



# COLORADO

## Department of Local Affairs

Division of Housing

## 2nd Quarter 2018 Foreclosure Report

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

September 7, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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**

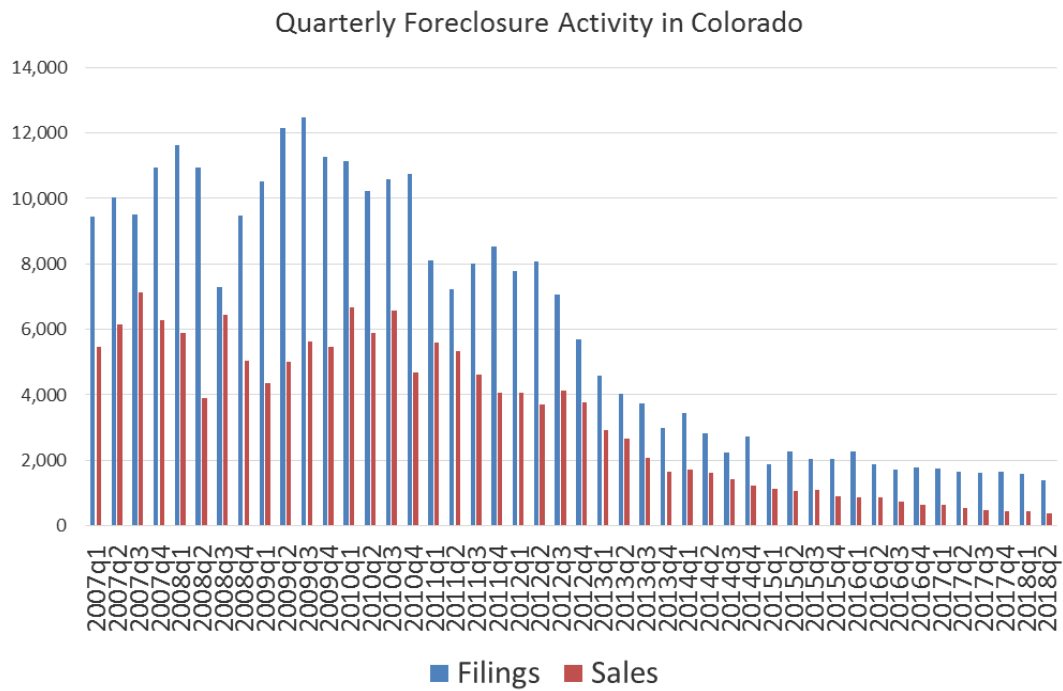
During the second quarter of 2018, Colorado public trustees reported 1,399 foreclosure filings and 369 sales at auction (completed foreclosures). During the second quarter of last year (2017), there were 1,658 filings and 539 sales. Comparing year-over-year for the second quarter, foreclosure filings fell 15.6 percent and completed foreclosures fell 31.5 percent.

Comparing the second quarter of 2018 to the first quarter of 2018, foreclosure filings fell 10.9 percent from 1,571 to 1,399. Foreclosure sales fell 16.3 percent from 441 to 369 during the same period.

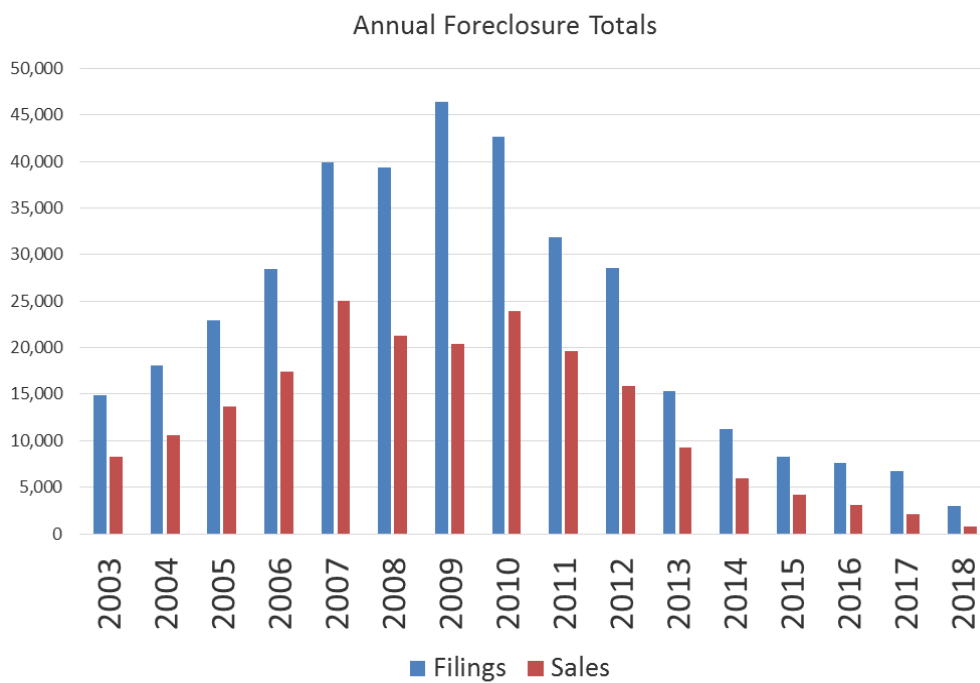
Both the foreclosure sales total and the foreclosure filings total reported for the second quarter of 2018 were the lowest totals recorded since the Division of Housing began tracking quarterly foreclosure totals in 2007.

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**

<b>Year</b>	<b>Foreclosure Filings</b>
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
2018 (Jan-June)	2,970

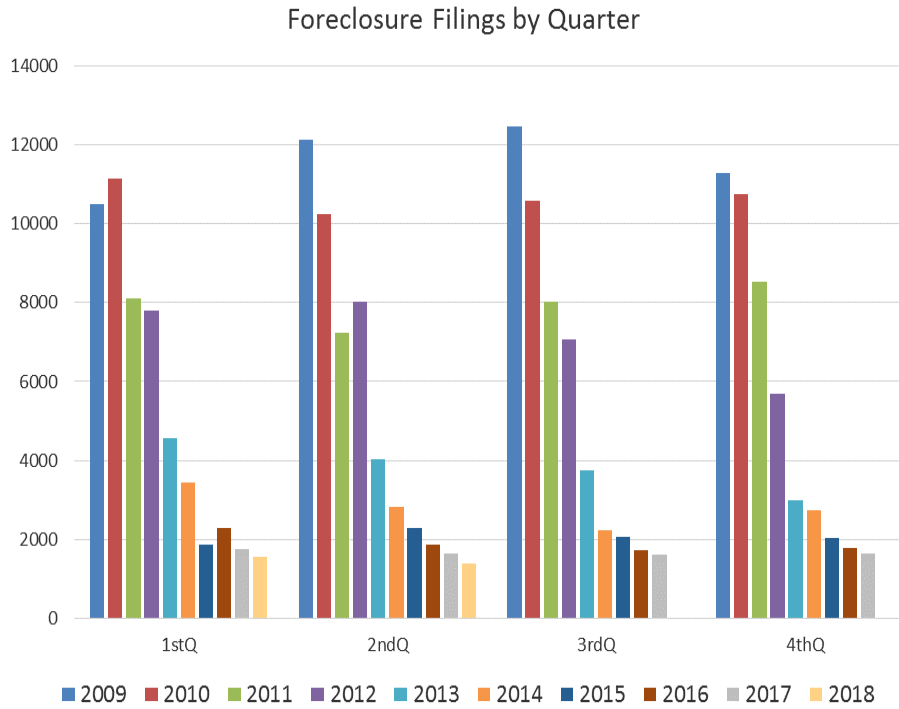
**Table 2: Foreclosure Sales at Auction**

<b>Year</b>	<b>Foreclosure Sales</b>
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
2018 (Jan-Jun)	810

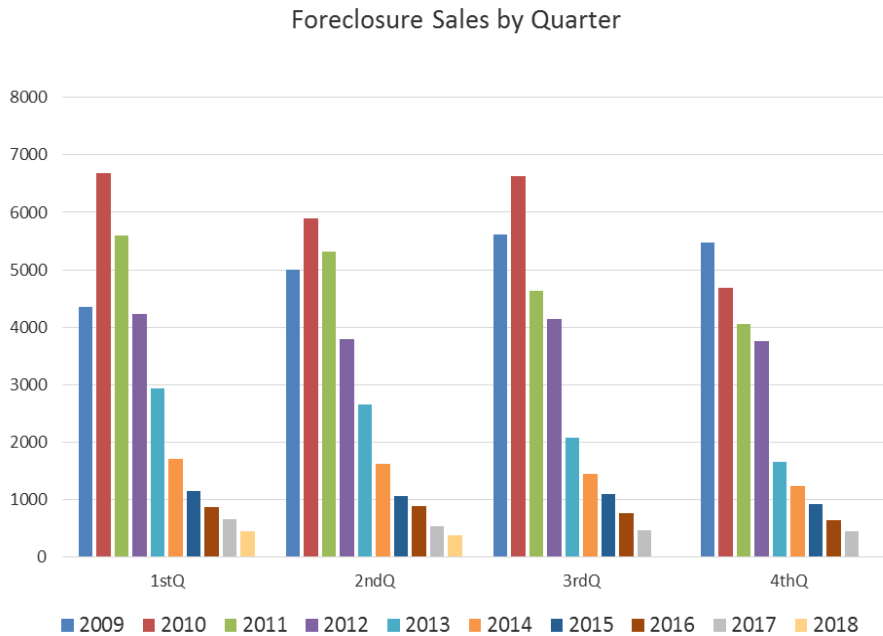
### Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the second quarter of 2018, both filings and sales fell to the lowest first-quarter total ever measured by the survey.

**Graph 3: Foreclosure filings separated by quarter and year.**



**Graph 4: Foreclosure sales separated by quarter and year.**



## County Statistics

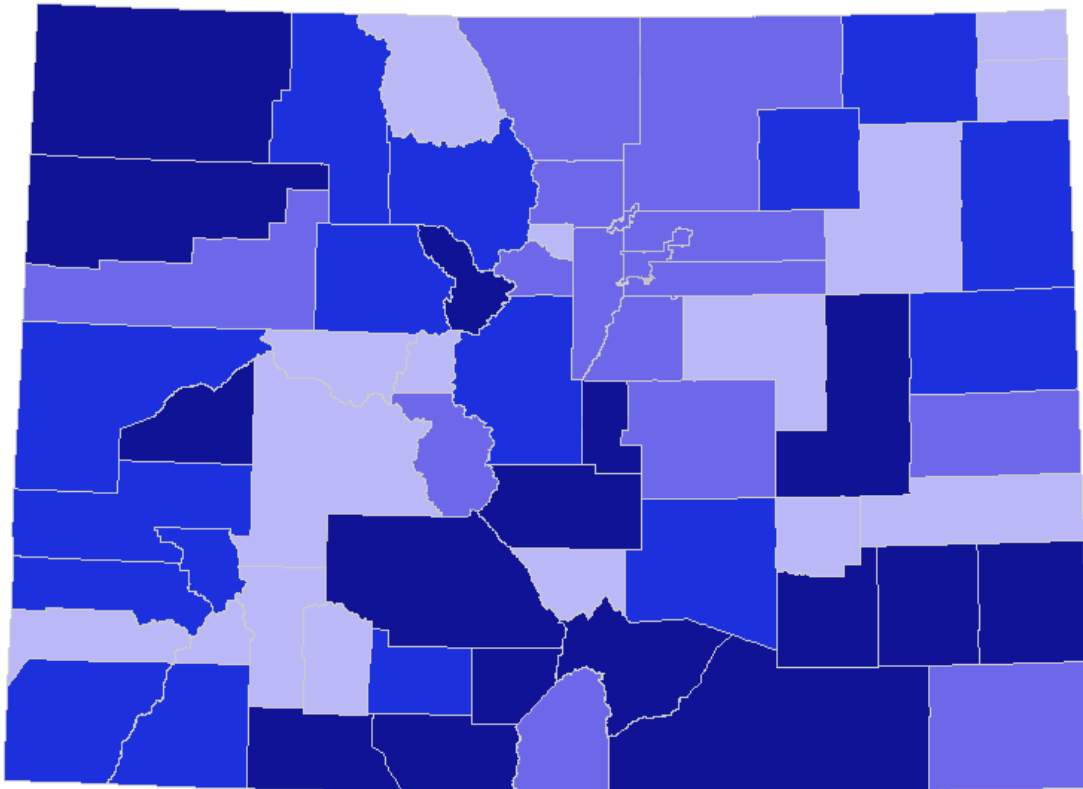
Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 70 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure 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. Counties are presented here separated into quartiles. However, it should be noted that even the counties in the top quartile (i.e., highest-foreclosure quartile) are generally seeing foreclosure activity levels well below what was the case a decade ago.

Given recent home price growth along the Front Range in recent years, it's not surprising that 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, 2nd Quarter 2018



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 5,784 households for the second quarter of 2018.

No metropolitan counties (e.g., Arapahoe County, Mesa County) were found among the top ten counties for foreclosure sales rates. Most of the counties in the top ten were mountain and rural counties including Fremont, Moffatt, and Las Animas. 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 2,395 households while Mesa County reported a rate of 1 foreclosure per 2,024 households.

Boulder County reported the lowest foreclosure rate among metropolitan counties with 0 completed foreclosures.

## **Future Outlook**

At mid-year 2018 is another robust year for home-price growth in many of the Colorado's most populous counties, further driving down overall foreclosure rates. This is because homeowners unable to make payments can more easily sell their homes to avoid foreclosure in a hot housing market. But given the general strength of the economy statewide, foreclosure activity statewide continues to be quite subdued compared to past levels.

Once employment and economic-growth trends begin to change, we'll see a change in this trend, but increasing foreclosure activity is likely to be preceded by a softening in the job market.

## **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 and revisions made to statistics reported in earlier reports.

The per-household calculation for each county is based on 2016 (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.

<b>County</b>	<b>Households (2016 estimates)</b>	<b>2018 2nd Q Sales</b>	<b>Foreclosure Rate by Percentage</b>	<b>Foreclosure Rate by No. of Households per Completed Foreclosure</b>
Moffat	5,117	8	0.16%	640
Rio Blanco	2,584	4	0.15%	646
Lincoln	1,985	3	0.15%	662
Las Animas	5,732	8	0.14%	717
Otero	7,500	9	0.12%	833
Bent	1,680	2	0.12%	840
Alamosa	6,179	7	0.11%	883
Summit	12,725	14	0.11%	909
Prowers	4,670	5	0.11%	934
Huerfano	3,024	3	0.10%	1,008
Fremont	16,695	15	0.09%	1,113
Delta	12,299	11	0.09%	1,118
Archuleta	5,399	4	0.07%	1,350
Saguache	2,708	2	0.07%	1,354
Teller	9,829	7	0.07%	1,404
Conejos	3,040	2	0.07%	1,520
Rio Grande	4,573	3	0.07%	1,524
San Miguel	3,683	2	0.05%	1,842
Mesa	58,691	29	0.05%	2,024
Grand	6,367	3	0.05%	2,122
Ouray	2,124	1	0.05%	2,124
Pueblo	64,671	27	0.04%	2,395
Logan	7,988	3	0.04%	2,663
Eagle	19,728	7	0.04%	2,818
Kit Carson	3,056	1	0.03%	3,056
La Plata	22,486	7	0.03%	3,212
Routt	10,146	3	0.03%	3,382
Morgan	10,336	3	0.03%	3,445
Montezuma	10,795	3	0.03%	3,598
Park	7,376	2	0.03%	3,688
Yuma	3,959	1	0.03%	3,959



Montrose	16,339	4	0.02%	4,085
Garfield	20,983	5	0.02%	4,197
El Paso	256,525	54	0.02%	4,750
Weld	101,095	14	0.01%	7,221
Larimer	133,429	18	0.01%	7,413
Arapahoe	246,937	24	0.01%	10,289
Adams	168,515	15	0.01%	11,234
Boulder	128,829	7	0.01%	18,404
Douglas	115,085	6	0.01%	19,181
Denver	296,530	14	0.00%	21,181
Jefferson	230,716	9	0.00%	25,635
Baca	1,599	0	0.00%	n/a
Broomfield	24,841	0	0.00%	n/a
Chaffee	7,966	0	0.00%	n/a
Cheyenne	791	0	0.00%	n/a
Clear Creek	4,309	0	0.00%	n/a
Costilla	1,576	0	0.00%	n/a
Crowley	1,230	0	0.00%	n/a
Custer	2,022	0	0.00%	n/a
Dolores	850	0	0.00%	n/a
Elbert	8,965	0	0.00%	n/a
Gilpin	2,633	0	0.00%	n/a
Gunnison	6,822	0	0.00%	n/a
Hinsdale	327	0	0.00%	n/a
Jackson	629	0	0.00%	n/a
Kiowa	615	0	0.00%	n/a
Lake	3,015	0	0.00%	n/a
Mineral	363	0	0.00%	n/a
Philips	1,774	0	0.00%	n/a
Pitkin	8,498	0	0.00%	n/a
San Juan	347	0	0.00%	n/a
Sedgwick	1,089	0	0.00%	n/a
Washington	1,991	0	0.00%	n/a
Total	2,134,380	369	0.02%	5,784

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

Counties	2017 Q2 Filings	2018 Q2 Filings	Percent Change	2017 Q2 Sales	2018 Q2 Sales	Percent Change
Adams	164	119	-27.4	26	15	-42.3
Alamosa	7	4	-42.9	6	7	16.7
Arapahoe	171	161	-5.8	21	24	14.3
Archuleta	6	3	-50.0	1	4	300.0
Baca	1	2	100.0	2	0	-100.0
Bent	2	2	0.0	1	2	100.0
Boulder	44	31	-29.5	2	7	250.0
Broomfield	14	10	-28.6	1	0	-100.0
Chaffee	0	2	n/a	4	0	-100.0
Cheyenne	0	0	n/a	0	0	n/a
Clear Creek	4	0	-100.0	0	0	n/a
Conejos	2	3	50.0	2	2	0.0
Costilla	2	0	-100.0	0	0	n/a
Crowley	1	4	300.0	1	0	-100.0
Custer	1	0	-100.0	3	0	-100.0
Delta	19	15	-21.1	9	11	22.2
Denver	157	135	-14.0	18	14	-22.2
Dolores	0	0	n/a	0	0	n/a
Douglas	58	56	-3.4	10	6	-40.0
Eagle	20	14	-30.0	2	7	250.0
Elbert	8	10	25.0	2	0	-100.0
El Paso	272	220	-19.1	117	54	-53.8
Fremont	23	16	-30.4	14	15	7.1
Garfield	17	19	11.8	9	5	-44.4
Gilpin	4	0	-100.0	1	0	-100.0
Grand	7	5	-28.6	3	3	0.0
Gunnison	3	2	-33.3	1	0	-100.0
Hinsdale	1	0	-100.0	0	0	n/a
Huerfano	3	4	33.3	2	3	50.0
Jackson	0	1	n/a	0	0	n/a
Jefferson	142	122	-14.1	23	9	-60.9
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	3	4	33.3	1	1	0.0
La Plata	16	13	-18.8	10	7	-30.0
Lake	4	3	-25.0	1	0	-100.0
Larimer	54	51	-5.6	7	18	157.1
Las Animas	11	5	-54.5	8	8	0.0
Lincoln	4	3	-25.0	1	3	200.0
Logan	12	8	-33.3	8	3	-62.5
Mesa	96	64	-33.3	63	29	-54.0
Mineral	1	0	-100.0	0	0	n/a
Moffat	9	6	-33.3	8	8	0.0
Montezuma	10	8	-20.0	5	3	-40.0
Montrose	16	18	12.5	9	4	-55.6

Morgan	9	8	-11.1		10	3	-70.0
Otero	15	12	-20.0		9	9	0.0
Ouray	1	2	100.0		1	1	0.0
Park	5	8	60.0		2	2	0.0
Philips	1	0	-100.0		0	0	n/a
Pitkin	2	5	150.0		1	0	-100.0
Prowers	9	3	-66.7		3	5	66.7
Pueblo	99	98	-1.0		61	27	-55.7
Rio Blanco	4	1	-75.0		5	4	-20.0
Rio Grande	7	5	-28.6		1	3	200.0
Routt	8	8	0.0		7	3	-57.1
Saguache	1	2	100.0		0	2	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	1	-66.7		1	2	100.0
Sedgwick	4	1	-75.0		1	0	-100.0
Summit	5	4	-20.0		3	14	366.7
Teller	10	6	-40.0		5	7	40.0
Washington	2	1	-50.0		2	0	-100.0
Weld	82	88	7.3		24	14	-41.7
Yuma	2	3	50.0		1	1	0.0
Total	1,658	1,399	-15.6		539	369	-31.5

Table 5: Percent change from 1st Q 2018 to 2nd Q 2018:

Counties	2018 1st Q Filings	2018 2nd Q Filings	Percent Change		2018 1st Q Sales	2018 2nd Q Sales	Percent Change
Adams	171	119	-30.4		33	15	-54.5
Alamosa	9	4	-55.6		5	7	40.0
Arapahoe	171	161	-5.8		18	24	33.3
Archuleta	6	3	-50.0		2	4	100.0
Baca	0	2	n/a		0	0	n/a
Bent	4	2	-50.0		3	2	-33.3
Boulder	36	31	-13.9		6	7	16.7
Broomfield	12	10	-16.7		3	0	-100.0
Chaffee	4	2	-50.0		1	0	-100.0
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	5	0	-100.0		2	0	-100.0
Conejos	3	3	0.0		3	2	-33.3
Costilla	2	0	-100.0		0	0	n/a
Crowley	1	4	300.0		1	0	-100.0
Custer	4	0	-100.0		0	0	n/a
Delta	15	15	0.0		11	11	0.0
Denver	131	135	3.1		18	14	-22.2
Dolores	1	0	-100.0		0	0	n/a
Douglas	76	56	-26.3		10	6	-40.0
Eagle	12	14	16.7		4	7	75.0
Elbert	6	10	66.7		2	0	-100.0
El Paso	235	220	-6.4		65	54	-16.9
Fremont	26	16	-38.5		14	15	7.1
Garfield	22	19	-13.6		6	5	-16.7
Gilpin	3	0	-100.0		0	0	n/a
Grand	5	5	0.0		1	3	200.0
Gunnison	3	2	-33.3		1	0	-100.0
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	4	4	0.0		2	3	50.0
Jackson	0	1	n/a		0	0	n/a
Jefferson	124	122	-1.6		17	9	-47.1
Kiowa	1	0	-100.0		1	0	-100.0
Kit Carson	1	4	300.0		1	1	0.0
La Plata	16	13	-18.8		4	7	75.0
Lake	2	3	50.0		0	0	n/a
Larimer	52	51	-1.9		14	18	28.6
Las Animas	10	5	-50.0		8	8	0.0
Lincoln	1	3	200.0		1	3	200.0
Logan	9	8	-11.1		2	3	50.0
Mesa	74	64	-13.5		56	29	-48.2
Mineral	0	0	n/a		0	0	n/a
Moffat	13	6	-53.8		9	8	-11.1

Montezuma	8	8	0.0		4	3	-25.0
Montrose	15	18	20.0		8	4	-50.0
Morgan	12	8	-33.3		4	3	-25.0
Otero	8	12	50.0		5	9	80.0
Ouray	3	2	-33.3		1	1	0.0
Park	11	8	-27.3		3	2	-33.3
Philips	2	0	-100.0		0	0	n/a
Pitkin	3	5	66.7		2	0	-100.0
Prowers	6	3	-50.0		3	5	66.7
Pueblo	81	98	21.0		50	27	-46.0
Rio Blanco	5	1	-80.0		2	4	100.0
Rio Grande	4	5	25.0		3	3	0.0
Routt	6	8	33.3		1	3	200.0
Saguache	1	2	100.0		5	2	-60.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	4	1	-75.0		1	2	100.0
Sedgwick	2	1	-50.0		0	0	n/a
Summit	15	4	-73.3		2	14	600.0
Teller	11	6	-45.5		3	7	133.3
Washington	1	1	0.0		0	0	n/a
Weld	97	88	-9.3		17	14	-17.6
Yuma	6	3	-50.0		3	1	-66.7
Totals	1,571	1,399	-10.9		441	369	-16.3

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

Counties	2017 Q2 Filings	2017 Q3 Filings	2017 Q4 Filings	2018 Q1 Filings	2018 Q2 Filings		2017 Q2 Sales	2017 Q3 Sales	2017 Q4 Sales	2018 Q1 Sales	2018 Q2 Sales
Adams	164	175	156	171	119		26	23	24	33	15
Alamosa	7	13	8	9	4		6	4	7	5	7
Arapahoe	171	190	176	171	161		21	20	25	18	24
Archuleta	6	8	3	6	3		1	1	3	2	4
Baca	1	0	0	0	2		2	1	1	0	0
Bent	2	2	1	4	2		1	1	1	3	2
Boulder	44	51	40	36	31		2	7	8	6	7
Broomfield	14	13	6	12	10		1	2	3	3	0
Chaffee	0	5	2	4	2		4	0	0	1	0
Cheyenne	0	0	0	0	0		0	0	0	0	0
Clear Creek	4	4	3	5	0		0	1	1	2	0
Conejos	2	5	8	3	3		2	2	2	3	2
Costilla	2	0	0	2	0		0	0	0	0	0
Crowley	1	3	1	1	4		1	1	2	1	0
Custer	1	3	0	4	0		3	1	1	0	0
Delta	19	27	23	15	15		9	10	15	11	11
Denver	157	155	157	131	135		18	16	17	18	14
Dolores	0	0	0	1	0		0	0	0	0	0
Douglas	58	57	51	76	56		10	10	10	10	6
Eagle	17	8	17	12	14		6	11	5	4	7
Elbert	8	9	8	6	10		2	3	2	2	0
El Paso	272	244	287	235	220		117	88	85	65	54
Fremont	23	27	25	26	16		14	6	17	14	15
Garfield	17	17	18	22	19		9	4	7	6	5
Gilpin	4	2	0	3	0		1	2	0	0	0
Grand	7	6	7	5	5		3	4	0	1	3
Gunnison	3	4	2	3	2		3	1	1	1	0
Hinsdale	1	1	0	0	0		0	0	0	0	0
Huerfano	3	6	4	4	4		2	6	2	2	3
Jackson	0	1	0	0	1		0	2	1	0	0
Jefferson	142	99	119	124	122		23	19	17	17	9
Kiowa	1	1	0	1	0		1	1	0	1	0
Kit Carson	3	2	1	1	4		1	2	1	1	1

La Plata	15	13	6	16	13		8	7	6	4	7
Lake	4	3	2	2	3		1	0	2	0	0
Larimer	54	49	75	52	51		7	14	8	14	18
Las Animas	11	7	16	10	5		8	8	5	8	8
Lincoln	2	3	4	1	3		1	1	0	1	3
Logan	12	6	6	9	8		8	3	1	2	3
Mesa	96	83	99	74	64		63	60	53	56	29
Mineral	1	0	0	0	0		0	0	0	0	0
Moffat	13	12	12	13	6		10	6	6	9	8
Montezuma	10	9	7	8	8		5	2	3	4	3
Montrose	16	14	15	15	18		9	9	6	8	4
Morgan	9	12	11	12	8		10	2	2	4	3
Otero	15	5	13	8	12		9	12	4	5	9
Ouray	1	5	2	3	2		1	0	1	1	1
Park	5	9	9	11	8		2	1	3	3	2
Philips	2	2	0	2	0		1	0	1	0	0
Pitkin	2	6	3	3	5		1	0	0	2	0
Prowers	9	5	4	6	3		3	4	2	3	5
Pueblo	99	90	110	81	98		61	50	59	50	27
Rio Blanco	4	3	6	5	1		5	4	4	2	4
Rio Grande	7	5	0	4	5		1	2	3	3	3
Routt	8	5	7	6	8		7	1	1	1	3
Saguache	1	3	5	1	2		0	1	0	5	2
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	3	1	3	4	1		1	1	1	1	2
Sedgwick	4	2	2	2	1		1	1	2	0	0
Summit	5	9	14	15	4		3	1	1	2	14
Teller	10	7	10	11	6		5	6	1	3	7
Washington	1	1	2	1	1		1	0	0	0	0
Weld	82	100	84	97	88		24	19	12	17	14
Yuma	2	3	4	6	3		1	1	2	3	1
Totals	1,657	1,610	1,654	1,571	1,399		546	465	447	441	369