COLORADO
Department of Local Affairs
Division of Housing

3rd Quarter 2019 Foreclosure Report

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

December 13, 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 Such filings can be "cured" and "withdrawn" before the property is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale.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 third quarter of 2019, Colorado public trustees reported 1,360 foreclosure filings and 335 sales at auction (completed foreclosures). During the third quarter of the previous year (2018), there were 1,493 filings and 353 sales. Comparing year-over-year for the third quarter, foreclosure filings fell 8.9 percent and completed foreclosures fell 5.1 percent.

Comparing the third quarter of 2019 to the second quarter, foreclosure filings rose 0.2 percent from 1,357 to 1,360. Foreclosure sales rose 6.3 percent from 315 to 335 during the same period.

The filings total during the third quarter of 2019 were at the lowest third-quarter totals ever recorded by the survey, which began in 2007. The lowest total recorded in any quarter was 2019's second-quarter total of 1,357. The sales total was also at the lowest third-quarter total ever recorded by the survey. The lowest sales total ever recorded in any quarter was 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:

Quarterly Foreclosure Activity in Colorado
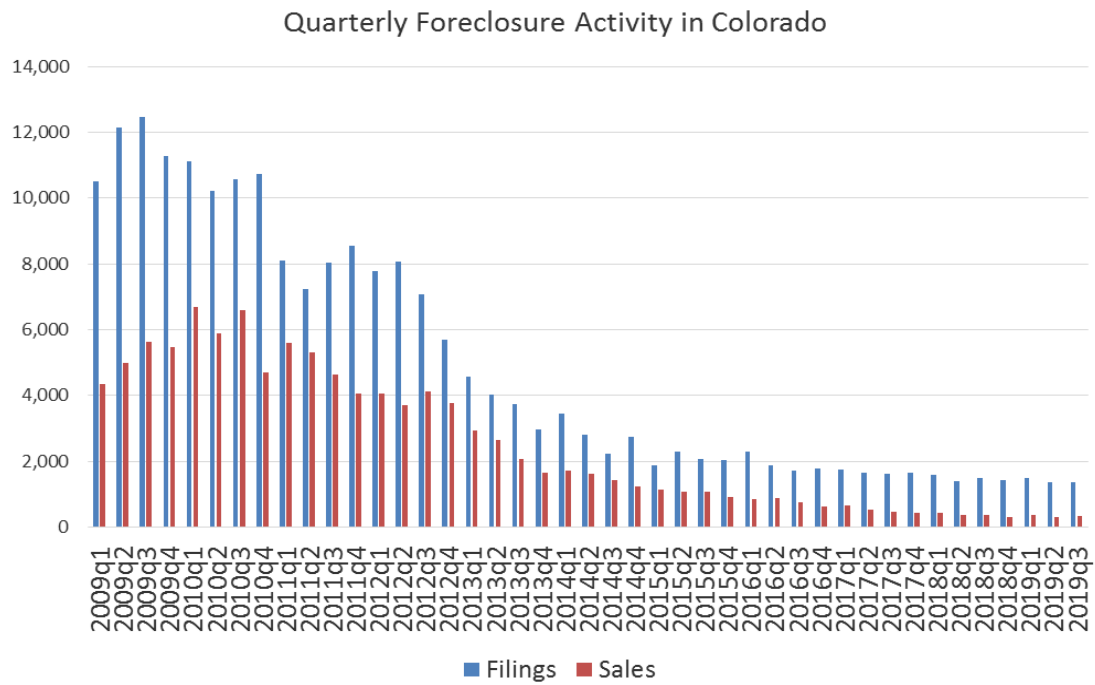
Graph 2: Annual Foreclosure Totals:

Annual Foreclosure Totals
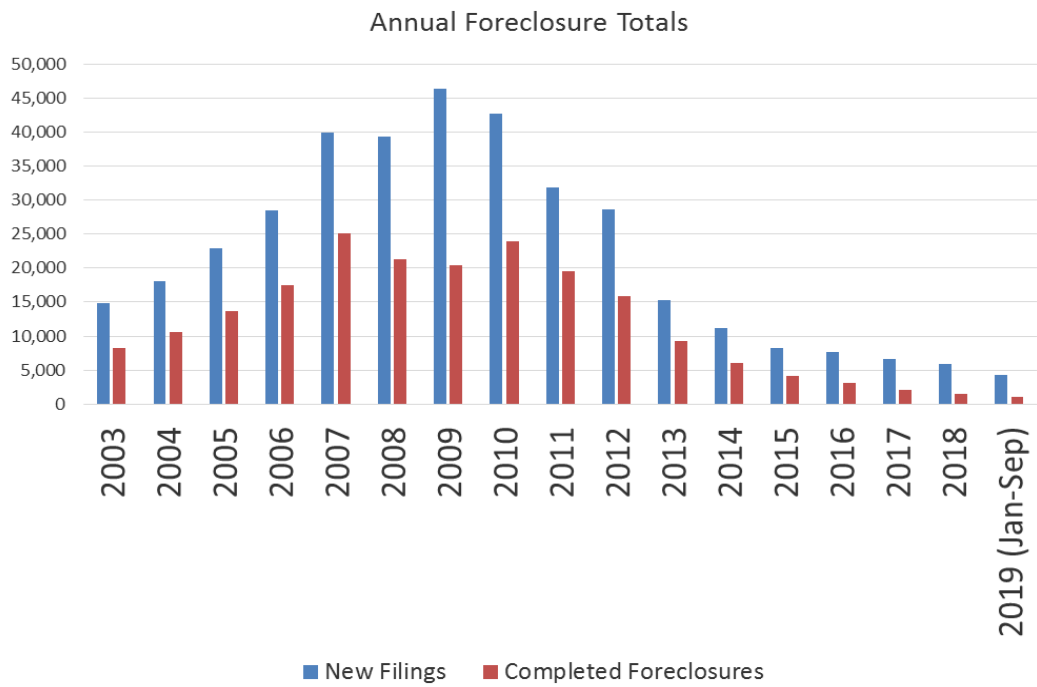
Note: Annual totals are available since 2003, but quarterly totals are only available since 2007.

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-Sep)	4,220

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-Sep)	1,019

Quarter-by-Quarter Analysis

Graph 3 and Graph 4 show each quarter of each year compared. During the third quarter of 2019, both filings and sales fell to the lowest third-quarter total ever measured by the survey.

Graph 3: Foreclosure filings separated by quarter and year.

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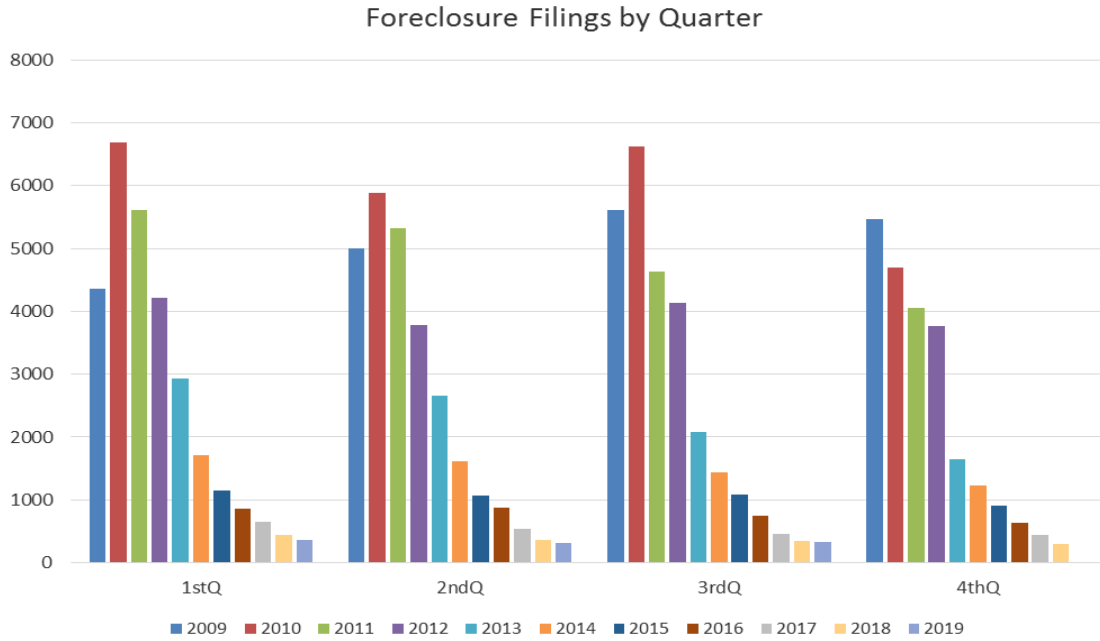
Graph 4: Foreclosure sales separated by quarter and year.

Foreclosure Sales by Quarter
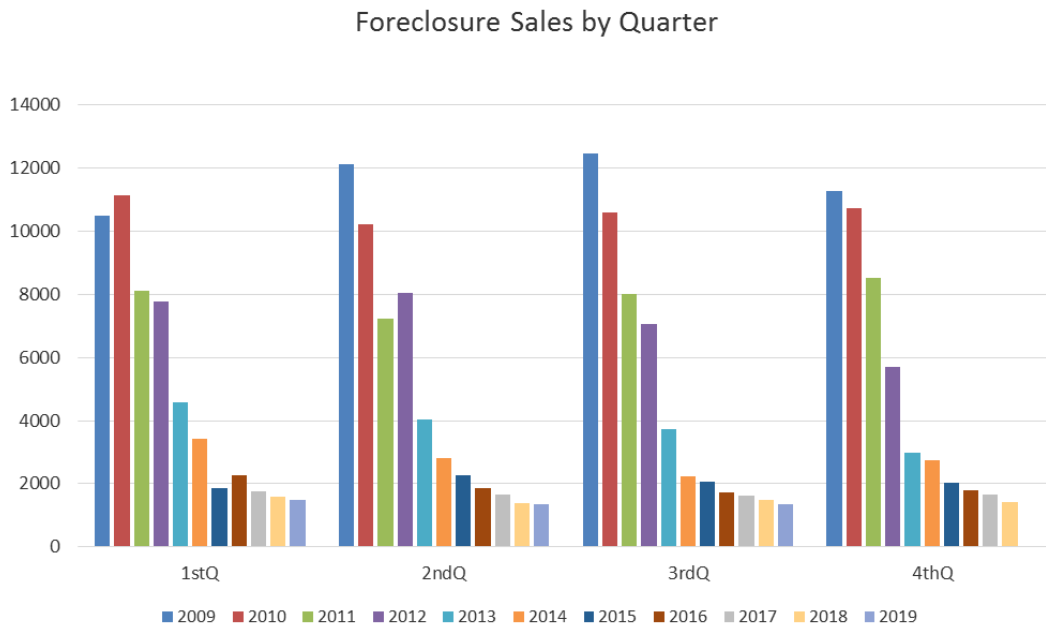
County Statistics

Trends in different counties throughout the state vary considerably. The 12 metropolitan counties in Colorado now account for 82 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 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 2019
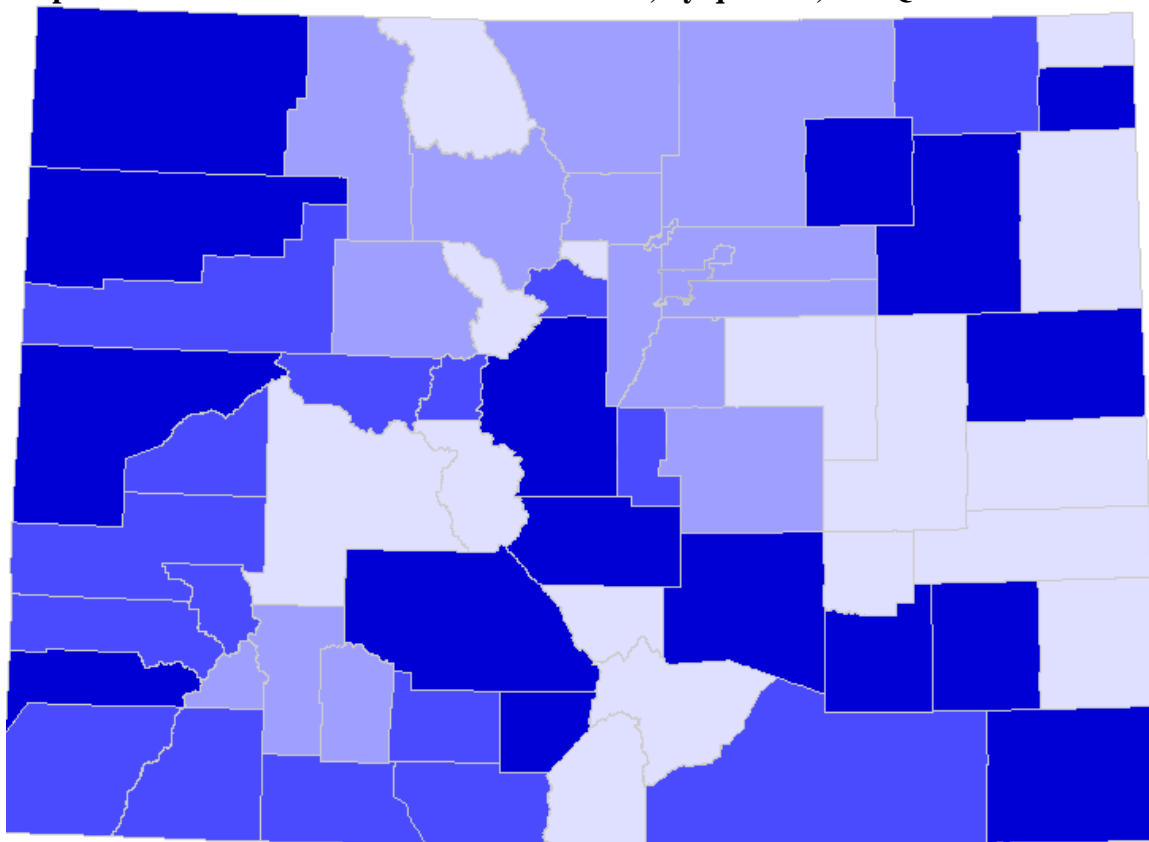
In a change from pre-2018 reports, foreclosure rates are now presented by quartile to show greater contrast. Darker colors represent higher foreclosure rates.

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

Statewide, there was approximately 1 completed foreclosure (foreclosure sale) per 6,566 households for the third 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 Morgan, Otero, and Alamosa 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 2,135 households while Pueblo County reported a rate of 1 foreclosure per 2,058 households. Broomfield County reported the lowest foreclosure rate among metropolitan counties with one completed foreclosure per 13,072 households.

Future Outlook

This year, 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, September 2019's home-price growth rate of 2.8 percent was near a seven-year low. A similar trend can be found in the Federal Housing and Finance Agency's numbers for home price growth in Colorado overall.

Nonetheless, the fact home price growth has been sustained since 2012 has continued to put downward pressure on foreclosures. That is, homeowners — generally speaking — 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 3rd Q Sales	Foreclosure Rate by Percentage	Foreclosure Rate by No. of Households per Completed Foreclosure
Rio Blanco	2,512	4	0.16%	628
Kit Carson	2,990	4	0.13%	748
Dolores	889	1	0.11%	889
Saguache	2,873	3	0.10%	958
Park	7,925	8	0.10%	991
Morgan	10,260	8	0.08%	1,283
Otero	7,518	5	0.07%	1,504
Alamosa	6,195	4	0.06%	1,549
Baca	1,572	1	0.06%	1,572
Bent	1,682	1	0.06%	1,682
Moffat	5,191	3	0.06%	1,730
Philips	1,752	1	0.06%	1,752
Washington	2,025	1	0.05%	2,025
Pueblo	65,857	32	0.05%	2,058
Fremont	16,999	8	0.05%	2,125
Mesa	59,775	28	0.05%	2,135
Montezuma	10,768	5	0.05%	2,154
Ouray	2,181	1	0.05%	2,181
Delta	12,540	5	0.04%	2,508
Montrose	16,683	6	0.04%	2,781
Archuleta	5,810	2	0.03%	2,905
Las Animas	5,827	2	0.03%	2,914
Conejos	3,064	1	0.03%	3,064
Lake	3,135	1	0.03%	3,135
La Plata	22,849	7	0.03%	3,264
Teller	10,615	3	0.03%	3,538
Garfield	21,372	6	0.03%	3,562
San Miguel	3,733	1	0.03%	3,733
Logan	7,925	2	0.03%	3,963

Pitkin	8,491	2	0.02%	4,246
Clear Creek	4,444	1	0.02%	4,444
Rio Grande	4,483	1	0.02%	4,483
Weld	108,073	21	0.02%	5,146
El Paso	265,864	49	0.02%	5,426
Grand	6,666	1	0.02%	6,666
Eagle	20,283	3	0.01%	6,761
Adams	173,649	21	0.01%	8,269
Douglas	119,913	12	0.01%	9,993
Routt	10,611	1	0.01%	10,611
Arapahoe	252,593	23	0.01%	10,982
Denver	310,439	25	0.01%	12,418
Broomfield	26,143	2	0.01%	13,072
Jefferson	234,458	12	0.01%	19,538
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
Costilla	1,659	0	0.00%	n/a
Crowley	1,218	0	0.00%	n/a
Custer	2,207	0	0.00%	n/a
Elbert	9,291	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
Huerfano	3,085	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
Prowers	4,714	0	0.00%	n/a
San Juan	351	0	0.00%	n/a
Sedgwick	1,059	0	0.00%	n/a
Summit	12,832	0	0.00%	n/a
Yuma	3,952	0	0.00%	n/a
Lincoln	2,008	0	0.00%	n/a
Total	2,199,637	335	0.02%	6,566

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

Counties	2018 Q3 Filings	2019 Q3 Filings	Percent Change		2018 Q3 Sales	2019 Q3 Sales	Percent Change
Adams	175	165	-5.7		16	21	31.3
Alamosa	9	5	-44.4		4	4	0.0
Arapahoe	158	153	-3.2		20	23	15.0
Archuleta	2	2	0.0		1	2	100.0
Baca	0	2	n/a		0	1	n/a
Bent	2	1	-50.0		1	1	0.0
Boulder	29	30	3.4		10	2	-80.0
Broomfield	9	11	22.2		0	2	n/a
Chaffee	0	2	n/a		2	0	-100.0
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	1	4	300.0		1	1	0.0
Conejos	4	4	0.0		2	1	-50.0
Costilla	3	1	-66.7		1	0	-100.0
Crowley	3	0	-100.0		0	0	n/a
Custer	2	4	100.0		1	0	-100.0
Delta	11	8	-27.3		11	5	-54.5
Denver	138	147	6.5		15	25	66.7
Dolores	1	1	0.0		0	1	n/a
Douglas	77	45	-41.6		7	12	71.4
Eagle	20	17	-15.0		5	3	-40.0
Elbert	16	11	-31.3		0	0	n/a
El Paso	240	224	-6.7		64	49	-23.4
Fremont	24	16	-33.3		9	8	-11.1
Garfield	21	10	-52.4		5	6	20.0
Gilpin	0	2	n/a		0	0	n/a
Grand	2	7	250.0		2	1	-50.0
Gunnison	2	3	50.0		0	0	n/a
Hinsdale	0	0	n/a		0	0	n/a
Huerfano	4	5	25.0		1	0	-100.0
Jackson	0	0	n/a		0	0	n/a
Jefferson	104	95	-8.7		14	12	-14.3
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	4	2	-50.0		2	4	100.0
La Plata	15	7	-53.3		3	7	133.3
Lake	2	2	0.0		0	1	n/a
Larimer	46	54	17.4		18	5	-72.2
Las Animas	8	4	-50.0		6	2	-66.7
Lincoln	3	2	-33.3		1	0	-100.0
Logan	7	4	-42.9		2	2	0.0
Mesa	59	49	-16.9		32	28	-12.5
Mineral	1	1	0.0		0	0	n/a
Moffat	5	10	100.0		3	3	0.0
Montezuma	7	6	-14.3		3	5	66.7
Montrose	13	7	-46.2		6	6	0.0
Morgan	7	11	57.1		5	8	60.0

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Otero	9	11	22.2	6	5	-16.7
Ouray	2	3	50.0	0	1	n/a
Park	9	13	44.4	2	8	300.0
Philips	0	2	n/a	1	1	0.0
Pitkin	5	6	20.0	2	2	0.0
Prowers	2	4	100.0	4	0	-100.0
Pueblo	94	77	-18.1	39	32	-17.9
Rio Blanco	2	9	350.0	2	4	100.0
Rio Grande	10	3	-70.0	4	1	-75.0
Routt	5	5	0.0	1	1	0.0
Saguache	4	0	-100.0	0	3	n/a
San Juan	0	0	n/a	0	0	n/a
San Miguel	2	2	0.0	1	1	0.0
Sedgwick	1	0	-100.0	2	0	-100.0
Summit	10	9	-10.0	1	0	-100.0
Teller	10	9	-10.0	4	3	-25.0
Washington	1	4	300.0	0	1	n/a
Weld	88	68	-22.7	8	21	162.5
Yuma	5	1	-80.0	3	0	-100.0
Total	1,493	1,360	-8.9	353	335	-5.1

Table 5: Percent change from 2nd Q 2019 to 3rd Q 2019:

Counties	2019 2nd Q Filings	2019 3rd Q Filings	Percent Change		2019 2nd Q Sales	2019 3rd Q Sales	Percent Change
Adams	140	165	17.9		16	21	31.3
Alamosa	5	5	0.0		2	4	100.0
Arapahoe	170	153	-10.0		21	23	9.5
Archuleta	5	2	-60.0		0	2	n/a
Baca	0	2	n/a		0	1	n/a
Bent	1	1	0.0		1	1	0.0
Boulder	36	30	-16.7		3	2	-33.3
Broomfield	11	11	0.0		0	2	n/a
Chaffee	2	2	0.0		0	0	n/a
Cheyenne	0	0	n/a		0	0	n/a
Clear Creek	4	4	0.0		2	1	-50.0
Conejos	0	4	n/a		2	1	-50.0
Costilla	0	1	n/a		1	0	-100.0
Crowley	2	0	-100.0		1	0	-100.0
Custer	5	4	-20.0		0	0	n/a
Delta	13	8	-38.5		3	5	66.7
Denver	131	147	12.2		18	25	38.9
Dolores	1	1	0.0		1	1	0.0
Douglas	71	45	-36.6		13	12	-7.7
Eagle	15	17	13.3		1	3	200.0
Elbert	9	11	22.2		1	0	-100.0
El Paso	204	224	9.8		56	49	-12.5
Fremont	14	16	14.3		9	8	-11.1
Garfield	16	10	-37.5		7	6	-14.3
Gilpin	1	2	100.0		1	0	-100.0
Grand	7	7	0.0		1	1	0.0
Gunnison	3	3	0.0		0	0	n/a
Hinsdale	1	0	-100.0		0	0	n/a
Huerfano	1	5	400.0		2	0	-100.0
Jackson	0	0	n/a		0	0	n/a
Jefferson	107	95	-11.2		10	12	20.0
Kiowa	0	0	n/a		0	0	n/a
Kit Carson	10	2	-80.0		0	4	n/a
La Plata	10	7	-30.0		4	7	75.0
Lake	1	2	100.0		0	1	n/a
Larimer	41	54	31.7		5	5	0.0
Las Animas	11	4	-63.6		4	2	-50.0
Lincoln	1	2	100.0		1	0	-100.0
Logan	8	4	-50.0		8	2	-75.0
Mesa	53	49	-7.5		17	28	64.7
Mineral	1	1	0.0		1	0	-100.0
Moffat	7	10	42.9		5	3	-40.0
Montezuma	11	6	-45.5		4	5	25.0

Montrose	6	7	16.7		6	6	0.0
Morgan	11	11	0.0		2	8	300.0
Otero	6	11	83.3		1	5	400.0
Ouray	1	3	200.0		1	1	0.0
Park	12	13	8.3		4	8	100.0
Philips	2	2	0.0		1	1	0.0
Pitkin	6	6	0.0		0	2	n/a
Prowers	0	4	n/a		1	0	-100.0
Pueblo	60	77	28.3		36	32	-11.1
Rio Blanco	6	9	50.0		2	4	100.0
Rio Grande	7	3	-57.1		1	1	0.0
Routt	4	5	25.0		3	1	-66.7
Saguache	2	0	-100.0		2	3	50.0
San Juan	0	0	n/a		0	0	n/a
San Miguel	3	2	-33.3		2	1	-50.0
Sedgwick	0	0	n/a		2	0	-100.0
Summit	11	9	-18.2		2	0	-100.0
Teller	15	9	-40.0		6	3	-50.0
Washington	0	4	n/a		3	1	-66.7
Weld	75	68	-9.3		17	21	23.5
Yuma	1	1	0.0		2	0	-100.0
Totals	1,357	1,360	0.2		315	335	6.3

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

Counties	2018 Q3 Filings	2018 Q4 Filings	2019 Q1 Filings	2019 Q2 Filings	2019 Q3 Filings		2018 Q3 Sales	2018 Q4 Sales	2019 Q1 Sales	2019 Q2 Sales	2019 Q3 Sales
Adams	175	172	165	140	165		16	14	19	16	21
Alamosa	9	5	3	5	5		4	1	4	2	4
Arapahoe	158	148	174	170	153		20	15	14	21	23
Archuleta	2	3	6	5	2		1	1	3	0	2
Baca	0	0	2	0	2		0	1	1	0	1
Bent	2	1	1	1	1		1	1	1	1	1
Boulder	29	27	43	36	30		10	2	3	3	2
Broomfield	9	10	16	11	11		0	3	1	0	2
Chaffee	0	0	2	2	2		2	0	0	0	0
Cheyenne	0	1	0	0	0		0	0	1	0	0
Clear Creek	1	5	5	4	4		1	0	0	2	1
Conejos	4	4	4	0	4		2	2	2	2	1
Costilla	3	0	4	0	1		1	0	0	1	0
Crowley	3	4	1	2	0		0	1	3	1	0
Custer	2	1	2	5	4		1	3	0	0	0
Delta	11	13	12	13	8		11	8	11	3	5
Denver	138	134	150	131	147		15	22	25	18	25
Dolores	1	1	2	1	1		0	1	0	1	1
Douglas	77	70	71	71	45		7	10	6	13	12
Eagle	20	14	9	15	17		5	2	5	1	3
Elbert	16	6	8	9	11		0	3	1	1	0
El Paso	240	213	231	204	224		64	55	77	56	49
Fremont	24	8	22	14	16		9	10	8	9	8
Garfield	21	24	17	16	10		5	8	4	7	6
Gilpin	0	0	2	1	2		0	0	0	1	0
Grand	2	1	4	7	7		2	0	0	1	1
Gunnison	2	1	1	3	3		0	0	0	0	0
Hinsdale	0	0	0	1	0		0	0	0	0	0
Huerfano	4	7	4	1	5		1	1	3	2	0
Jackson	0	3	0	0	0		0	0	2	0	0
Jefferson	104	115	109	107	95		14	10	10	10	12
Kiowa	0	0	0	0	0		0	0	1	0	0
Kit Carson	4	4	4	10	2		2	3	1	0	4

County										
La Plata	15	15	11	10	7		3	7	4	4	7
Lake	2	1	2	1	2		0	1	0	0	1
Larimer	46	41	53	41	54		18	5	6	5	5
Las Animas	8	7	8	11	4		6	5	3	4	2
Lincoln	3	2	1	1	2		1	4	1	1	0
Logan	7	8	9	8	4		2	3	4	8	2
Mesa	59	64	60	53	49		32	25	27	17	28
Mineral	1	0	0	1	1		0	0	0	1	0
Moffat	5	8	2	7	10		3	4	5	5	3
Montezuma	7	7	8	11	6		3	3	3	4	5
Montrose	13	13	20	6	7		6	3	9	6	6
Morgan	7	13	7	11	11		5	1	3	2	8
Otero	9	6	11	6	11		6	5	9	1	5
Ouray	2	1	4	1	3		0	1	0	1	1
Park	9	4	7	12	13		2	4	5	4	8
Philips	0	1	1	2	2		1	1	0	1	1
Pitkin	5	4	1	6	6		2	0	1	0	2
Prowers	2	3	4	0	4		4	1	1	1	0
Pueblo	94	79	86	60	77		39	24	36	36	32
Rio Blanco	2	7	5	6	9		2	1	4	2	4
Rio Grande	10	3	2	7	3		4	3	4	1	1
Routt	5	5	2	4	5		1	1	2	3	1
Saguache	4	4	8	2	0		0	2	1	2	3
San Juan	0	0	0	0	0		0	0	0	0	0
San Miguel	2	1	3	3	2		1	0	1	2	1
Sedgwick	1	0	1	0	0		2	1	0	2	0
Summit	10	6	3	11	9		1	0	2	2	0
Teller	10	14	11	15	9		4	1	9	6	3
Washington	1	1	1	0	4		0	0	2	3	1
Weld	88	102	96	75	68		8	13	19	17	21
Yuma	5	2	2	1	1		3	3	2	2	0
Totals	1,493	1,417	1,503	1,357	1,360		353	299	369	315	335