COLORADO
Department of Local Affairs
Division of Housing

3rd Quarter 2018 Foreclosure Report

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

December 20, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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.

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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 third quarter of 2018, Colorado public trustees reported 1,485 foreclosure filings and 358 sales at auction (completed foreclosures). During the third quarter of last year (2017), there were 1,610 filings and 465 sales. Comparing year-over-year for the third quarter, foreclosure filings fell 7.8 percent and completed foreclosures fell 23 percent.

Comparing the third quarter of 2018 to the second quarter of 2018, foreclosure filings rose 6.7 percent from 1,392 to 1,485. Foreclosure sales fell 1.9 percent from 365 to 358 during the same period.

The foreclosure sales total for the third quarter of 2018 was the lowest sales total 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:

Quarterly Foreclosure Activity in Colorado

Filings ■ Sales
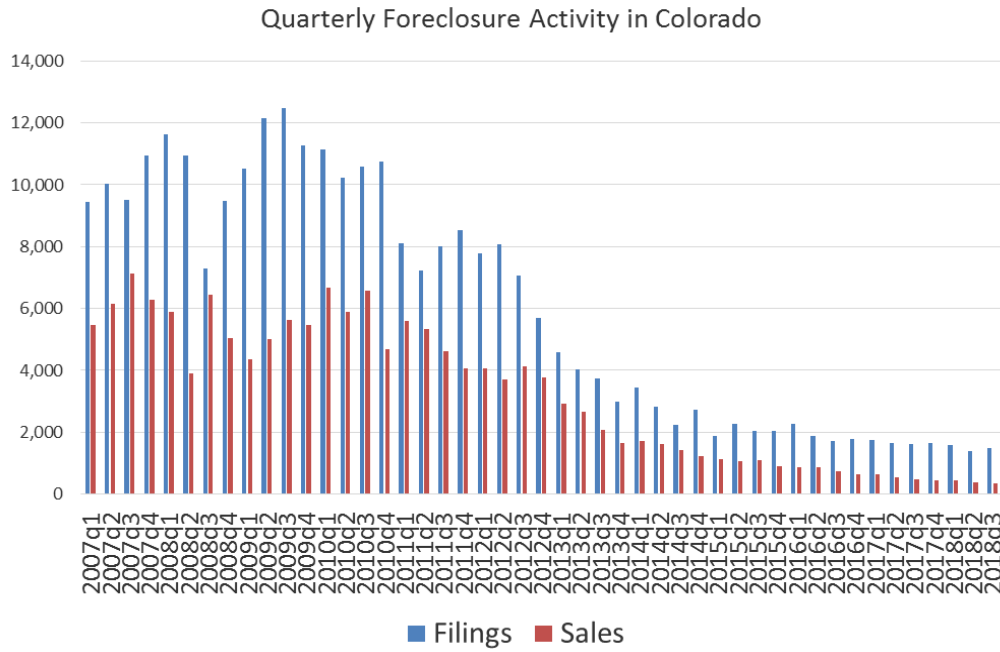
Graph 2: Annual Foreclosure Totals:

Annual Foreclosure Totals

Filings ■ Sales
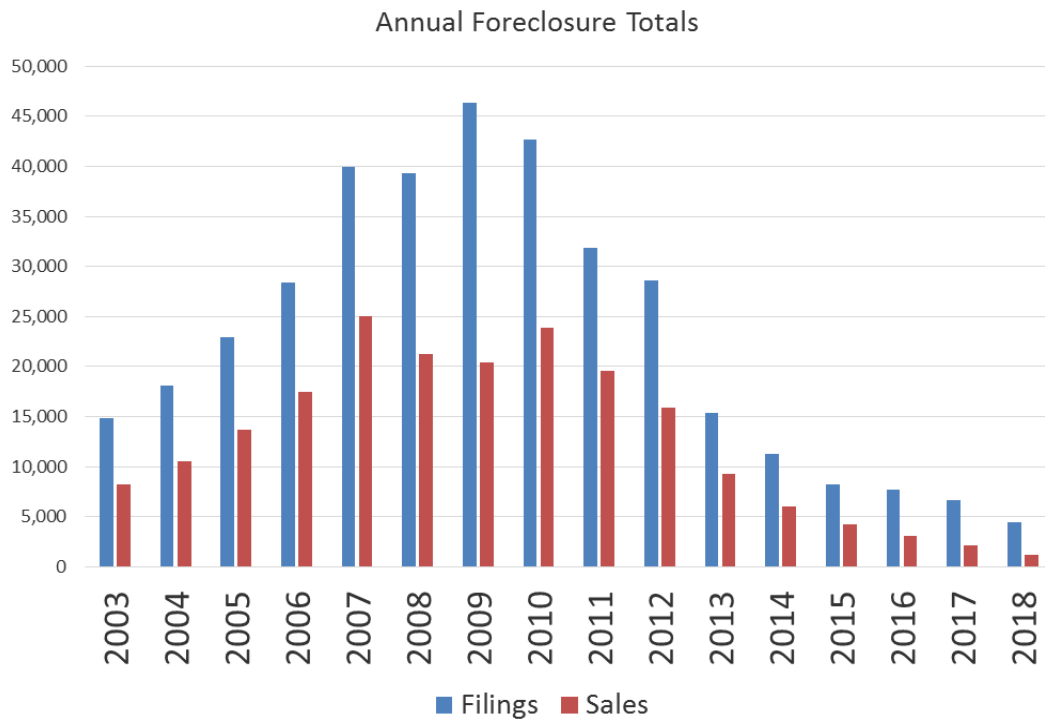
Note: Annual totals are available since 2003, but quarterly totals are only available since 2007.

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
2018 (January-September)	4,455

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
2018 (January-September)	1,168

Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the third 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.

Foreclosure Filings by Quarter
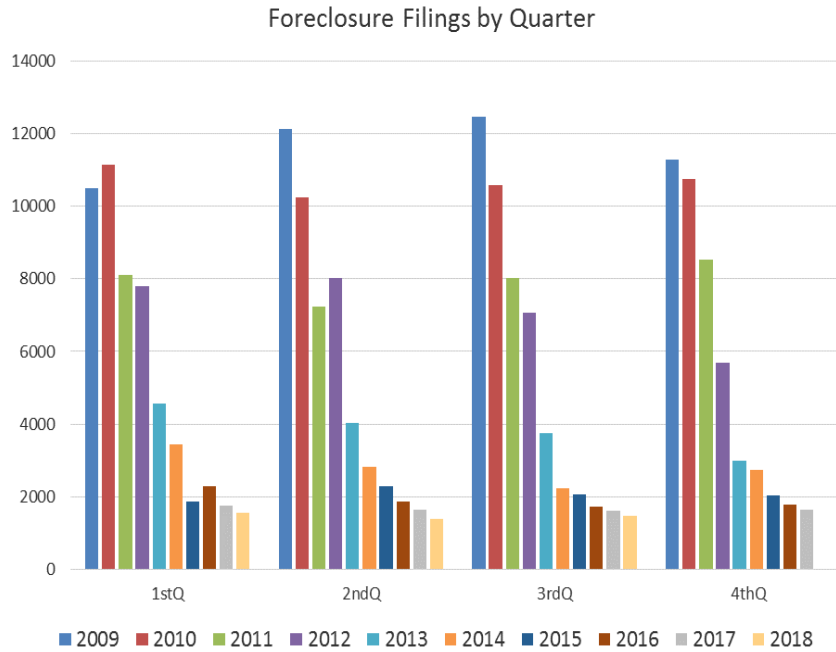
Graph 4: Foreclosure sales separated by quarter and year.

Foreclosure Sales by Quarter
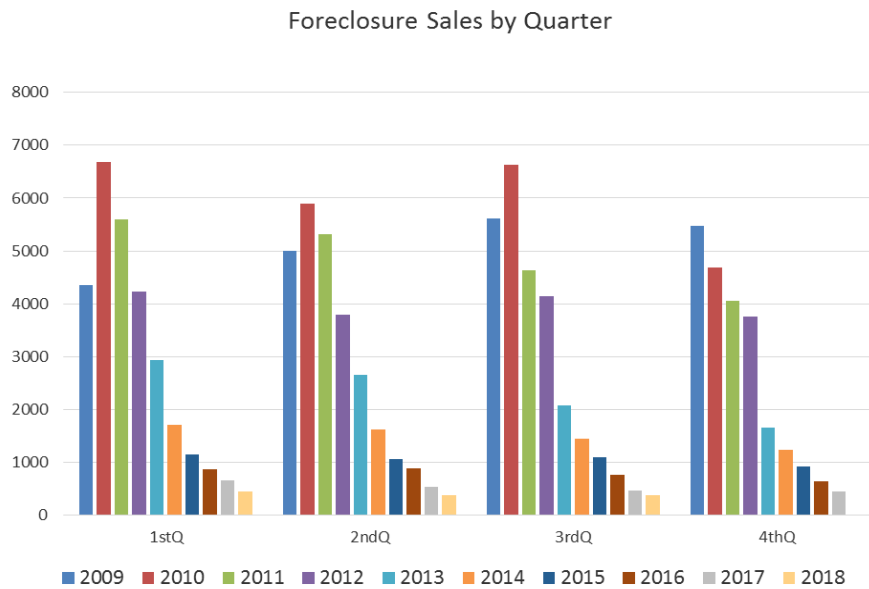
County Statistics

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 Rage 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, 3rd Quarter 2018
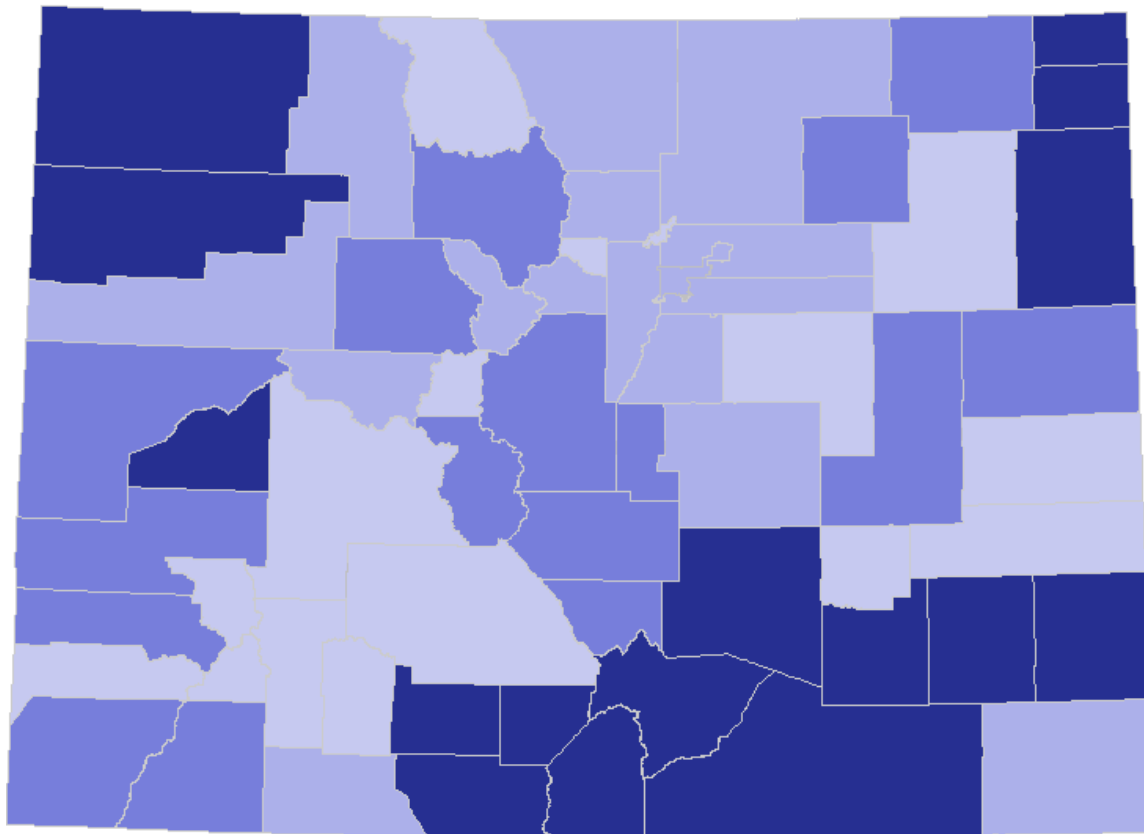
In a change from earlier reports, foreclosure rates are now presented by quartile to show greater contrast. Darker colors represent higher foreclosure rates.

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

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 5,962 households for the third 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 Delta, Rio Blanco, and Huerfano. 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 1,658 households while Mesa County reported a rate of 1 foreclosure per 1,834 households.

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

Future Outlook

As we approach the end of 2018, we find 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.

County	Households (2016 estimates)	2018 3rd Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Sedgwick	1,089	2	0.18%	545
Philips	1,774	2	0.11%	887
Las Animas	5,732	6	0.10%	955
Huerfano	3,024	3	0.10%	1,008
Delta	12,299	11	0.09%	1,118
Rio Grande	4,573	4	0.09%	1,143
Prowers	4,670	4	0.09%	1,168
Otero	7,500	6	0.08%	1,250
Rio Blanco	2,584	2	0.08%	1,292
Yuma	3,959	3	0.08%	1,320
Conejos	3,040	2	0.07%	1,520
Alamosa	6,179	4	0.06%	1,545
Costilla	1,576	1	0.06%	1,576
Pueblo	64,671	39	0.06%	1,658
Bent	1,680	1	0.06%	1,680
Moffat	5,117	3	0.06%	1,706
Mesa	58,691	32	0.05%	1,834
Fremont	16,695	9	0.05%	1,855
Lincoln	1,985	1	0.05%	1,985
Custer	2,022	1	0.05%	2,022
Morgan	10,336	5	0.05%	2,067
Teller	9,829	4	0.04%	2,457
Montrose	16,339	6	0.04%	2,723
Kit Carson	3,056	1	0.03%	3,056
Grand	6,367	2	0.03%	3,184
Montezuma	10,795	3	0.03%	3,598
San Miguel	3,683	1	0.03%	3,683
Park	7,376	2	0.03%	3,688
La Plata	22,486	6	0.03%	3,748
Eagle	19,728	5	0.03%	3,946
Chaffee	7,966	2	0.03%	3,983

County	Population	Count	Percent	Ratio
Logan	7,988	2	0.03%	3,994
El Paso	256,525	64	0.02%	4,008
Garfield	20,983	5	0.02%	4,197
Pitkin	8,498	2	0.02%	4,249
Clear Creek	4,309	1	0.02%	4,309
Archuleta	5,399	1	0.02%	5,399
Larimer	133,429	18	0.01%	7,413
Routt	10,146	1	0.01%	10,146
Adams	168,515	16	0.01%	10,532
Arapahoe	246,937	20	0.01%	12,347
Weld	101,095	8	0.01%	12,637
Summit	12,725	1	0.01%	12,725
Boulder	128,829	10	0.01%	12,883
Douglas	115,085	7	0.01%	16,441
Jefferson	230,716	14	0.01%	16,480
Denver	296,530	15	0.01%	19,769
Baca	1,599	0	0.00%	n/a
Broomfield	24,841	0	0.00%	n/a
Cheyenne	791	0	0.00%	n/a
Crowley	1,230	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
Ouray	2,124	0	0.00%	n/a
Saguache	2,708	0	0.00%	n/a
San Juan	347	0	0.00%	n/a
Washington	1,991	0	0.00%	n/a
Total	2,134,380	358	0.02%	5,962

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

Counties	2017 Q3 Filings	2018 Q3 Filings	Percent Change		2017 Q3 Sales	2018 Q3 Sales	Percent Change
Adams	175	175	0.0		23	16	-30.4
Alamosa	13	9	-30.8		4	4	0.0
Arapahoe	190	158	-16.8		20	20	0.0
Archuleta	8	2	-75.0		1	1	0.0
Baca	0	0	n/a		1	0	-100.0
Bent	2	2	0.0		1	1	0.0
Boulder	51	29	-43.1		7	10	42.9
Broomfield	13	9	-30.8		2	0	-100.0
Chaffee	5	0	-100.0		0	2	n/a
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	4	1	-75.0		1	1	0.0
Conejos	5	4	-20.0		2	2	0.0
Costilla	0	3	n/a		0	1	n/a
Crowley	3	3	0.0		1	0	-100.0
Custer	3	2	-33.3		1	1	0.0
Delta	27	11	-59.3		10	11	10.0
Denver	155	138	-11.0		16	15	-6.3
Dolores	0	0	n/a		0	0	n/a
Douglas	57	77	35.1		10	7	-30.0
Eagle	8	20	150.0		11	5	-54.5
Elbert	9	16	77.8		3	0	-100.0
El Paso	244	240	-1.6		88	64	-27.3
Fremont	27	24	-11.1		6	9	50.0
Garfield	17	21	23.5		4	5	25.0
Gilpin	2	0	-100.0		2	0	-100.0
Grand	6	2	-66.7		4	2	-50.0
Gunnison	4	2	-50.0		1	0	-100.0
Hinsdale	1	0	-100.0		0	0	n/a
Huerfano	6	4	-33.3		6	3	-50.0
Jackson	1	0	-100.0		2	0	-100.0
Jefferson	99	104	5.1		19	14	-26.3
Kiowa	1	0	-100.0		1	0	-100.0
Kit Carson	2	1	-50.0		2	1	-50.0
La Plata	13	11	-15.4		7	6	-14.3
Lake	3	2	-33.3		0	0	n/a
Larimer	49	46	-6.1		14	18	28.6
Las Animas	7	8	14.3		8	6	-25.0
Lincoln	3	3	0.0		1	1	0.0
Logan	6	7	16.7		3	2	-33.3
Mesa	83	59	-28.9		60	32	-46.7
Mineral	0	1	n/a		0	0	n/a
Moffat	12	5	-58.3		6	3	-50.0
Montezuma	9	7	-22.2		2	3	50.0
Montrose	14	13	-7.1		9	6	-33.3

Morgan	12	7	-41.7	2	5	150.0
Otero	5	9	80.0	12	6	-50.0
Ouray	5	2	-60.0	0	0	n/a
Park	9	9	0.0	1	2	100.0
Philips	2	0	-100.0	0	2	n/a
Pitkin	6	5	-16.7	0	2	n/a
Prowers	5	2	-60.0	4	4	0.0
Pueblo	90	94	4.4	50	39	-22.0
Rio Blanco	3	2	-33.3	4	2	-50.0
Rio Grande	5	10	100.0	2	4	100.0
Routt	5	5	0.0	1	1	0.0
Saguache	3	4	33.3	1	0	-100.0
San Juan	0	0	n/a	0	0	n/a
San Miguel	1	2	100.0	1	1	0.0
Sedgwick	2	1	-50.0	1	2	100.0
Summit	9	10	11.1	1	1	0.0
Teller	7	10	42.9	6	4	-33.3
Washington	1	1	0.0	0	0	n/a
Weld	100	88	-12.0	19	8	-57.9
Yuma	3	5	66.7	1	3	200.0
Total	1,610	1,485	-7.8	465	358	-23.0

Table 5: Percent change from 2nd Q 2018 to 3rd Q 2018:

Counties	2018 2nd Q Filings	2018 3rd Q Filings	Percent Change		2018 2nd Q Sales	2018 3rd Q Sales	Percent Change
Adams	119	175	47.1		15	16	6.7
Alamosa	4	9	125.0		7	4	-42.9
Arapahoe	161	158	-1.9		24	20	-16.7
Archuleta	3	2	-33.3		4	1	-75.0
Baca	2	0	-100.0		0	0	n/a
Bent	2	2	0.0		2	1	-50.0
Boulder	31	29	-6.5		7	10	42.9
Broomfield	10	9	-10.0		0	0	n/a
Chaffee	2	0	-100.0		0	2	n/a
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	0	1	n/a		0	1	n/a
Conejos	3	4	33.3		2	2	0.0
Costilla	0	3	n/a		0	1	n/a
Crowley	4	3	-25.0		0	0	n/a
Custer	0	2	n/a		0	1	n/a
Delta	15	11	-26.7		11	11	0.0
Denver	135	138	2.2		14	15	7.1
Dolores	0	0	n/a		0	0	n/a
Douglas	56	77	37.5		6	7	16.7
Eagle	7	20	185.7		3	5	66.7
Elbert	10	16	60.0		0	0	n/a
El Paso	220	240	9.1		54	64	18.5
Fremont	16	24	50.0		15	9	-40.0
Garfield	19	21	10.5		5	5	0.0
Gilpin	0	0	n/a		0	0	n/a
Grand	5	2	-60.0		3	2	-33.3
Gunnison	2	2	0.0		0	0	n/a
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	4	4	0.0		3	3	0.0
Jackson	1	0	-100.0		0	0	n/a
Jefferson	122	104	-14.8		9	14	55.6
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	4	1	-75.0		1	1	0.0
La Plata	13	11	-15.4		7	6	-14.3
Lake	3	2	-33.3		0	0	n/a
Larimer	51	46	-9.8		18	18	0.0
Las Animas	5	8	60.0		8	6	-25.0
Lincoln	3	3	0.0		3	1	-66.7
Logan	8	7	-12.5		3	2	-33.3
Mesa	64	59	-7.8		29	32	10.3
Mineral	0	1	n/a		0	0	n/a
Moffat	6	5	-16.7		8	3	-62.5

Montezuma	8	7	-12.5	3	3	0.0
Montrose	18	13	-27.8	4	6	50.0
Morgan	8	7	-12.5	3	5	66.7
Otero	12	9	-25.0	9	6	-33.3
Ouray	2	2	0.0	1	0	-100.0
Park	8	9	12.5	2	2	0.0
Philips	0	0	n/a	0	2	n/a
Pitkin	5	5	0.0	0	2	n/a
Prowers	3	2	-33.3	5	4	-20.0
Pueblo	98	94	-4.1	27	39	44.4
Rio Blanco	1	2	100.0	4	2	-50.0
Rio Grande	5	10	100.0	3	4	33.3
Routt	8	5	-37.5	3	1	-66.7
Saguache	2	4	100.0	2	0	-100.0
San Juan	0	0	n/a	0	0	n/a
San Miguel	1	2	100.0	2	1	-50.0
Sedgwick	1	1	0.0	0	2	n/a
Summit	4	10	150.0	14	1	-92.9
Teller	6	10	66.7	7	4	-42.9
Washington	1	1	0.0	0	0	n/a
Weld	88	88	0.0	14	8	-42.9
Yuma	3	5	66.7	1	3	200.0
Totals	1,392	1,485	6.7	365	358	-1.9

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

Counties	2017 Q3 Filings	2017 Q4 Filings	2018 Q1 Filings	2018 Q2 Filings	2018 Q3 Filings		2017 Q3 Sales	2017 Q4 Sales	2018 Q1 Sales	2018 Q2 Sales	2018 Q3 Sales
Adams	175	156	171	119	175		23	24	33	15	16
Alamosa	13	8	9	4	9		4	7	5	7	4
Arapahoe	190	176	171	161	158		20	25	18	24	20
Archuleta	8	3	6	3	2		1	3	2	4	1
Baca	0	0	0	2	0		1	1	0	0	0
Bent	2	1	4	2	2		1	1	3	2	1
Boulder	51	40	36	31	29		7	8	6	7	10
Broomfield	13	6	12	10	9		2	3	3	0	0
Chaffee	5	2	4	2	0		0	0	1	0	2
Cheyenne	0	0	0	0	0		0	0	0	0	0
Clear Creek	4	3	5	0	1		1	1	2	0	1
Conejos	5	8	3	3	4		2	2	3	2	2
Costilla	0	0	2	0	3		0	0	0	0	1
Crowley	3	1	1	4	3		1	2	1	0	0
Custer	3	0	4	0	2		1	1	0	0	1
Delta	27	23	15	15	11		10	15	11	11	11
Denver	155	157	131	135	138		16	17	18	14	15
Dolores	0	0	1	0	0		0	0	0	0	0
Douglas	57	51	76	56	77		10	10	10	6	7
Eagle	8	17	12	7	20		11	5	4	3	5
Elbert	9	8	6	10	16		3	2	2	0	0
El Paso	244	287	235	220	240		88	85	65	54	64
Fremont	27	25	26	16	24		6	17	14	15	9
Garfield	17	18	22	19	21		4	7	6	5	5
Gilpin	2	0	3	0	0		2	0	0	0	0
Grand	6	7	5	5	2		4	0	1	3	2
Gunnison	4	2	3	2	2		1	1	1	0	0
Hinsdale	1	0	0	0	0		0	0	0	0	0
Huerfano	6	4	4	4	4		6	2	2	3	3
Jackson	1	0	0	1	0		2	1	0	0	0
Jefferson	99	119	124	122	104		19	17	17	9	14
Kiowa	1	0	1	0	0		1	0	1	0	0

County										
Kit Carson	2	1	1	4	1		2	1	1	1	1
La Plata	13	6	16	13	11		7	6	4	7	6
Lake	3	2	2	3	2		0	2	0	0	0
Larimer	49	75	52	51	46		14	8	14	18	18
Las Animas	7	16	10	5	8		8	5	8	8	6
Lincoln	3	4	1	3	3		1	0	1	3	1
Logan	6	6	9	8	7		3	1	2	3	2
Mesa	83	99	74	64	59		60	53	56	29	32
Mineral	0	0	0	0	1		0	0	0	0	0
Moffat	12	12	13	6	5		6	6	9	8	3
Montezuma	9	7	8	8	7		2	3	4	3	3
Montrose	14	15	15	18	13		9	6	8	4	6
Morgan	12	11	12	8	7		2	2	4	3	5
Otero	5	13	8	12	9		12	4	5	9	6
Ouray	5	2	3	2	2		0	1	1	1	0
Park	9	9	11	8	9		1	3	3	2	2
Philips	2	0	2	0	0		0	1	0	0	2
Pitkin	6	3	3	5	5		0	0	2	0	2
Prowers	5	4	6	3	2		4	2	3	5	4
Pueblo	90	110	81	98	94		50	59	50	27	39
Rio Blanco	3	6	5	1	2		4	4	2	4	2
Rio Grande	5	0	4	5	10		2	3	3	3	4
Routt	5	7	6	8	5		1	1	1	3	1
Saguache	3	5	1	2	4		1	0	5	2	0
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	1	3	4	1	2		1	1	1	2	1
Sedgwick	2	2	2	1	1		1	2	0	0	2
Summit	9	14	15	4	10		1	1	2	14	1
Teller	7	10	11	6	10		6	1	3	7	4
Washington	1	2	1	1	1		0	0	0	0	0
Weld	100	84	97	88	88		19	12	17	14	8
Yuma	3	4	6	3	5		1	2	3	1	3
Totals	1,610	1,654	1,571	1,392	1,485		465	447	441	365	358