



COLORADO

Department of Local Affairs

Division of Housing

4th Quarter 2018 Foreclosure Report

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

March 15, 2019

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

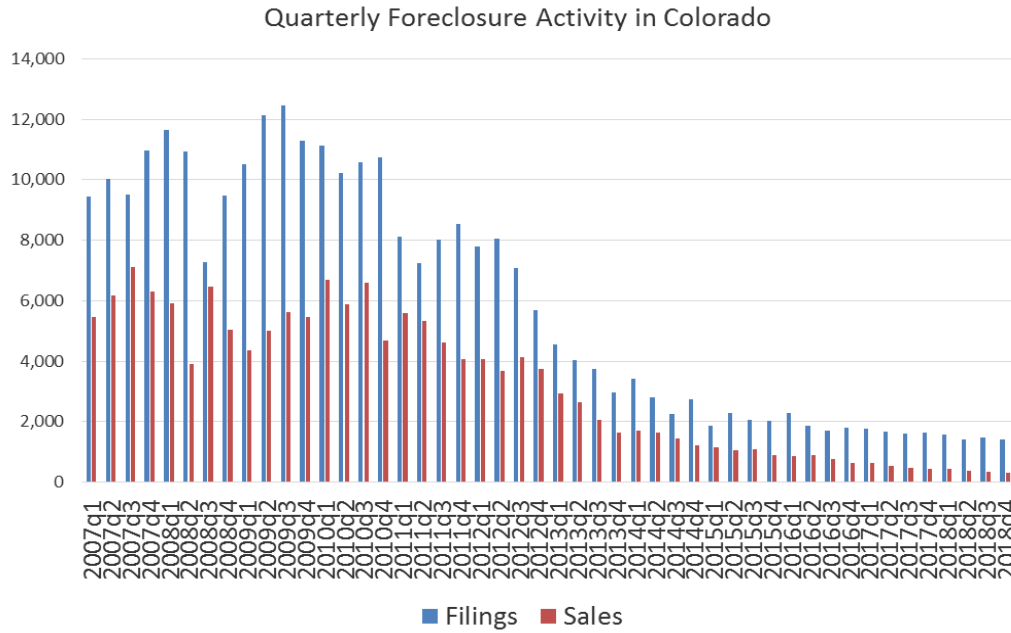
During the fourth quarter of 2018, Colorado public trustees reported 1,417 foreclosure filings and 299 sales at auction (completed foreclosures). During the fourth quarter of the previous year (2017), there were 1,654 filings and 447 sales. Comparing year-over-year for the fourth quarter, foreclosure filings fell 14.3 percent and completed foreclosures fell 33.1 percent.

Comparing the fourth quarter of 2018 to the third quarter of 2018, foreclosure filings rose fell 5.1 percent from 1,493 to 1,417. Foreclosure sales fell 15.3 percent from 353 to 299 during the same period.

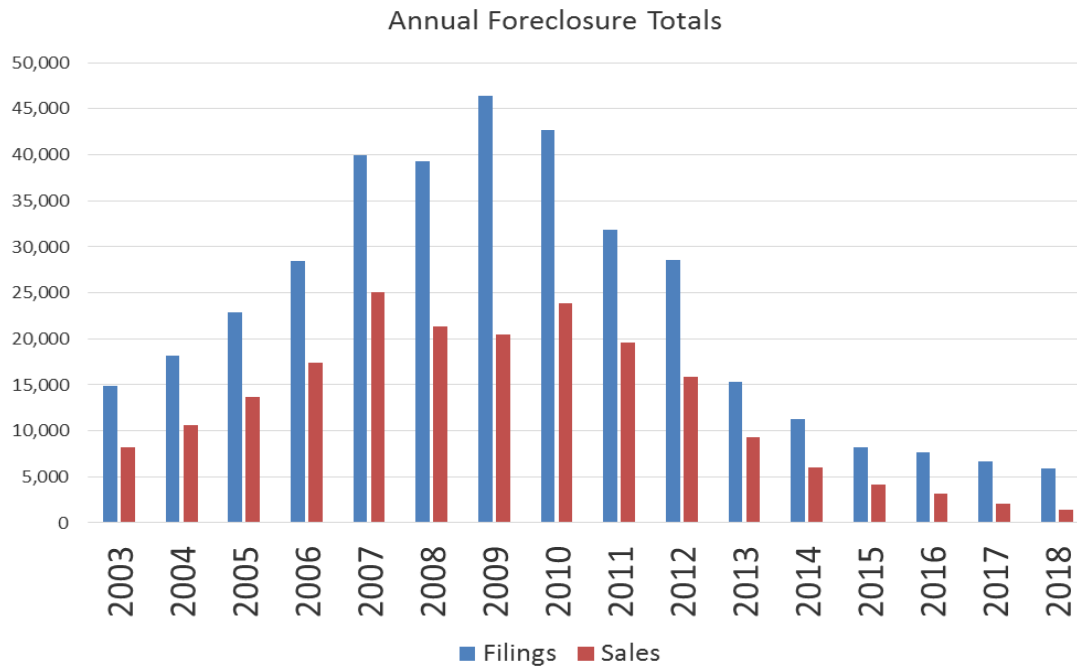
The foreclosure sales total for the fourth quarter of 2018 was the lowest sales total recorded since the Division of Housing began tracking quarterly foreclosure totals in 2007.

Graph 1 shows quarterly totals in foreclosure filings and sales. In recent quarters, foreclosure filings have continued an overall downward trend, and 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
2018 (January-September)	5,884

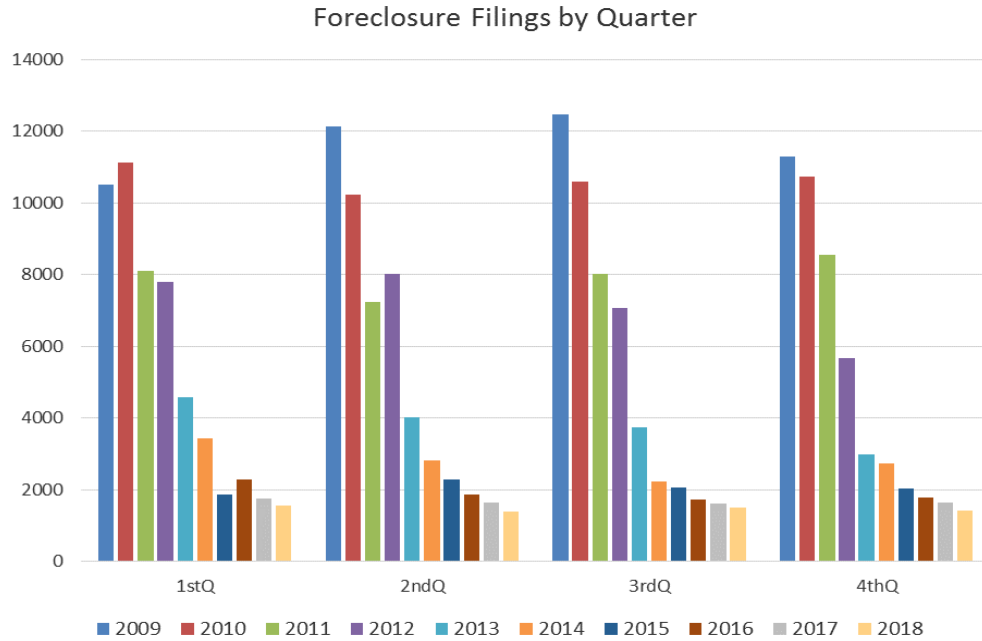
Table 2: Foreclosure Sales at Auction

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	1,461

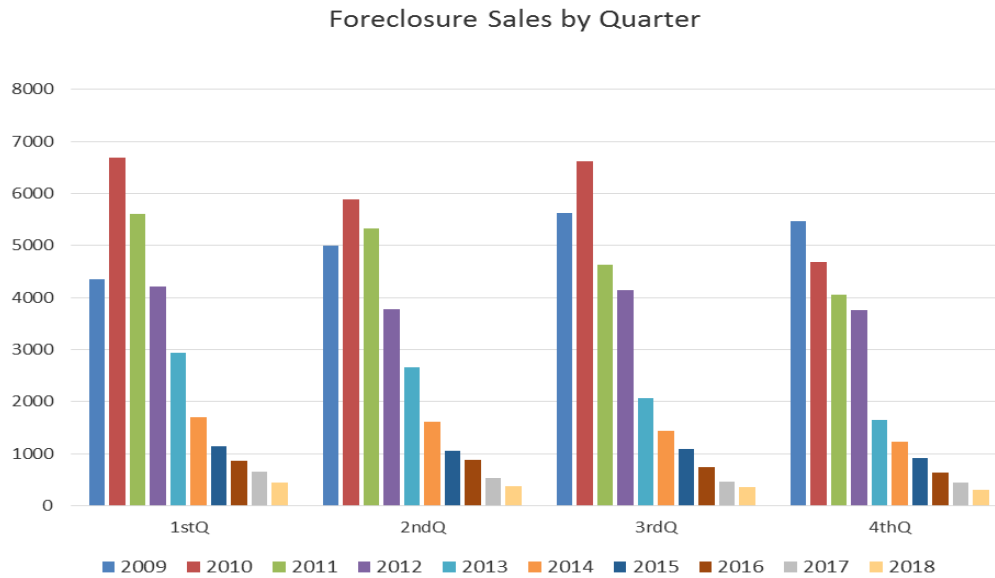
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the fourth quarter of 2018, both filings and sales fell to the lowest fourth-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

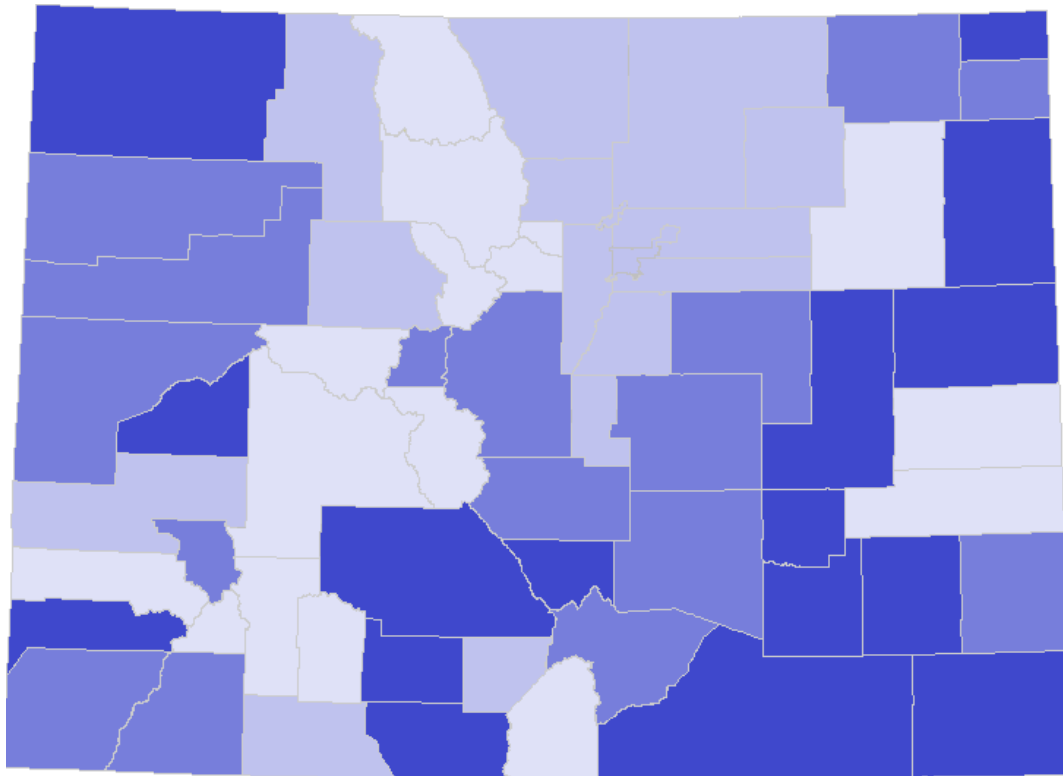
Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 70 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure 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, 4th Quarter 2018



In a change from pre-2018 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 7,450 households for the fourth 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 Lincoln, Custer, Las Animas, and Moffat counties. But, foreclosure activity in all counties remained small compared to other years over the past decade.

Mesa and Pueblo counties reported the highest foreclosure rates of the metropolitan counties. Mesa County reported a foreclosure rate of one foreclosure per 2,391 households while Pueblo County reported a rate of 1 foreclosure per 2,744 households.

Boulder County reported the lowest foreclosure rate among metropolitan counties with one foreclosure per 64,934 households.

Future Outlook

As we approach the end of 2018, home price growth in Colorado, according to measures like the Case-Shiller index, has begun to slow. Nevertheless, growth remains positive in the metro areas, and 2018 overall was clearly another year of price growth. This has continued to put downward pressure on foreclosures, as homeowners can sell their homes with relative ease if they encounter problems making payments. Moreover, new home construction has been moderate throughout Colorado, and there is no indication of a supply glut at this time.

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 (2017 estimates)	2018 4th Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Lincoln	2,008	4	0.20%	502
Custer	2,207	3	0.14%	736
Dolores	889	1	0.11%	889
Kit Carson	2,990	3	0.10%	997
Sedgwick	1,059	1	0.09%	1,059
Las Animas	5,827	5	0.09%	1,165
Crowley	1,218	1	0.08%	1,218
Moffat	5,191	4	0.08%	1,298
Yuma	3,952	3	0.08%	1,317
Saguache	2,873	2	0.07%	1,437
Rio Grande	4,483	3	0.07%	1,494
Otero	7,518	5	0.07%	1,504
Conejos	3,064	2	0.07%	1,532
Delta	12,540	8	0.06%	1,568
Baca	1,572	1	0.06%	1,572
Bent	1,682	1	0.06%	1,682
Fremont	16,999	10	0.06%	1,700
Philips	1,752	1	0.06%	1,752
Park	7,925	4	0.05%	1,981
Ouray	2,181	1	0.05%	2,181
Mesa	59,775	25	0.04%	2,391
Rio Blanco	2,512	1	0.04%	2,512
Logan	7,925	3	0.04%	2,642
Garfield	21,372	8	0.04%	2,672
Pueblo	65,857	24	0.04%	2,744
Huerfano	3,085	1	0.03%	3,085
Elbert	9,291	3	0.03%	3,097
Lake	3,135	1	0.03%	3,135
La Plata	22,849	7	0.03%	3,264
Montezuma	10,768	3	0.03%	3,589
Prowers	4,714	1	0.02%	4,714
El Paso	265,864	55	0.02%	4,834
Montrose	16,683	3	0.02%	5,561
Archuleta	5,810	1	0.02%	5,810

Alamosa	6,195	1	0.02%	6,195
Weld	108,073	13	0.01%	8,313
Broomfield	26,143	3	0.01%	8,714
Eagle	20,283	2	0.01%	10,142
Morgan	10,260	1	0.01%	10,260
Routt	10,611	1	0.01%	10,611
Teller	10,615	1	0.01%	10,615
Douglas	119,913	10	0.01%	11,991
Adams	173,649	14	0.01%	12,404
Denver	310,439	22	0.01%	14,111
Arapahoe	252,593	15	0.01%	16,840
Jefferson	234,458	10	0.00%	23,446
Larimer	137,771	5	0.00%	27,554
Boulder	129,868	2	0.00%	64,934
Chaffee	8,410	0	0.00%	n/a
Cheyenne	784	0	0.00%	n/a
Clear Creek	4,444	0	0.00%	n/a
Costilla	1,659	0	0.00%	n/a
Gilpin	2,716	0	0.00%	n/a
Gunnison	7,128	0	0.00%	n/a
Hinsdale	338	0	0.00%	n/a
Jackson	640	0	0.00%	n/a
Kiowa	604	0	0.00%	n/a
Mineral	375	0	0.00%	n/a
Pitkin	8,491	0	0.00%	n/a
San Juan	351	0	0.00%	n/a
Washington	2,025	0	0.00%	n/a
Grand	6,666	0	0.00%	n/a
San Miguel	3,733	0	0.00%	n/a
Summit	12,832	0	0.00%	n/a
Total	2,197,629	295	0.01%	7,450

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

Counties	2017 Q4 Filings	2018 Q4 Filings	Percent Change	2017 Q4 Sales	2018 Q4 Sales	Percent Change
Adams	156	172	10.3	24	14	-41.7
Alamosa	8	5	-37.5	7	1	-85.7
Arapahoe	176	148	-15.9	25	15	-40.0
Archuleta	3	3	0.0	3	1	-66.7
Baca	0	0	n/a	1	1	0.0
Bent	1	1	0.0	1	1	0.0
Boulder	40	27	-32.5	8	2	-75.0
Broomfield	6	10	66.7	3	3	0.0
Chaffee	2	0	-100.0	0	0	n/a
Cheyenne	0	1	n/a	0	0	n/a
Clear Creek	3	5	66.7	1	0	-100.0
Conejos	8	4	-50.0	2	2	0.0
Costilla	0	0	n/a	0	0	n/a
Crowley	1	4	300.0	2	1	-50.0
Custer	0	1	n/a	1	3	200.0
Delta	23	13	-43.5	15	8	-46.7
Denver	157	134	-14.6	17	22	29.4
Dolores	0	1	n/a	0	1	n/a
Douglas	51	70	37.3	10	10	0.0
Eagle	17	14	-17.6	5	2	-60.0
Elbert	8	6	-25.0	2	3	50.0
El Paso	287	213	-25.8	85	55	-35.3
Fremont	25	8	-68.0	17	10	-41.2
Garfield	18	24	33.3	7	8	14.3
Gilpin	0	0	n/a	0	0	n/a
Grand	7	1	-85.7	0	0	n/a
Gunnison	2	1	-50.0	1	0	-100.0
Hinsdale	0	0	n/a	0	0	n/a
Huerfano	4	7	75.0	2	1	-50.0
Jackson	0	3	n/a	1	0	-100.0
Jefferson	119	115	-3.4	17	10	-41.2
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	1	4	300.0	1	3	200.0
La Plata	6	15	150.0	6	7	16.7
Lake	2	1	-50.0	2	1	-50.0
Larimer	75	41	-45.3	8	5	-37.5
Las Animas	16	7	-56.3	5	5	0.0
Lincoln	4	2	-50.0	0	4	n/a
Logan	6	8	33.3	1	3	200.0
Mesa	99	64	-35.4	53	25	-52.8
Mineral	0	0	n/a	0	0	n/a
Moffat	12	8	-33.3	6	4	-33.3
Montezuma	7	7	0.0	3	3	0.0
Montrose	15	13	-13.3	6	3	-50.0

Morgan	11	13	18.2		2	1	-50.0
Otero	13	6	-53.8		4	5	25.0
Ouray	2	1	-50.0		1	1	0.0
Park	9	4	-55.6		3	4	33.3
Philips	0	1	n/a		1	1	0.0
Pitkin	3	4	33.3		0	0	n/a
Prowers	4	3	-25.0		2	1	-50.0
Pueblo	110	79	-28.2		59	24	-59.3
Rio Blanco	6	7	16.7		4	1	-75.0
Rio Grande	0	3	n/a		3	3	0.0
Routt	7	5	-28.6		1	1	0.0
Saguache	5	4	-20.0		0	2	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	1	-66.7		1	0	-100.0
Sedgwick	2	0	-100.0		2	1	-50.0
Summit	14	6	-57.1		1	0	-100.0
Teller	10	14	40.0		1	1	0.0
Washington	2	1	-50.0		0	0	n/a
Weld	84	102	21.4		12	13	8.3
Yuma	4	2	-50.0		2	3	50.0
Total	1,654	1,417	-14.3		447	299	-33.1

Table 5: Percent change from 3rd Q 2018 to 4th Q 2018:

Counties	2018 3rd Q Filings	2018 4th Q Filings	Percent Change		2018 3rd Q Sales	2018 4th Q Sales	Percent Change
Adams	175	172	-1.7		16	14	-12.5
Alamosa	9	5	-44.4		4	1	-75.0
Arapahoe	158	148	-6.3		20	15	-25.0
Archuleta	2	3	50.0		1	1	0.0
Baca	0	0	n/a		0	1	n/a
Bent	2	1	-50.0		1	1	0.0
Boulder	29	27	-6.9		10	2	-80.0
Broomfield	9	10	11.1		0	3	n/a
Chaffee	0	0	n/a		2	0	-100.0
Cheyenne	0	1	n/a		0	0	n/a
Clear Creek	1	5	400.0		1	0	-100.0
Conejos	4	4	0.0		2	2	0.0
Costilla	3	0	-100.0		1	0	-100.0
Crowley	3	4	33.3		0	1	n/a
Custer	2	1	-50.0		1	3	200.0
Delta	11	13	18.2		11	8	-27.3
Denver	138	134	-2.9		15	22	46.7
Dolores	1	1	0.0		0	1	n/a
Douglas	77	70	-9.1		7	10	42.9
Eagle	20	14	-30.0		5	2	-60.0
Elbert	16	6	-62.5		0	3	n/a
El Paso	240	213	-11.3		64	55	-14.1
Fremont	24	8	-66.7		9	10	11.1
Garfield	21	24	14.3		5	8	60.0
Gilpin	0	0	n/a		0	0	n/a
Grand	2	1	-50.0		2	0	-100.0
Gunnison	2	1	-50.0		0	0	n/a
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	4	7	75.0		1	1	0.0
Jackson	0	3	n/a		0	0	n/a
Jefferson	104	115	10.6		14	10	-28.6
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	4	4	0.0		2	3	50.0
La Plata	15	15	0.0		3	7	133.3
Lake	2	1	-50.0		0	1	n/a
Larimer	46	41	-10.9		18	5	-72.2
Las Animas	8	7	-12.5		6	5	-16.7
Lincoln	3	2	-33.3		1	4	300.0
Logan	7	8	14.3		2	3	50.0
Mesa	59	64	8.5		32	25	-21.9
Mineral	1	0	-100.0		0	0	n/a
Moffat	5	8	60.0		3	4	33.3

Montezuma	7	7	0.0		3	3	0.0
Montrose	13	13	0.0		6	3	-50.0
Morgan	7	13	85.7		5	1	-80.0
Otero	9	6	-33.3		6	5	-16.7
Ouray	2	1	-50.0		0	1	n/a
Park	9	4	-55.6		2	4	100.0
Philips	0	1	n/a		1	1	0.0
Pitkin	5	4	-20.0		2	0	-100.0
Prowers	2	3	50.0		4	1	-75.0
Pueblo	94	79	-16.0		39	24	-38.5
Rio Blanco	2	7	250.0		2	1	-50.0
Rio Grande	10	3	-70.0		4	3	-25.0
Routt	5	5	0.0		1	1	0.0
Saguache	4	4	0.0		0	2	n/a
San Juan	0	0	n/a		0	0	n/a
San Miguel	2	1	-50.0		1	0	-100.0
Sedgwick	1	0	-100.0		2	1	-50.0
Summit	10	6	-40.0		1	0	-100.0
Teller	10	14	40.0		4	1	-75.0
Washington	1	1	0.0		0	0	n/a
Weld	88	102	15.9		8	13	62.5
Yuma	5	2	-60.0		3	3	0.0
Totals	1,493	1,417	-5.1		353	299	-15.3

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

Counties	2017 Q4 Filings	2018 Q1 Filings	2018 Q2 Filings	2018 Q3 Filings	2018 Q4 Filings		2017 Q4 Sales	2018 Q1 Sales	2018 Q2 Sales	2018 Q3 Sales	2018 Q4 Sales
Adams	156	171	119	175	172		24	33	15	16	14
Alamosa	8	9	4	9	5		7	5	7	4	1
Arapahoe	176	171	161	158	148		25	18	24	20	15
Archuleta	3	6	3	2	3		3	2	4	1	1
Baca	0	0	2	0	0		1	0	0	0	1
Bent	1	4	2	2	1		1	3	2	1	1
Boulder	40	36	31	29	27		8	6	7	10	2
Broomfield	6	12	10	9	10		3	3	0	0	3
Chaffee	2	4	2	0	0		0	1	0	2	0
Cheyenne	0	0	0	0	1		0	0	0	0	0
Clear Creek	3	5	0	1	5		1	2	0	1	0
Conejos	8	3	3	4	4		2	3	2	2	2
Costilla	0	2	0	3	0		0	0	0	1	0
Crowley	1	1	4	3	4		2	1	0	0	1
Custer	0	4	0	2	1		1	0	0	1	3
Delta	23	15	15	11	13		15	11	11	11	8
Denver	157	131	135	138	134		17	18	14	15	22
Dolores	0	1	0	1	1		0	0	0	0	1
Douglas	51	76	56	77	70		10	10	6	7	10
Eagle	17	12	14	20	14		5	4	7	5	2
Elbert	8	6	10	16	6		2	2	0	0	3
El Paso	287	235	220	240	213		85	65	54	64	55
Fremont	25	26	16	24	8		17	14	15	9	10
Garfield	18	22	19	21	24		7	6	5	5	8
Gilpin	0	3	0	0	0		0	0	0	0	0
Grand	7	5	5	2	1		0	1	3	2	0
Gunnison	2	3	2	2	1		1	1	0	0	0
Hinsdale	0	0	0	0	0		0	0	0	0	0
Huerfano	4	4	4	4	7		2	2	2	1	1
Jackson	0	0	1	0	3		1	0	0	0	0
Jefferson	119	124	122	104	115		17	17	9	14	10
Kiowa	0	1	0	0	0		0	1	0	0	0
Kit Carson	1	4	4	4	4		1	2	2	2	3

La Plata	6	16	14	15	15		6	4	7	3	7
Lake	2	2	3	2	1		2	0	0	0	1
Larimer	75	52	51	46	41		8	14	18	18	5
Las Animas	16	10	5	8	7		5	8	8	6	5
Lincoln	4	1	3	3	2		0	1	3	1	4
Logan	6	9	8	7	8		1	2	3	2	3
Mesa	99	74	64	59	64		53	56	29	32	25
Mineral	0	0	0	1	0		0	0	0	0	0
Moffat	12	13	6	5	8		6	9	8	3	4
Montezuma	7	8	8	7	7		3	4	3	3	3
Montrose	15	15	18	13	13		6	8	4	6	3
Morgan	11	12	8	7	13		2	4	3	5	1
Otero	13	8	12	9	6		4	5	9	6	5
Ouray	2	3	2	2	1		1	0	0	0	1
Park	9	11	8	9	4		3	3	2	2	4
Philips	0	2	0	0	1		1	0	0	1	1
Pitkin	3	3	5	5	4		0	2	0	2	0
Prowers	4	6	3	2	3		2	3	5	4	1
Pueblo	110	81	98	94	79		59	50	27	39	24
Rio Blanco	6	5	1	2	7		4	2	4	2	1
Rio Grande	0	4	5	10	3		3	3	3	4	3
Routt	7	6	8	5	5		1	1	3	1	1
Saguache	5	1	2	4	4		0	5	2	0	2
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	3	4	1	2	1		1	1	2	1	0
Sedgwick	2	2	1	1	0		2	0	0	2	1
Summit	14	15	4	10	6		1	2	14	1	0
Teller	10	11	6	10	14		1	3	7	4	1
Washington	2	1	1	1	1		0	0	0	0	0
Weld	84	97	88	88	102		12	17	14	8	13
Yuma	4	6	3	5	2		2	3	1	3	3
Totals	1,654	1,574	1,400	1,493	1,417		447	441	368	353	299