



COLORADO

Department of Local Affairs

Division of Housing

2nd Quarter 2019 Foreclosure Report

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

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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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

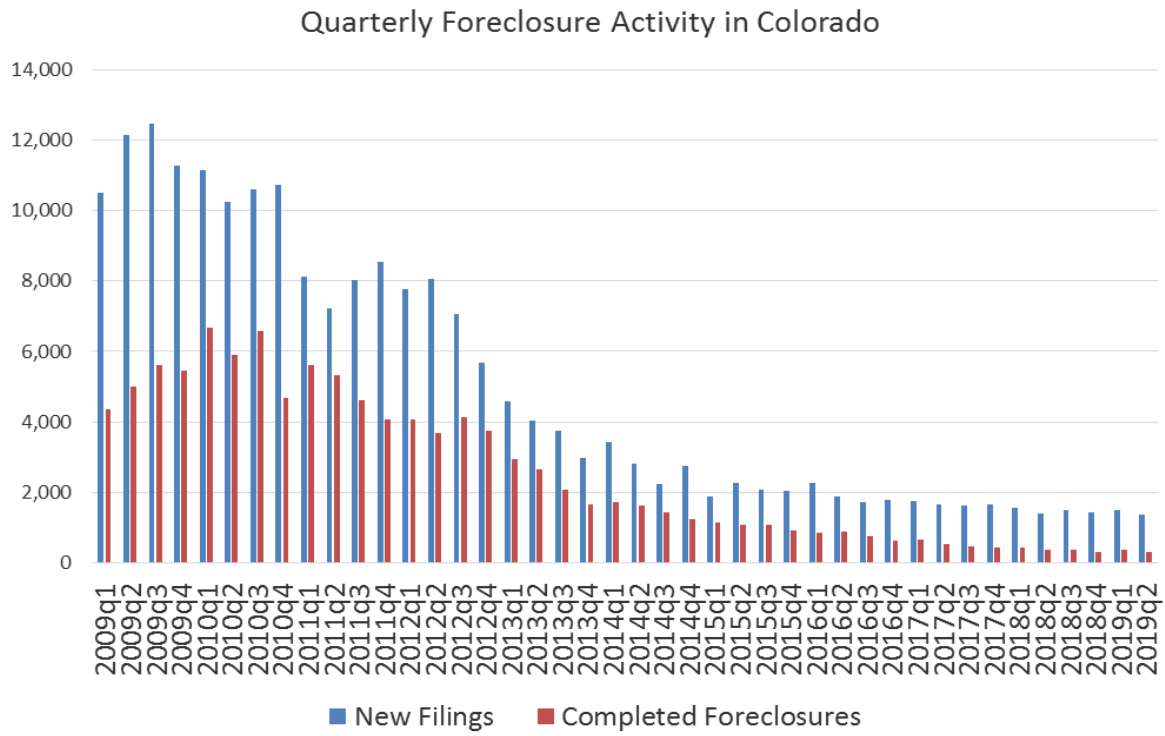
During the second quarter of 2019, Colorado public trustees reported 1,357 foreclosure filings and 315 sales at auction (completed foreclosures). During the second quarter of the previous year (2018), there were 1,400 filings and 368 sales. Comparing year-over-year for the second quarter, foreclosure filings fell 3.1 percent and completed foreclosures fell 14.4 percent.

Comparing the second quarter of 2019 to the first quarter, foreclosure filings fell 9.7 percent from 1,503 to 1,357. Foreclosure sales fell 14.6 percent from 369 to 315 during the same period.

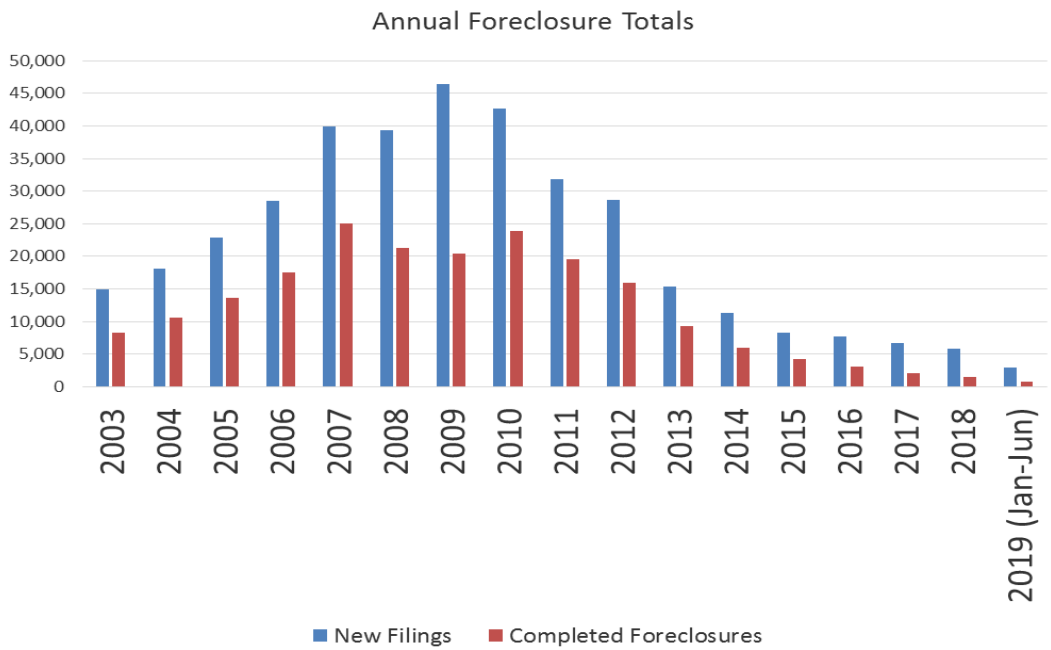
The filings total during the second quarter of 2019 were at the lowest level ever recorded by the survey, which began in 2007. The sales total was also near an all-time low, but was up slightly from 2018's fourth-quarter total of 299. Given partial data collected for years going back to 2003, it is likely that 2019's foreclosure activity is near the lowest the state has experienced in at least fifteen years.

Graph 1 shows quarterly totals in foreclosure filings and sales.

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)	2,860

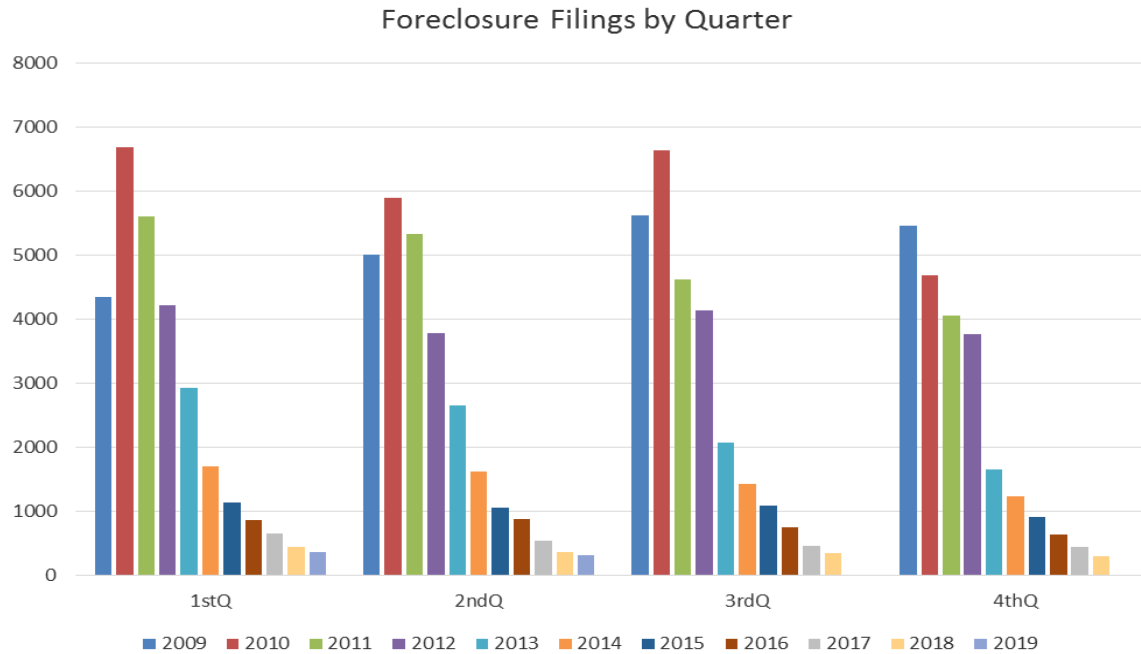
Table 2: Foreclosure Sales at Auction

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)	684

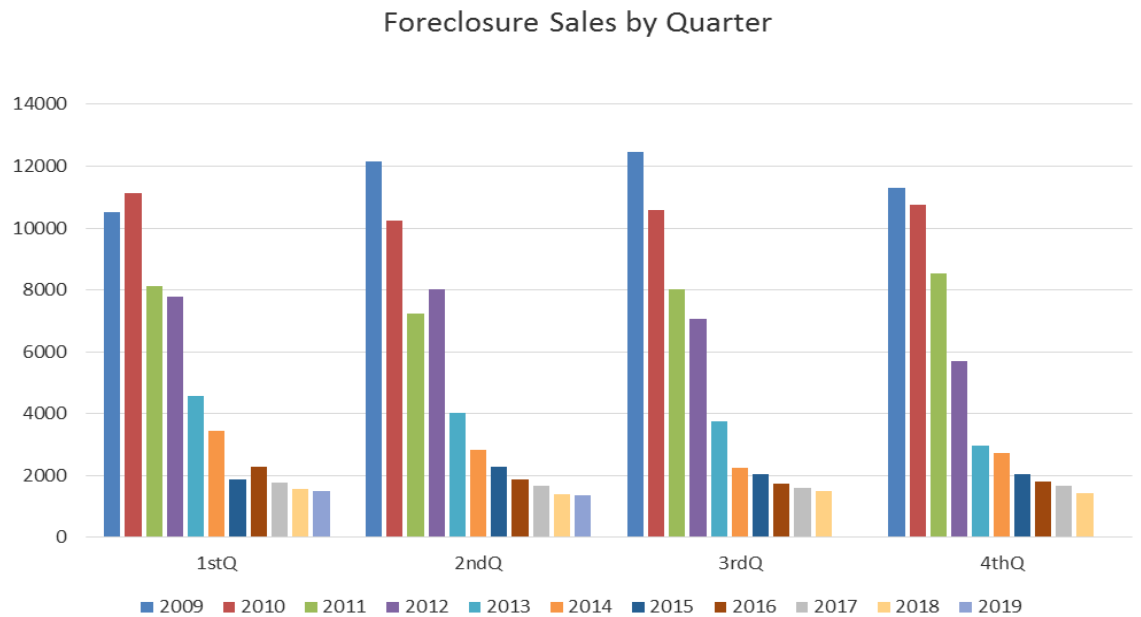
Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the second quarter of 2019, both filings and sales fell to the lowest second-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

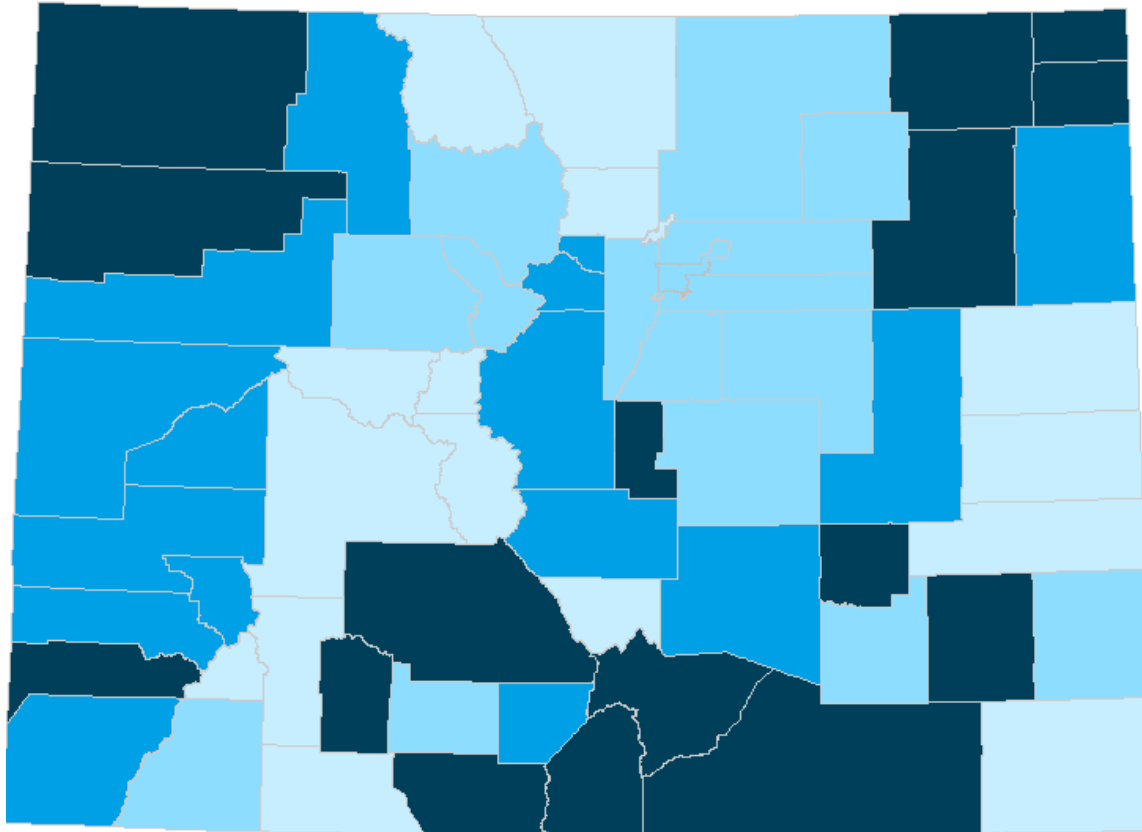
Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for 78 percent of all foreclosure filings activity in Colorado. However, in 2007 the 12 metropolitan counties accounted for more than 90 percent of foreclosure activity in Colorado, 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. In many cases, the counties with the highest foreclosure rates recorded only one or two foreclosures.

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 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 6,983 households for the second 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 Logan, Moffatt, and Las Animas 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 3,516 households while Pueblo County reported a rate of 1 foreclosure per 1,829 households. Broomfield County reported the lowest foreclosure rate among metropolitan counties with zero completed foreclosures.

Future Outlook

As we reach the middle of 2019, home price growth in Colorado, according to measures like the Case-Shiller index, has begun to slow. For example, according to the Case-Shiller index, June 2019's home-price growth rate of 3.5 percent was the lowest since May 2012. A similar trend can be found in the Federal Housing and Finance Agency's numbers for home price growth in Colorado overall.

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. Job growth remains positive as well. New production of housing, however, has accelerated in recent years with 2018 showing the largest number of single-family units constructed since 1992. This is not enough to point toward a housing glut, but it does moderate price increases, making foreclosures somewhat more likely in some markets.

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 2nd Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Mineral	375	1	0.27%	375
Sedgwick	1,059	2	0.19%	530
Washington	2,025	3	0.15%	675
Dolores	889	1	0.11%	889
Logan	7,925	8	0.10%	991
Moffat	5,191	5	0.10%	1,038
Crowley	1,218	1	0.08%	1,218
Rio Blanco	2,512	2	0.08%	1,256
Saguache	2,873	2	0.07%	1,437
Las Animas	5,827	4	0.07%	1,457
Conejos	3,064	2	0.07%	1,532
Huerfano	3,085	2	0.06%	1,543
Costilla	1,659	1	0.06%	1,659
Bent	1,682	1	0.06%	1,682
Philips	1,752	1	0.06%	1,752
Teller	10,615	6	0.06%	1,769
Pueblo	65,857	36	0.05%	1,829
San Miguel	3,733	2	0.05%	1,867
Fremont	16,999	9	0.05%	1,889
Yuma	3,952	2	0.05%	1,976
Park	7,925	4	0.05%	1,981
Lincoln	2,008	1	0.05%	2,008
Ouray	2,181	1	0.05%	2,181
Clear Creek	4,444	2	0.05%	2,222
Montezuma	10,768	4	0.04%	2,692
Gilpin	2,716	1	0.04%	2,716
Montrose	16,683	6	0.04%	2,781
Garfield	21,372	7	0.03%	3,053
Alamosa	6,195	2	0.03%	3,098
Mesa	59,775	17	0.03%	3,516
Routt	10,611	3	0.03%	3,537
Delta	12,540	3	0.02%	4,180

Rio Grande	4,483	1	0.02%	4,483
Prowers	4,714	1	0.02%	4,714
El Paso	265,864	56	0.02%	4,748
Morgan	10,260	2	0.02%	5,130
La Plata	22,849	4	0.02%	5,712
Weld	108,073	17	0.02%	6,357
Summit	12,832	2	0.02%	6,416
Grand	6,666	1	0.02%	6,666
Otero	7,518	1	0.01%	7,518
Douglas	119,913	13	0.01%	9,224
Elbert	9,291	1	0.01%	9,291
Adams	173,649	16	0.01%	10,853
Arapahoe	252,593	21	0.01%	12,028
Denver	310,439	18	0.01%	17,247
Eagle	20,283	1	0.00%	20,283
Jefferson	234,458	10	0.00%	23,446
Larimer	137,771	5	0.00%	27,554
Boulder	129,868	3	0.00%	43,289
Archuleta	5,810	0	0.00%	n/a
Baca	1,572	0	0.00%	n/a
Broomfield	26,143	0	0.00%	n/a
Chaffee	8,410	0	0.00%	n/a
Cheyenne	784	0	0.00%	n/a
Custer	2,207	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
Kit Carson	2,990	0	0.00%	n/a
Lake	3,135	0	0.00%	n/a
Pitkin	8,491	0	0.00%	n/a
San Juan	351	0	0.00%	n/a
Total	2,199,637	315	0.01%	6,983

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

Counties	2018 Q2 Filings	2019 Q2 Filings	Percent Change	2018 Q2 Sales	2019 Q2 Sales	Percent Change
Adams	119	140	17.6	15	16	6.7
Alamosa	4	5	25.0	7	2	-71.4
Arapahoe	161	170	5.6	24	21	-12.5
Archuleta	3	5	66.7	4	0	-100.0
Baca	2	0	-100.0	0	0	n/a
Bent	2	1	-50.0	2	1	-50.0
Boulder	31	36	16.1	7	3	-57.1
Broomfield	10	11	10.0	0	0	n/a
Chaffee	2	2	0.0	0	0	n/a
Cheyenne	0	0	n/a	0	0	n/a
Clear Creek	0	4	n/a	0	2	n/a
Conejos	3	0	-100.0	2	2	0.0
Costilla	0	0	n/a	0	1	n/a
Crowley	4	2	-50.0	0	1	n/a
Custer	0	5	n/a	0	0	n/a
Delta	15	13	-13.3	11	3	-72.7
Denver	135	131	-3.0	14	18	28.6
Dolores	0	1	n/a	0	1	n/a
Douglas	56	71	26.8	6	13	116.7
Eagle	14	15	7.1	7	1	-85.7
Elbert	10	9	-10.0	0	1	n/a
El Paso	220	204	-7.3	54	56	3.7
Fremont	16	14	-12.5	15	9	-40.0
Garfield	19	16	-15.8	5	7	40.0
Gilpin	0	1	n/a	0	1	n/a
Grand	5	7	40.0	3	1	-66.7
Gunnison	2	3	50.0	0	0	n/a
Hinsdale	0	1	n/a	0	0	n/a
Huerfano	4	1	-75.0	2	2	0.0
Jackson	1	0	-100.0	0	0	n/a
Jefferson	122	107	-12.3	9	10	11.1
Kiowa	0	0	n/a	0	0	n/a
Kit Carson	4	10	150.0	2	0	-100.0
La Plata	14	10	-28.6	7	4	-42.9
Lake	3	1	-66.7	0	0	n/a
Larimer	51	41	-19.6	18	5	-72.2
Las Animas	5	11	120.0	8	4	-50.0
Lincoln	3	1	-66.7	3	1	-66.7
Logan	8	8	0.0	3	8	166.7
Mesa	64	53	-17.2	29	17	-41.4
Mineral	0	1	n/a	0	1	n/a
Moffat	6	7	16.7	8	5	-37.5
Montezuma	8	11	37.5	3	4	33.3
Montrose	18	6	-66.7	4	6	50.0

Morgan	8	11	37.5		3	2	-33.3
Otero	12	6	-50.0		9	1	-88.9
Ouray	2	1	-50.0		0	1	n/a
Park	8	12	50.0		2	4	100.0
Philips	0	2	n/a		0	1	n/a
Pitkin	5	6	20.0		0	0	n/a
Prowers	3	0	-100.0		5	1	-80.0
Pueblo	98	60	-38.8		27	36	33.3
Rio Blanco	1	6	500.0		4	2	-50.0
Rio Grande	5	7	40.0		3	1	-66.7
Routt	8	4	-50.0		3	3	0.0
Saguache	2	2	0.0		2	2	0.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	1	3	200.0		2	2	0.0
Sedgwick	1	0	-100.0		0	2	n/a
Summit	4	11	175.0		14	2	-85.7
Teller	6	15	150.0		7	6	-14.3
Washington	1	0	-100.0		0	3	n/a
Weld	88	75	-14.8		14	17	21.4
Yuma	3	1	-66.7		1	2	100.0
Total	1,400	1,357	-3.1		368	315	-14.4

Table 5: Percent change from 1st Q 2019 to 2nd Q 2019:

Counties	2019 1st Q Filings	2019 2nd Q Filings	Percent Change		2019 1st Q Sales	2019 2nd Q Sales	Percent Change
Adams	165	140	-15.2		19	16	-15.8
Alamosa	3	5	66.7		4	2	-50.0
Arapahoe	174	170	-2.3		14	21	50.0
Archuleta	6	5	-16.7		3	0	-100.0
Baca	2	0	-100.0		1	0	-100.0
Bent	1	1	0.0		1	1	0.0
Boulder	43	36	-16.3		3	3	0.0
Broomfield	16	11	-31.3		1	0	-100.0
Chaffee	2	2	0.0		0	0	n/a
Cheyenne	0	0	n/a		1	0	-100.0
Clear Creek	5	4	-20.0		0	2	n/a
Conejos	4	0	-100.0		2	2	0.0
Costilla	4	0	-100.0		0	1	n/a
Crowley	1	2	100.0		3	1	-66.7
Custer	2	5	150.0		0	0	n/a
Delta	12	13	8.3		11	3	-72.7
Denver	150	131	-12.7		25	18	-28.0
Dolores	2	1	-50.0		0	1	n/a
Douglas	71	71	0.0		6	13	116.7
Eagle	9	15	66.7		5	1	-80.0
Elbert	8	9	12.5		1	1	0.0
El Paso	231	204	-11.7		77	56	-27.3
Fremont	22	14	-36.4		8	9	12.5
Garfield	17	16	-5.9		4	7	75.0
Gilpin	2	1	-50.0		0	1	n/a
Grand	4	7	75.0		0	1	n/a
Gunnison	1	3	200.0		0	0	n/a
Hinsdale	0	1	n/a		0	0	n/a
Huerfano	4	1	-75.0		3	2	-33.3
Jackson	0	0	n/a		2	0	-100.0
Jefferson	109	107	-1.8		10	10	0.0
Kiowa	0	0	n/a		1	0	-100.0
Kit Carson	4	10	150.0		1	0	-100.0
La Plata	11	10	-9.1		4	4	0.0
Lake	2	1	-50.0		0	0	n/a
Larimer	53	41	-22.6		6	5	-16.7
Las Animas	8	11	37.5		3	4	33.3
Lincoln	1	1	0.0		1	1	0.0
Logan	9	8	-11.1		4	8	100.0
Mesa	60	53	-11.7		27	17	-37.0
Mineral	0	1	n/a		0	1	n/a
Moffat	2	7	250.0		5	5	0.0
Montezuma	8	11	37.5		3	4	33.3

Montrose	20	6	-70.0		9	6	-33.3
Morgan	7	11	57.1		3	2	-33.3
Otero	11	6	-45.5		9	1	-88.9
Ouray	4	1	-75.0		0	1	n/a
Park	7	12	71.4		5	4	-20.0
Philips	1	2	100.0		0	1	n/a
Pitkin	1	6	500.0		1	0	-100.0
Prowers	4	0	-100.0		1	1	0.0
Pueblo	86	60	-30.2		36	36	0.0
Rio Blanco	5	6	20.0		4	2	-50.0
Rio Grande	2	7	250.0		4	1	-75.0
Routt	2	4	100.0		2	3	50.0
Saguache	8	2	-75.0		1	2	100.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	3	0.0		1	2	100.0
Sedgwick	1	0	-100.0		0	2	n/a
Summit	3	11	266.7		2	2	0.0
Teller	11	15	36.4		9	6	-33.3
Washington	1	0	-100.0		2	3	50.0
Weld	96	75	-21.9		19	17	-10.5
Yuma	2	1	-50.0		2	2	0.0
Totals	1,503	1,357	-9.7		369	315	-14.6

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

Counties	2018 Q2 Filings	2018 Q3 Filings	2018 Q4 Filings	2019 Q1 Filings	2019 Q2 Filings		2018 Q2 Sales	2018 Q3 Sales	2018 Q4 Sales	2019 Q1 Sales	2019 Q2 Sales
Adams	119	175	172	165	140		15	16	14	19	16
Alamosa	4	9	5	3	5		7	4	1	4	2
Arapahoe	161	158	148	174	170		24	20	15	14	21
Archuleta	3	2	3	6	5		4	1	1	3	0
Baca	2	0	0	2	0		0	0	1	1	0
Bent	2	2	1	1	1		2	1	1	1	1
Boulder	31	29	27	43	36		7	10	2	3	3
Broomfield	10	9	10	16	11		0	0	3	1	0
Chaffee	2	0	0	2	2		0	2	0	0	0
Cheyenne	0	0	1	0	0		0	0	0	1	0
Clear Creek	0	1	5	5	4		0	1	0	0	2
Conejos	3	4	4	4	0		2	2	2	2	2
Costilla	0	3	0	4	0		0	1	0	0	1
Crowley	4	3	4	1	2		0	0	1	3	1
Custer	0	2	1	2	5		0	1	3	0	0
Delta	15	11	13	12	13		11	11	8	11	3
Denver	135	138	134	150	131		14	15	22	25	18
Dolores	0	1	1	2	1		0	0	1	0	1
Douglas	56	77	70	71	71		6	7	10	6	13
Eagle	14	20	14	9	15		7	5	2	5	1
Elbert	10	16	6	8	9		0	0	3	1	1
El Paso	220	240	213	231	204		54	64	55	77	56
Fremont	16	24	8	22	14		15	9	10	8	9
Garfield	19	21	24	17	16		5	5	8	4	7
Gilpin	0	0	0	2	1		0	0	0	0	1
Grand	5	2	1	4	7		3	2	0	0	1
Gunnison	2	2	1	1	3		0	0	0	0	0
Hinsdale	0	0	0	0	1		0	0	0	0	0
Huerfano	4	4	7	4	1		2	1	1	3	2
Jackson	1	0	3	0	0		0	0	0	2	0
Jefferson	122	104	115	109	107		9	14	10	10	10
Kiowa	0	0	0	0	0		0	0	0	1	0
Kit Carson	4	4	4	4	10		2	2	3	1	0

La Plata	14	15	15	11	10		7	3	7	4	4
Lake	3	2	1	2	1		0	0	1	0	0
Larimer	51	46	41	53	41		18	18	5	6	5
Las Animas	5	8	7	8	11		8	6	5	3	4
Lincoln	3	3	2	1	1		3	1	4	1	1
Logan	8	7	8	9	8		3	2	3	4	8
Mesa	64	59	64	60	53		29	32	25	27	17
Mineral	0	1	0	0	1		0	0	0	0	1
Moffat	6	5	8	2	7		8	3	4	5	5
Montezuma	8	7	7	8	11		3	3	3	3	4
Montrose	18	13	13	20	6		4	6	3	9	6
Morgan	8	7	13	7	11		3	5	1	3	2
Otero	12	9	6	11	6		9	6	5	9	1
Ouray	2	2	1	4	1		0	0	1	0	1
Park	8	9	4	7	12		2	2	4	5	4
Philips	0	0	1	1	2		0	1	1	0	1
Pitkin	5	5	4	1	6		0	2	0	1	0
Prowers	3	2	3	4	0		5	4	1	1	1
Pueblo	98	94	79	86	60		27	39	24	36	36
Rio Blanco	1	2	7	5	6		4	2	1	4	2
Rio Grande	5	10	3	2	7		3	4	3	4	1
Routt	8	5	5	2	4		3	1	1	2	3
Saguache	2	4	4	8	2		2	0	2	1	2
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	1	2	1	3	3		2	1	0	1	2
Sedgwick	1	1	0	1	0		0	2	1	0	2
Summit	4	10	6	3	11		14	1	0	2	2
Teller	6	10	14	11	15		7	4	1	9	6
Washington	1	1	1	1	0		0	0	0	2	3
Weld	88	88	102	96	75		14	8	13	19	17
Yuma	3	5	2	2	1		1	3	3	2	2
Totals	1,400	1,493	1,417	1,503	1,357		368	353	299	369	315