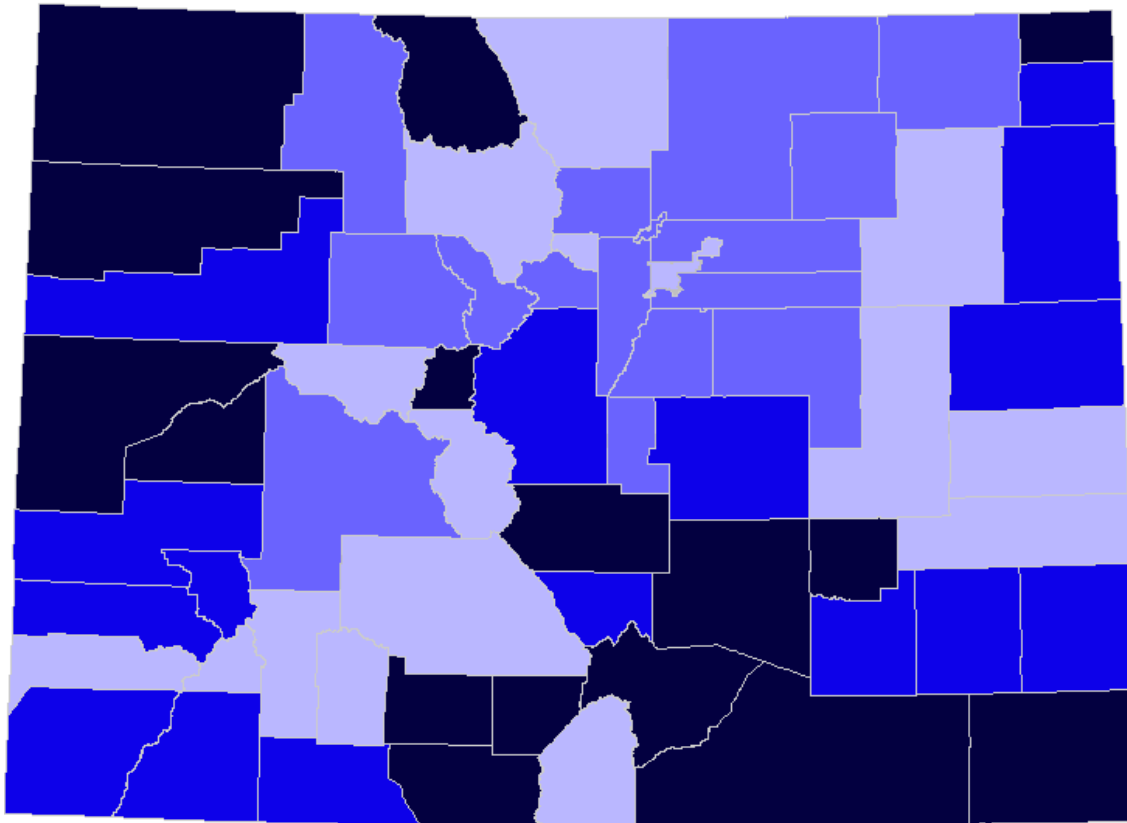
In a change from earlier reports, foreclosure rates are now presented by quartile to show greater contrast. Darker colors represent higher foreclosure rates.

Rates of foreclosure for each county are listed in Table 3 of the appendix.

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 4,775 households for the fourth quarter of 2017.

Among metropolitan counties (e.g., Arapahoe County, Mesa County), only Pueblo and Mesa Counties was found among the top ten counties for foreclosure sales rates. Most of the counties in the top ten were mountain and rural counties including Rio Blanco, Moffatt, and Fremont Counties. But, foreclosure activity in all counties remained small compared to other years over the past decade.

Pueblo and Mesa counties reported the highest foreclosure rates of the metropolitan counties. Pueblo County reported a foreclosure rate of one foreclosure per 1,096 households while Mesa County reported a rate of 1 foreclosure per 1,107 households. See Table 3 for full listing.

Denver County reported the lowest foreclosure rate among metropolitan counties with 17 completed foreclosures, for a rate of 1 foreclosure sale per 17,443 households.

Future Outlook

2017 continued the trend of the past eight years in which foreclosure activity has been declining. This reflects continued demand for housing in the state, coupled with significant job growth. As long as households continue to show stable or growing income, and as long as new housing production is limited, foreclosure activity is likely to remain low. A new recessionary period would likely change this trend, however, as growing joblessness will lead to more foreclosure activity. Signs of employment stagnation, however, will likely precede significant changes in the foreclosure levels.

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. Some numbers in this report reflect corrections made to statistics reported in earlier reports.

The per-household calculation for each county is based on 2015 (the most recent year available) estimates of occupied households provided by the Colorado State Demographer.

The household number is that of "total occupied housing units" in each county. Owner-occupant totals are only available for a minority of Colorado counties, so for purposes of consistency across all counties, occupied housing unit totals are used.

The Colorado Division of Housing wishes to acknowledge the invaluable assistance of Carol Snyder, the former Public Trustee of Adams County, Robert Sagel, the Public Trustee of Morgan County, and the Public Trustee Association, although neither Ms. Snyder, Mr. Sagel, nor the Association bear any responsibility for any errors or for the conclusions and analysis contained in this summary.

Appendices

Table 3: Foreclosure rates based on the number of occupied housing units per completed foreclosure and percentage of all occupied housing units. 2015 household numbers are used.

County	Households (2015 estimates)	2017 4th Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Sedgwick	1,089	2	0.18%	545
Crowley	1,230	2	0.16%	615
Jackson	629	1	0.16%	629
Rio Blanco	2,584	4	0.15%	646
Delta	12,299	15	0.12%	820
Moffat	5,117	6	0.12%	853
Alamosa	6,179	7	0.11%	883
Fremont	16,695	17	0.10%	982
Pueblo	64,671	59	0.09%	1,096
Mesa	58,691	53	0.09%	1,107
Las Animas	5,732	5	0.09%	1,146
Lake	3,015	2	0.07%	1,508
Huerfano	3,024	2	0.07%	1,512
Conejos	3,040	2	0.07%	1,520
Rio Grande	4,573	3	0.07%	1,524
Baca	1,599	1	0.06%	1,599
Bent	1,680	1	0.06%	1,680
Philips	1,774	1	0.06%	1,774
Archuleta	5,399	3	0.06%	1,800
Otero	7,500	4	0.05%	1,875
Yuma	3,959	2	0.05%	1,980
Custer	2,022	1	0.05%	2,022
Ouray	2,124	1	0.05%	2,124
Prowers	4,670	2	0.04%	2,335
Park	7,376	3	0.04%	2,459
Montrose	16,339	6	0.04%	2,723
Garfield	20,983	7	0.03%	2,998
El Paso	256,525	85	0.03%	3,018
Kit Carson	3,056	1	0.03%	3,056
Montezuma	10,795	3	0.03%	3,598
San Miguel	3,683	1	0.03%	3,683
La Plata	22,486	6	0.03%	3,748
Eagle	19,728	5	0.03%	3,946

County	Population	Count	Percent	Ratio
Clear Creek	4,309	1	0.02%	4,309
Elbert	8,965	2	0.02%	4,483
Morgan	10,336	2	0.02%	5,168
Gunnison	6,822	1	0.01%	6,822
Adams	168,515	24	0.01%	7,021
Logan	7,988	1	0.01%	7,988
Broomfield	24,841	3	0.01%	8,280
Weld	101,095	12	0.01%	8,425
Teller	9,829	1	0.01%	9,829
Arapahoe	246,937	25	0.01%	9,877
Routt	10,146	1	0.01%	10,146
Douglas	115,085	10	0.01%	11,509
Summit	12,725	1	0.01%	12,725
Jefferson	230,716	17	0.01%	13,572
Boulder	128,829	8	0.01%	16,104
Larimer	133,429	8	0.01%	16,679
Denver	296,530	17	0.01%	17,443
Chaffee	7,966	0	0.00%	n/a
Cheyenne	791	0	0.00%	n/a
Costilla	1,576	0	0.00%	n/a
Dolores	850	0	0.00%	n/a
Hinsdale	327	0	0.00%	n/a
Mineral	363	0	0.00%	n/a
Pitkin	8,498	0	0.00%	n/a
San Juan	347	0	0.00%	n/a
Washington	1,991	0	0.00%	n/a
Gilpin	2,633	0	0.00%	n/a
Grand	6,367	0	0.00%	n/a
Kiowa	615	0	0.00%	n/a
Lincoln	1,985	0	0.00%	n/a
Saguache	2,708	0	0.00%	n/a
Total	2,134,380	447	0.02%	4,775

Table 4: Percent change in year-over-year foreclosure filings and sales:

Counties	2016 Q4 Filings	2017 Q4 Filings	Percent Change		2016 Q4 Sales	2017 Q4 Sales	Percent Change
Adams	187	156	-16.6		32	24	-25.0
Alamosa	10	8	-20.0		4	7	75.0
Arapahoe	169	176	4.1		33	25	-24.2
Archuleta	3	3	0.0		1	3	200.0
Baca	3	0	-100.0		0	1	n/a
Bent	1	1	0.0		0	1	n/a
Boulder	27	40	48.1		8	8	0.0
Broomfield	8	6	-25.0		1	3	200.0
Chaffee	2	2	0.0		3	0	-100.0
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	4	3	-25.0		0	1	n/a
Conejos	3	8	166.7		3	2	-33.3
Costilla	0	0	n/a		0	0	n/a
Crowley	5	1	-80.0		2	2	0.0
Custer	2	0	-100.0		4	1	-75.0
Delta	24	23	-4.2		16	15	-6.3
Denver	183	157	-14.2		29	17	-41.4
Dolores	1	0	-100.0		1	0	-100.0
Douglas	77	51	-33.8		10	10	0.0
Eagle	11	17	54.5		8	5	-37.5
Elbert	6	8	33.3		2	2	0.0
El Paso	295	287	-2.7		136	85	-37.5
Fremont	26	25	-3.8		24	17	-29.2
Garfield	18	18	0.0		9	7	-22.2
Gilpin	1	0	-100.0		1	0	-100.0
Grand	6	7	16.7		3	0	-100.0
Gunnison	4	2	-50.0		3	1	-66.7
Hinsdale	0	0	n/a		1	0	-100.0
Huerfano	7	4	-42.9		4	2	-50.0
Jackson	0	0	n/a		0	1	n/a
Jefferson	125	119	-4.8		17	17	0.0
Kiowa	0	0	n/a		1	0	-100.0
Kit Carson	4	1	-75.0		2	1	-50.0
La Plata	19	6	-68.4		7	6	-14.3
Lake	5	2	-60.0		5	2	-60.0
Larimer	53	75	41.5		13	8	-38.5
Las Animas	9	16	77.8		15	5	-66.7
Lincoln	2	4	100.0		0	0	n/a
Logan	6	6	0.0		2	1	-50.0
Mesa	124	99	-20.2		80	53	-33.8
Mineral	0	0	n/a		0	0	n/a
Moffat	15	12	-20.0		13	6	-53.8
Montezuma	7	7	0.0		14	3	-78.6
Montrose	20	15	-25.0		8	6	-25.0

Morgan	16	11	-31.3	4	2	-50.0
Otero	9	13	44.4	6	4	-33.3
Ouray	2	2	0.0	1	1	0.0
Park	9	9	0.0	3	3	0.0
Philips	0	0	n/a	1	1	0.0
Pitkin	3	3	0.0	0	0	n/a
Prowers	4	4	0.0	1	2	100.0
Pueblo	115	110	-4.3	51	59	15.7
Rio Blanco	9	6	-33.3	9	4	-55.6
Rio Grande	4	0	-100.0	4	3	-25.0
Routt	6	7	16.7	1	1	0.0
Saguache	4	5	25.0	4	0	-100.0
San Juan	2	0	-100.0	0	0	n/a
San Miguel	3	3	0.0	0	1	n/a
Sedgwick	1	2	100.0	0	2	n/a
Summit	12	14	16.7	1	1	0.0
Teller	16	10	-37.5	4	1	-75.0
Washington	2	2	0.0	0	0	n/a
Weld	102	84	-17.6	26	12	-53.8
Yuma	3	4	33.3	2	2	0.0
Total	1,794	1,654	-7.8	633	447	-29.4

Table 5: Percent change from 3rd Q 2017 to 4th Q 2017:

Counties	2017 3rd Q Filings	2017 4th Q Filings	Percent Change		2017 3rd Q Sales	2017 4th Q Sales	Percent Change
Adams	175	156	-10.9		23	24	4.3
Alamosa	13	8	-38.5		4	7	75.0
Arapahoe	190	176	-7.4		20	25	25.0
Archuleta	8	3	-62.5		1	3	200.0
Baca	0	0	n/a		1	1	0.0
Bent	2	1	-50.0		1	1	0.0
Boulder	51	40	-21.6		7	8	14.3
Broomfield	13	6	-53.8		2	3	50.0
Chaffee	5	2	-60.0		0	0	n/a
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	4	3	-25.0		1	1	0.0
Conejos	5	8	60.0		2	2	0.0
Costilla	0	0	n/a		0	0	n/a
Crowley	3	1	-66.7		1	2	100.0
Custer	3	0	-100.0		1	1	0.0
Delta	27	23	-14.8		10	15	50.0
Denver	155	157	1.3		16	17	6.3
Dolores	0	0	n/a		0	0	n/a
Douglas	57	51	-10.5		10	10	0.0
Eagle	8	17	112.5		11	5	-54.5
Elbert	9	8	-11.1		3	2	-33.3
El Paso	244	287	17.6		88	85	-3.4
Fremont	27	25	-7.4		6	17	183.3
Garfield	17	18	5.9		4	7	75.0
Gilpin	2	0	-100.0		2	0	-100.0
Grand	6	7	16.7		4	0	-100.0
Gunnison	4	2	-50.0		1	1	0.0
Hinsdale	1	0	-100.0		0	0	n/a
Huerfano	6	4	-33.3		6	2	-66.7
Jackson	1	0	-100.0		2	1	-50.0
Jefferson	99	119	20.2		19	17	-10.5
Kiowa	1	0	-100.0		1	0	-100.0
Kit Carson	2	1	-50.0		2	1	-50.0
La Plata	13	6	-53.8		7	6	-14.3
Lake	3	2	-33.3		0	2	n/a
Larimer	49	75	53.1		14	8	-42.9
Las Animas	7	16	128.6		8	5	-37.5
Lincoln	3	4	33.3		1	0	-100.0
Logan	6	6	0.0		3	1	-66.7
Mesa	83	99	19.3		60	53	-11.7
Mineral	0	0	n/a		0	0	n/a
Moffat	12	12	0.0		6	6	0.0

Montezuma	9	7	-22.2	2	3	50.0
Montrose	14	15	7.1	9	6	-33.3
Morgan	12	11	-8.3	2	2	0.0
Otero	5	13	160.0	12	4	-66.7
Ouray	5	2	-60.0	0	1	n/a
Park	9	9	0.0	1	3	200.0
Philips	2	0	-100.0	0	1	n/a
Pitkin	6	3	-50.0	0	0	n/a
Prowers	5	4	-20.0	4	2	-50.0
Pueblo	90	110	22.2	50	59	18.0
Rio Blanco	3	6	100.0	4	4	0.0
Rio Grande	5	0	-100.0	2	3	50.0
Routt	5	7	40.0	1	1	0.0
Saguache	3	5	66.7	1	0	-100.0
San Juan	0	0	n/a	0	0	n/a
San Miguel	1	3	200.0	1	1	0.0
Sedgwick	2	2	0.0	1	2	100.0
Summit	9	14	55.6	1	1	0.0
Teller	7	10	42.9	6	1	-83.3
Washington	1	2	100.0	0	0	n/a
Weld	100	84	-16.0	19	12	-36.8
Yuma	3	4	33.3	1	2	100.0
Totals	1,610	1,654	2.7	465	447	-3.9

Table 6: Foreclosure totals in each county for past 5 quarters:

Counties	2016 Q4 Filings	2017 Q1 Filings	2017 Q2 Filings	2017 Q3 Filings	2017 Q4 Filings		2016 Q4 Sales	2017 Q1 Sales	2017 Q2 Sales	2017 Q3 Sales	2017 Q4 Sales
Adams	187	165	164	175	156		32	37	26	23	24
Alamosa	10	4	7	13	8		4	11	6	4	7
Arapahoe	169	169	171	190	176		33	36	21	20	25
Archuleta	3	7	6	8	3		1	4	1	1	3
Baca	3	1	1	0	0		0	1	2	1	1
Bent	1	2	2	2	1		0	2	1	1	1
Boulder	27	35	44	51	40		8	10	2	7	8
Broomfield	8	8	14	13	6		1	0	1	2	3
Chaffee	2	6	0	5	2		3	0	4	0	0
Cheyenne	0	0	0	0	0		0	0	0	0	0
Clear Creek	4	7	4	4	3		0	0	0	1	1
Conejos	3	2	2	5	8		3	0	2	2	2
Costilla	0	1	2	0	0		0	0	0	0	0
Crowley	5	3	1	3	1		2	2	1	1	2
Custer	2	3	1	3	0		4	2	3	1	1
Delta	24	18	19	27	23		16	12	9	10	15
Denver	183	179	157	155	157		29	24	18	16	17
Dolores	1	3	0	0	0		1	0	0	0	0
Douglas	77	88	58	57	51		10	19	10	10	10
Eagle	11	13	17	8	17		8	4	6	11	5
Elbert	6	11	8	9	8		2	1	2	3	2
El Paso	295	286	272	244	287		136	122	117	88	85
Fremont	26	18	23	27	25		24	25	14	6	17
Garfield	18	21	17	17	18		9	13	9	4	7
Gilpin	1	3	4	2	0		1	0	1	2	0
Grand	6	8	7	6	7		3	5	3	4	0
Gunnison	4	1	3	4	2		3	4	3	1	1
Hinsdale	0	0	1	1	0		1	0	0	0	0
Huerfano	7	5	3	6	4		4	9	2	6	2
Jackson	0	2	0	1	0		0	0	0	2	1
Jefferson	125	116	142	99	119		17	23	23	19	17
Kiowa	0	1	1	1	0		1	0	1	1	0

County										
Kit Carson	4	3	3	2	1		2	3	1	2	1
La Plata	19	19	15	13	6		7	4	8	7	6
Lake	5	4	4	3	2		5	2	1	0	2
Larimer	53	58	54	49	75		13	18	7	14	8
Las Animas	9	13	11	7	16		15	7	8	8	5
Lincoln	2	2	2	3	4		0	1	1	1	0
Logan	6	6	12	6	6		2	6	8	3	1
Mesa	124	118	96	83	99		80	65	63	60	53
Mineral	0	1	1	0	0		0	0	0	0	0
Moffat	15	12	13	12	12		13	9	10	6	6
Montezuma	7	8	10	9	7		14	6	5	2	3
Montrose	20	14	16	14	15		8	13	9	9	6
Morgan	16	16	9	12	11		4	5	10	2	2
Otero	9	13	15	5	13		6	9	9	12	4
Ouray	2	1	1	5	2		1	0	1	0	1
Park	9	9	5	9	9		3	4	2	1	3
Philips	0	1	2	2	0		1	1	1	0	1
Pitkin	3	3	2	6	3		0	1	1	0	0
Prowers	4	6	9	5	4		1	1	3	4	2
Pueblo	115	111	99	90	110		51	76	61	50	59
Rio Blanco	9	11	4	3	6		9	11	5	4	4
Rio Grande	4	6	7	5	0		4	7	1	2	3
Routt	6	8	8	5	7		1	3	7	1	1
Saguache	4	0	1	3	5		4	0	0	1	0
San Juan	2	0	0	0	0		0	1	0	0	0
San Miguel	3	2	3	1	3		0	0	1	1	1
Sedgwick	1	3	4	2	2		0	1	1	1	2
Summit	12	8	5	9	14		1	0	3	1	1
Teller	16	15	10	7	10		4	7	5	6	1
Washington	2	2	1	1	2		0	0	1	0	0
Weld	102	96	82	100	84		26	20	24	19	12
Yuma	3	3	2	3	4		2	2	1	1	2
Totals	1,794	1,758	1,657	1,610	1,654		633	649	546	465	447