



COLORADO

Department of Local Affairs

Division of Housing

1st Quarter 2019 Foreclosure Report

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

May 31, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

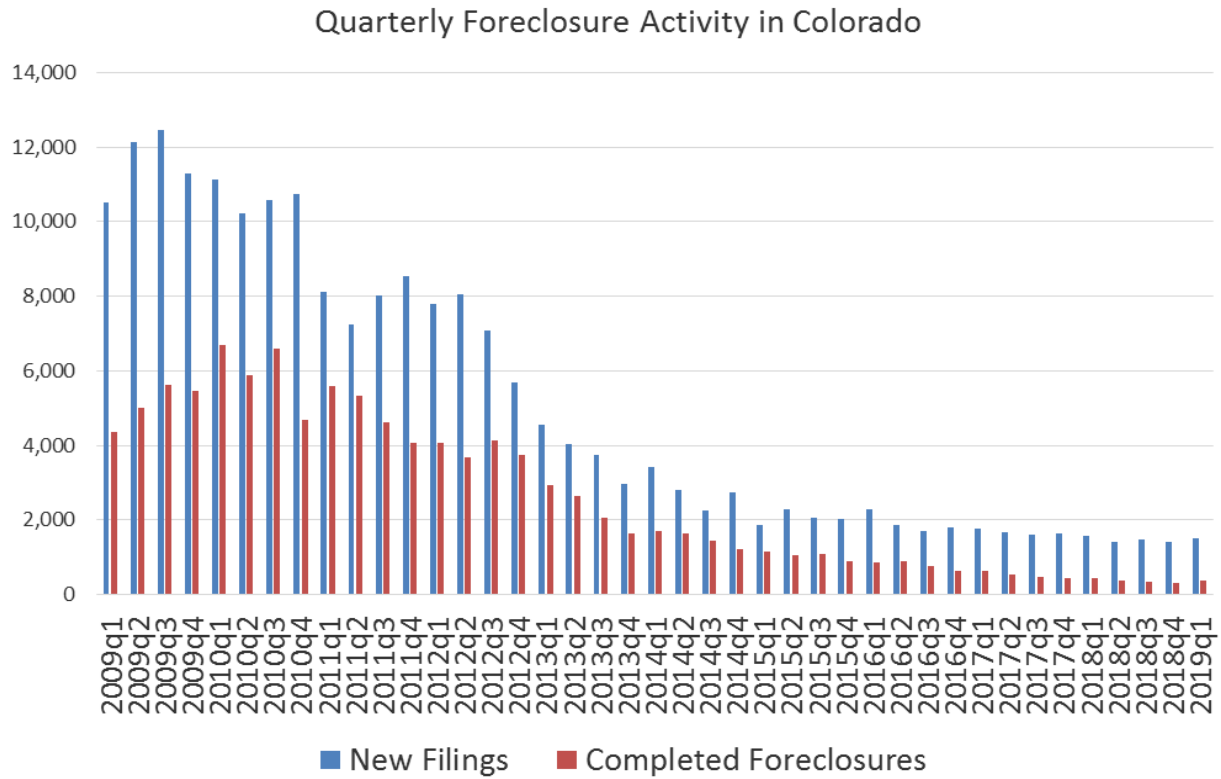
During the first quarter of 2019, Colorado public trustees reported 1,509 foreclosure filings and 370 sales at auction (completed foreclosures). During the first quarter of the previous year (2018), there were 1,574 filings and 441 sales. Comparing year-over-year for the first quarter, foreclosure filings fell 4.1 percent and completed foreclosures fell 16.1 percent.

Comparing the first quarter of 2019 to the fourth quarter of 2018, foreclosure filings rose 6.5 percent from 1,417 to 1,509. Foreclosure sales rose 23.7 percent from 299 to 370 during the same period.

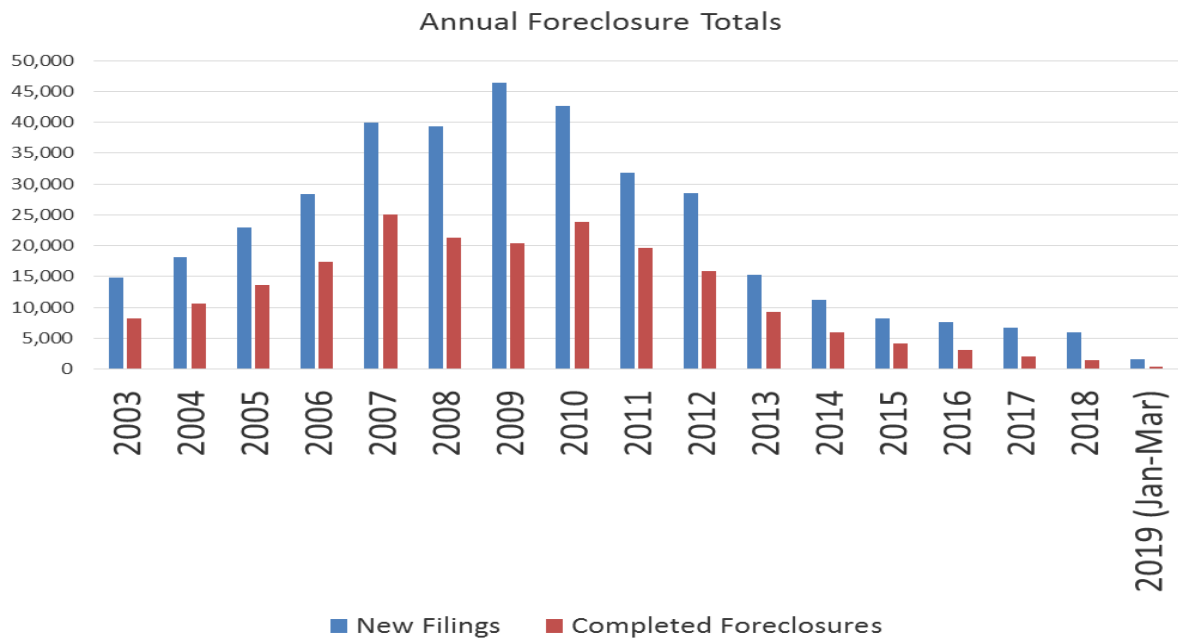
The first quarter of 2019 was the first quarter in which both foreclosure filings and sales increased quarter-to-quarter since the first quarter of 2014. Moreover, with a quarter-to-quarter increase of 23.7 percent, foreclosure sales rose at the highest rate since the third quarter of 2008.

Graph 1 shows quarterly totals in foreclosure filings and sales. Although the first quarter hinted at rising foreclosure activity, foreclosure totals overall remain near 15-year lows.

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	5,884
2019 (Jan-Mar)	1,509

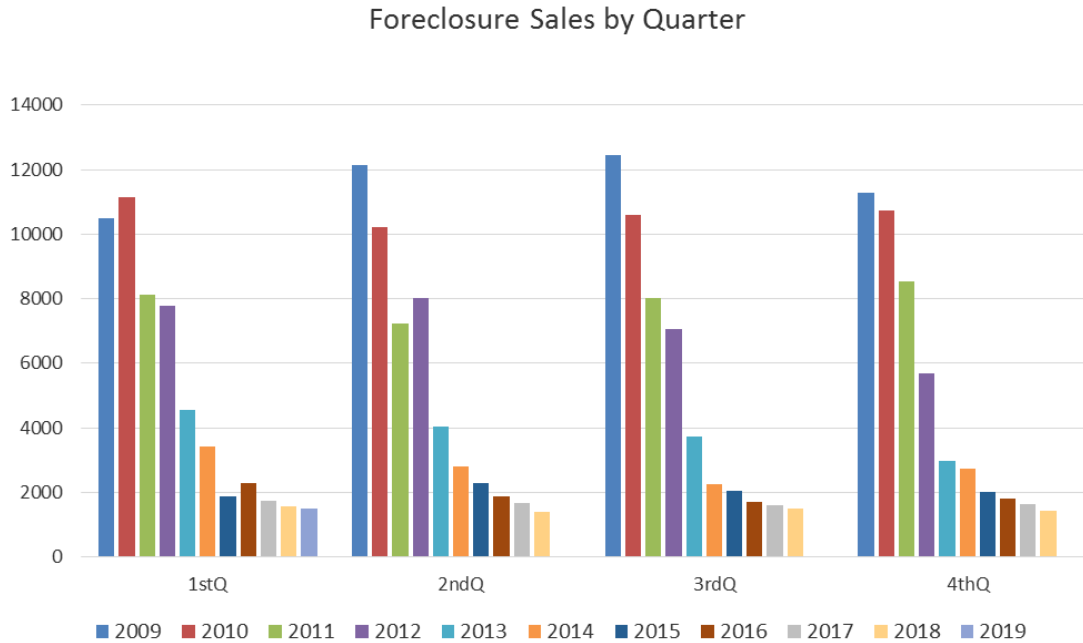
Table 2: Foreclosure Sales at Auction

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
2019 (Jan-Mar)	370

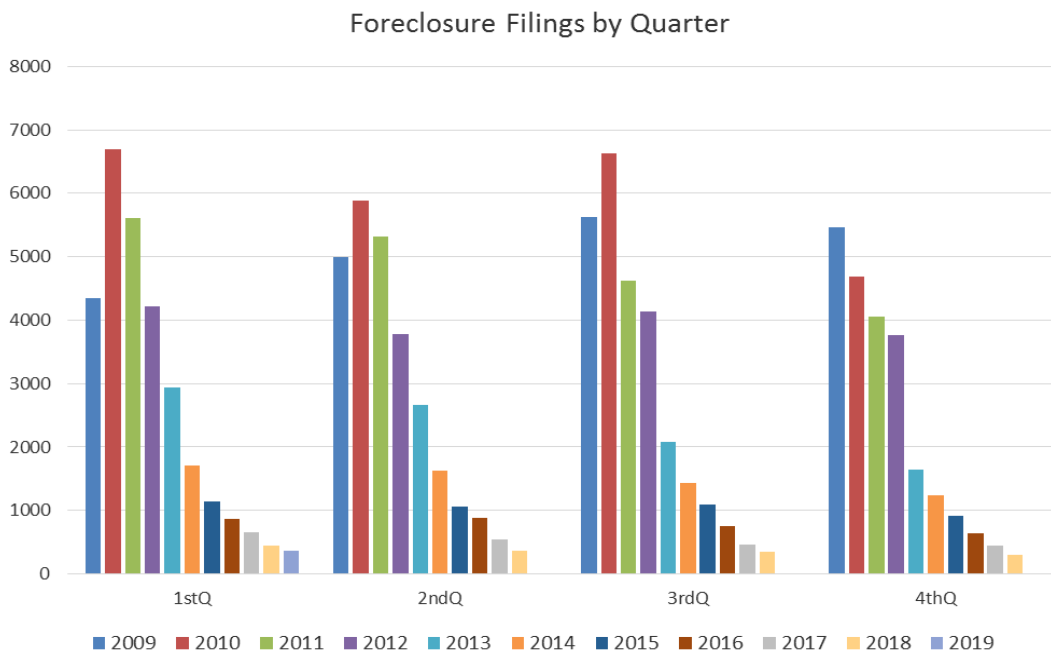
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the first quarter of 2019, 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

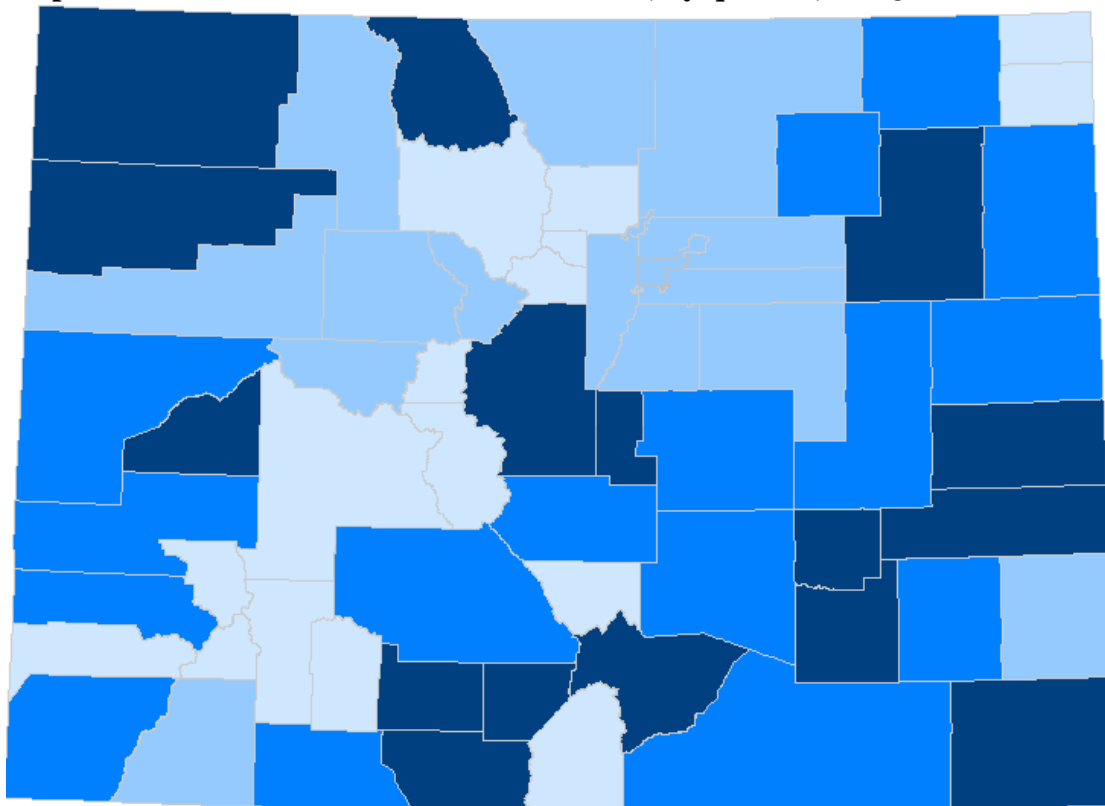
Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for slightly more than 70 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure 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., the 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, 1st Quarter 2019



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 5,945 households for the first quarter of 2019.

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 rural counties including Crowley, Kiowa, Otero, Moffat, and Delta 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 2,214 households while Pueblo County reported a rate of 1 foreclosure per 1,829 households. Boulder County reported the lowest foreclosure rate among metropolitan counties with one foreclosure per 43,289 households.

Future Outlook

As we head into 2019, home price growth in Colorado, according to measures like the Case-Shiller index, has begun to slow. For example, according to the index, March 2019's home-price growth rate of 4.3 percent was the lowest since June 2012. While the Case-Shiller index measures only metro Denver, most regions of the state tend to move in the same direction as the metro Denver area overall. Moreover, a similar trend can be found in the Federal Housing and Finance Agency's numbers for home price growth in Colorado overall.

Nevertheless, while growth may be slowing, it remains positive. This has continued to put downward pressure on foreclosures, as homeowners can sell their homes for at least what is owed 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.

Slowing in home price growth is unlikely to drive a significant change in foreclosure activity. However, if job growth and unemployment turn significantly negative, we will start to see foreclosure move up substantially.

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.

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)	2019 1st Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Jackson	640	2	0.31%	320
Crowley	1,218	3	0.25%	406
Kiowa	604	1	0.17%	604
Rio Blanco	2,512	4	0.16%	628
Cheyenne	784	1	0.13%	784
Otero	7,518	9	0.12%	835
Washington	2,025	2	0.10%	1,013
Huerfano	3,085	3	0.10%	1,028
Moffat	5,191	5	0.10%	1,038
Rio Grande	4,483	4	0.09%	1,121
Delta	12,540	11	0.09%	1,140
Teller	10,615	9	0.08%	1,179
Conejos	3,064	2	0.07%	1,532
Alamosa	6,195	4	0.06%	1,549
Baca	1,572	1	0.06%	1,572
Park	7,925	5	0.06%	1,585
Bent	1,682	1	0.06%	1,682
Pueblo	65,857	36	0.05%	1,829
Montrose	16,683	9	0.05%	1,854
Archuleta	5,810	3	0.05%	1,937
Las Animas	5,827	3	0.05%	1,942
Yuma	3,952	2	0.05%	1,976
Logan	7,925	4	0.05%	1,981
Lincoln	2,008	1	0.05%	2,008
Fremont	16,999	8	0.05%	2,125
Mesa	59,775	27	0.05%	2,214
Saguache	2,873	1	0.03%	2,873
Kit Carson	2,990	1	0.03%	2,990
Morgan	10,260	3	0.03%	3,420
El Paso	265,864	77	0.03%	3,453
Montezuma	10,768	3	0.03%	3,589
San Miguel	3,733	1	0.03%	3,733
Eagle	20,283	5	0.02%	4,057

Summit	12,832	3	0.02%	4,277
Prowers	4,714	1	0.02%	4,714
Routt	10,611	2	0.02%	5,306
Garfield	21,372	4	0.02%	5,343
Weld	108,073	19	0.02%	5,688
La Plata	22,849	4	0.02%	5,712
Pitkin	8,491	1	0.01%	8,491
Adams	173,649	19	0.01%	9,139
Elbert	9,291	1	0.01%	9,291
Denver	310,439	25	0.01%	12,418
Arapahoe	252,593	14	0.01%	18,042
Douglas	119,913	6	0.01%	19,986
Larimer	137,771	6	0.00%	22,962
Jefferson	234,458	10	0.00%	23,446
Broomfield	26,143	1	0.00%	26,143
Boulder	129,868	3	0.00%	43,289
Chaffee	8,410	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
Grand	6,666	0	0.00%	n/a
Gunnison	7,128	0	0.00%	n/a
Hinsdale	338	0	0.00%	n/a
Mineral	375	0	0.00%	n/a
San Juan	351	0	0.00%	n/a
Custer	2,207	0	0.00%	n/a
Dolores	889	0	0.00%	n/a
Lake	3,135	0	0.00%	n/a
Ouray	2,181	0	0.00%	n/a
Philips	1,752	0	0.00%	n/a
Sedgwick	1,059	0	0.00%	n/a
Total	2,199,637	370	0.02%	5,945

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

Counties	2018 Q1 Filings	2019 Q1 Filings	Percent Change	2018 Q1 Sales	2019 Q1 Sales	Percent Change
Adams	171	165	-3.5	33	19	-42.4
Alamosa	9	3	-66.7	5	4	-20.0
Arapahoe	171	174	1.8	18	14	-22.2
Archuleta	6	6	0.0	2	3	50.0
Baca	0	2	n/a	0	1	n/a
Bent	4	1	-75.0	3	1	-66.7
Boulder	36	43	19.4	6	3	-50.0
Broomfield	12	16	33.3	3	1	-66.7
Chaffee	4	2	-50.0	1	0	-100.0
Cheyenne	0	0	n/a	0	1	n/a
Clear Creek	5	5	0.0	2	0	-100.0
Conejos	3	4	33.3	3	2	-33.3
Costilla	2	4	100.0	0	0	n/a
Crowley	1	1	0.0	1	3	200.0
Custer	4	2	-50.0	0	0	n/a
Delta	15	12	-20.0	11	11	0.0
Denver	131	150	14.5	18	25	38.9
Dolores	1	2	100.0	0	0	n/a
Douglas	76	71	-6.6	10	6	-40.0
Eagle	12	9	-25.0	4	5	25.0
Elbert	6	8	33.3	2	1	-50.0
El Paso	235	231	-1.7	65	77	18.5
Fremont	26	22	-15.4	14	8	-42.9
Garfield	22	17	-22.7	6	4	-33.3
Gilpin	3	2	-33.3	0	0	n/a
Grand	5	4	-20.0	1	0	-100.0
Gunnison	3	1	-66.7	1	0	-100.0
Hinsdale	0	0	n/a	0	0	n/a
Huerfano	4	4	0.0	2	3	50.0
Jackson	0	0	n/a	0	2	n/a
Jefferson	124	109	-12.1	17	10	-41.2
Kiowa	1	0	-100.0	1	1	0.0
Kit Carson	4	4	0.0	2	1	-50.0
La Plata	16	11	-31.3	4	4	0.0
Lake	2	2	0.0	0	0	n/a
Larimer	52	53	1.9	14	6	-57.1
Las Animas	10	8	-20.0	8	3	-62.5
Lincoln	1	1	0.0	1	1	0.0
Logan	9	9	0.0	2	4	100.0
Mesa	74	60	-18.9	56	27	-51.8
Mineral	0	0	n/a	0	0	n/a
Moffat	13	2	-84.6	9	5	-44.4
Montezuma	8	8	0.0	4	3	-25.0

Montrose	15	20	33.3		8	9	12.5
Morgan	12	7	-41.7		4	3	-25.0
Otero	8	11	37.5		5	9	80.0
Ouray	3	4	33.3		0	0	n/a
Park	11	7	-36.4		3	5	66.7
Philips	2	1	-50.0		0	0	n/a
Pitkin	3	1	-66.7		2	1	-50.0
Prowers	6	4	-33.3		3	1	-66.7
Pueblo	81	86	6.2		50	36	-28.0
Rio Blanco	5	5	0.0		2	4	100.0
Rio Grande	4	2	-50.0		3	4	33.3
Routt	6	2	-66.7		1	2	100.0
Saguache	1	8	700.0		5	1	-80.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	4	3	-25.0		1	1	0.0
Sedgwick	2	1	-50.0		0	0	n/a
Summit	15	9	-40.0		2	3	50.0
Teller	11	11	0.0		3	9	200.0
Washington	1	1	0.0		0	2	n/a
Weld	97	96	-1.0		17	19	11.8
Yuma	6	2	-66.7		3	2	-33.3
Total	1,574	1,509	-4.1		441	370	-16.1

Table 5: Percent change from 4th Q 2018 to 1st Q 2019:

Counties	2018 4thQ Filings	2019 1stQ Filings	Percent Change		2018 4rdQ Sales	2019 1stQ Sales	Percent Change
Adams	172	165	-4.1		14	19	35.7
Alamosa	5	3	-40.0		1	4	300.0
Arapahoe	148	174	17.6		15	14	-6.7
Archuleta	3	6	100.0		1	3	200.0
Baca	0	2	n/a		1	1	0.0
Bent	1	1	0.0		1	1	0.0
Boulder	27	43	59.3		2	3	50.0
Broomfield	10	16	60.0		3	1	-66.7
Chaffee	0	2	n/a		0	0	n/a
Cheyenne	1	0	-100.0		0	1	n/a
Clear Creek	5	5	0.0		0	0	n/a
Conejos	4	4	0.0		2	2	0.0
Costilla	0	4	n/a		0	0	n/a
Crowley	4	1	-75.0		1	3	200.0
Custer	1	2	100.0		3	0	-100.0
Delta	13	12	-7.7		8	11	37.5
Denver	134	150	11.9		22	25	13.6
Dolores	1	2	100.0		1	0	-100.0
Douglas	70	71	1.4		10	6	-40.0
Eagle	14	9	-35.7		2	5	150.0
Elbert	6	8	33.3		3	1	-66.7
El Paso	213	231	8.5		55	77	40.0
Fremont	8	22	175.0		10	8	-20.0
Garfield	24	17	-29.2		8	4	-50.0
Gilpin	0	2	n/a		0	0	n/a
Grand	1	4	300.0		0	0	n/a
Gunnison	1	1	0.0		0	0	n/a
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	7	4	-42.9		1	3	200.0
Jackson	3	0	-100.0		0	2	n/a
Jefferson	115	109	-5.2		10	10	0.0
Kiowa	0	0	n/a		0	1	n/a
Kit Carson	4	4	0.0		3	1	-66.7
La Plata	15	11	-26.7		7	4	-42.9
Lake	1	2	100.0		1	0	-100.0
Larimer	41	53	29.3		5	6	20.0
Las Animas	7	8	14.3		5	3	-40.0
Lincoln	2	1	-50.0		4	1	-75.0
Logan	8	9	12.5		3	4	33.3
Mesa	64	60	-6.3		25	27	8.0
Mineral	0	0	n/a		0	0	n/a
Moffat	8	2	-75.0		4	5	25.0

Montezuma	7	8	14.3		3	3	0.0
Montrose	13	20	53.8		3	9	200.0
Morgan	13	7	-46.2		1	3	200.0
Otero	6	11	83.3		5	9	80.0
Ouray	1	4	300.0		1	0	-100.0
Park	4	7	75.0		4	5	25.0
Philips	1	1	0.0		1	0	-100.0
Pitkin	4	1	-75.0		0	1	n/a
Prowers	3	4	33.3		1	1	0.0
Pueblo	79	86	8.9		24	36	50.0
Rio Blanco	7	5	-28.6		1	4	300.0
Rio Grande	3	2	-33.3		3	4	33.3
Routt	5	2	-60.0		1	2	100.0
Saguache	4	8	100.0		2	1	-50.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	1	3	200.0		0	1	n/a
Sedgwick	0	1	n/a		1	0	-100.0
Summit	6	9	50.0		0	3	n/a
Teller	14	11	-21.4		1	9	800.0
Washington	1	1	0.0		0	2	n/a
Weld	102	96	-5.9		13	19	46.2
Yuma	2	2	0.0		3	2	-33.3
Totals	1,417	1,509	6.5		299	370	23.7

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

Counties	2018 Q1 Filings	2018 Q2 Filings	2018 Q3 Filings	2018 Q4 Filings	2019 Q1 Filings		2018 Q1 Sales	2018 Q2 Sales	2018 Q3 Sales	2018 Q4 Sales	2019 Q1 Sales
Adams	171	119	175	172	165		33	15	16	14	19
Alamosa	9	4	9	5	3		5	7	4	1	4
Arapahoe	171	161	158	148	174		18	24	20	15	14
Archuleta	6	3	2	3	6		2	4	1	1	3
Baca	0	2	0	0	2		0	0	0	1	1
Bent	4	2	2	1	1		3	2	1	1	1
Boulder	36	31	29	27	43		6	7	10	2	3
Broomfield	12	10	9	10	16		3	0	0	3	1
Chaffee	4	2	0	0	2		1	0	2	0	0
Cheyenne	0	0	0	1	0		0	0	0	0	1
Clear Creek	5	0	1	5	5		2	0	1	0	0
Conejos	3	3	4	4	4		3	2	2	2	2
Costilla	2	0	3	0	4		0	0	1	0	0
Crowley	1	4	3	4	1		1	0	0	1	3
Custer	4	0	2	1	2		0	0	1	3	0
Delta	15	15	11	13	12		11	11	11	8	11
Denver	131	135	138	134	150		18	14	15	22	25
Dolores	1	0	1	1	2		0	0	0	1	0
Douglas	76	56	77	70	71		10	6	7	10	6
Eagle	12	14	20	14	9		4	7	5	2	5
Elbert	6	10	16	6	8		2	0	0	3	1
El Paso	235	220	240	213	231		65	54	64	55	77
Fremont	26	16	24	8	22		14	15	9	10	8
Garfield	22	19	21	24	17		6	5	5	8	4
Gilpin	3	0	0	0	2		0	0	0	0	0
Grand	5	5	2	1	4		1	3	2	0	0
Gunnison	3	2	2	1	1		1	0	0	0	0
Hinsdale	0	0	0	0	0		0	0	0	0	0
Huerfano	4	4	4	7	4		2	2	1	1	3
Jackson	0	1	0	3	0		0	0	0	0	2
Jefferson	124	122	104	115	109		17	9	14	10	10
Kiowa	1	0	0	0	0		1	0	0	0	1
Kit Carson	4	4	4	4	4		2	2	2	3	1

La Plata	16	14	15	15	11		4	7	3	7	4
Lake	2	3	2	1	2		0	0	0	1	0
Larimer	52	51	46	41	53		14	18	18	5	6
Las Animas	10	5	8	7	8		8	8	6	5	3
Lincoln	1	3	3	2	1		1	3	1	4	1
Logan	9	8	7	8	9		2	3	2	3	4
Mesa	74	64	59	64	60		56	29	32	25	27
Mineral	0	0	1	0	0		0	0	0	0	0
Moffat	13	6	5	8	2		9	8	3	4	5
Montezuma	8	8	7	7	8		4	3	3	3	3
Montrose	15	18	13	13	20		8	4	6	3	9
Morgan	12	8	7	13	7		4	3	5	1	3
Otero	8	12	9	6	11		5	9	6	5	9
Ouray	3	2	2	1	4		0	0	0	1	0
Park	11	8	9	4	7		3	2	2	4	5
Philips	2	0	0	1	1		0	0	1	1	0
Pitkin	3	5	5	4	1		2	0	2	0	1
Prowers	6	3	2	3	4		3	5	4	1	1
Pueblo	81	98	94	79	86		50	27	39	24	36
Rio Blanco	5	1	2	7	5		2	4	2	1	4
Rio Grande	4	5	10	3	2		3	3	4	3	4
Routt	6	8	5	5	2		1	3	1	1	2
Saguache	1	2	4	4	8		5	2	0	2	1
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	4	1	2	1	3		1	2	1	0	1
Sedgwick	2	1	1	0	1		0	0	2	1	0
Summit	15	4	10	6	9		2	14	1	0	3
Teller	11	6	10	14	11		3	7	4	1	9
Washington	1	1	1	1	1		0	0	0	0	2
Weld	97	88	88	102	96		17	14	8	13	19
Yuma	6	3	5	2	2		3	1	3	3	2
Totals	1,574	1,400	1,493	1,417	1,509		441	368	353	299	370