

Monthly Metropolitan Foreclosure Report, November 2011

Colorado Department of Local Affairs – Division of Housing



Introduction

The Division of Housing now releases monthly data on foreclosure filings and foreclosure sales in metropolitan counties in Colorado. These reports are a supplement to the Division's quarterly statewide foreclosure reports available at the Division's web site: <http://dola.colorado.gov/cdh/>

Foreclosure filings represent the point at which the legal foreclosure process begins. The foreclosure sale represents the point at which the foreclosure process is completed. Since not all filed foreclosures proceed all the way through the foreclosure process, the total number of completed foreclosures in each time period is usually smaller than the total number.

These numbers represent estimates since each filing does not necessarily represent a unique property, and foreclosure totals also include a small number (less than 3% of total) of foreclosed commercial property and vacant land.

The foreclosure sales number approximates the number of unique properties that have been foreclosed with ownership reverting to the lender or passing to a third party.

Foreclosure filings are a useful indicator of future foreclosure sales activity and of recent mortgage delinquency activity.

Findings

Foreclosure filings were down in November 2011 when compared to November 2010, but over the same period foreclosure auction sales increased for the first time in 14 months.

Comparing year-over-year from 2010 to 2011, foreclosure filings in November decreased 21.6 percent with totals falling from 2,932 to 2,296.

November 2011 foreclosure sales (completed foreclosures) were up compared to November 2010 with an increase of 7.9 percent from 1,195 to 1,290.

Filings fell 2.3 percent from October to November 2011, and auction sales were up 37.5 percent over the same period. November's auction sales were at a 3-month high.

In year-to-date comparisons, comparing the first eleven months of 2010 with the same period this year, foreclosure filings were down 28.6 percent and sales at auction were down 20.7 percent.

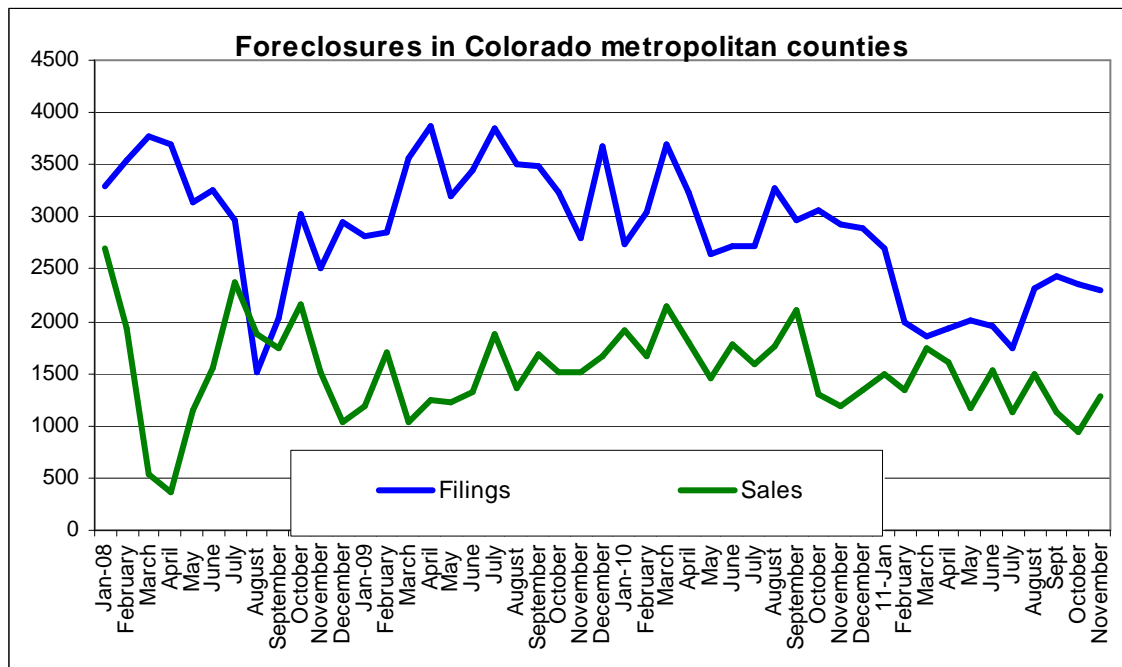
Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2008- November 2011

Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

Note that March and April 2008 totals for foreclosure sales were extremely low. This was due to a new foreclosure process time line taking effect on January 1 of 2008. The new time line was structured in such a way that few foreclosures could proceed to sale during March and April 2008. During the first half of 2009, Fannie Mae and Freddie Mac instituted moratoria on finishing pending foreclosures. This temporarily pushed down totals in completed foreclosures during that period.

During October 2011, sales at auction were at the lowest level they've been since the artificially low totals of March and April 2008.

Graph 1:



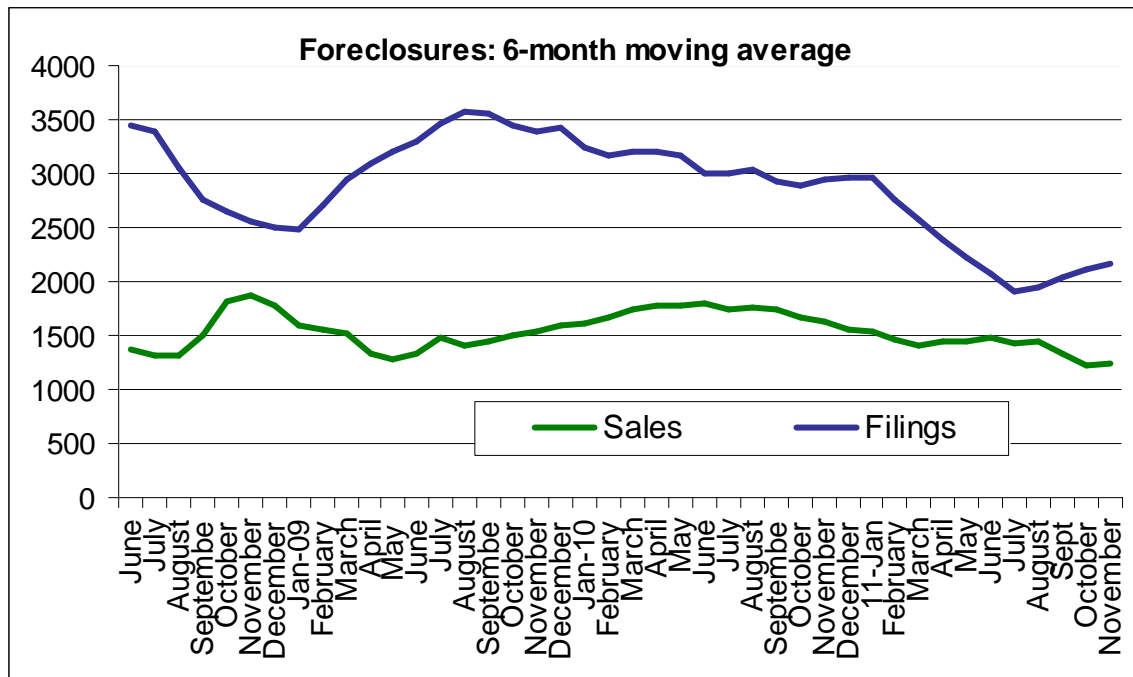
Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2008-November 2011.

An analysis of a six-month moving average for both filings and sales at auction:

Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

Foreclosure filings activity declined significantly between January 2011 and July 2011. Foreclosure sales activity has generally been flat since January 2011, but the slight downward trend began to accelerate during September and October 2011.

Graph 2:



Comparison tables:

Month-over-month comparisons (October 2011 to November 2011):

Table 1: Foreclosure filings

County	October	November	Pct Change from previous month
Adams	380	299	-21.3
Arapahoe	346	338	-2.3
Boulder	83	106	27.7
Broomfield	18	12	-33.3
Denver	326	312	-4.3
Douglas	153	149	-2.6
El Paso	338	289	-14.5
Jefferson	241	257	6.6
Larimer	104	105	1.0
Mesa	77	101	31.2
Pueblo	121	148	22.3
Weld	163	180	10.4
	2350	2296	-2.3

Table 2: Foreclosure sales

County	October	November	Pct Change from previous month
Adams	69	219	217.4
Arapahoe	182	220	20.9
Boulder	29	34	17.2
Broomfield	8	8	0.0
Denver	115	120	4.3
Douglas	65	80	23.1
El Paso	135	144	6.7
Jefferson	107	148	38.3
Larimer	68	75	10.3
Mesa	39	70	79.5
Pueblo	63	65	3.2
Weld	58	107	84.5
	938	1290	37.5

Year-over-year comparisons of November foreclosure activity:

Table 3: Foreclosure filings

County	November	November	Year-over-year percent change
Adams	362	299	-17.4
Arapahoe	397	338	-14.9
Boulder	123	106	-13.8
Broomfield	21	12	-42.9
Denver	336	312	-7.1
Douglas	215	149	-30.7
El Paso	430	289	-32.8
Jefferson	358	257	-28.2
Larimer	167	105	-37.1
Mesa	147	101	-31.3
Pueblo	139	148	6.5
Weld	237	180	-24.1
Total	2932	2296	-21.7

Table 4: Foreclosure sales

County	November	November	Year-over-year percent change
Adams	151	219	45.0
Arapahoe	191	220	15.2
Boulder	25	34	36.0
Broomfield	9	8	-11.1
Denver	191	120	-37.2
Douglas	85	80	-5.9
El Paso	165	144	-12.7
Jefferson	110	148	34.5
Larimer	51	75	47.1
Mesa	58	70	20.7
Pueblo	63	65	3.2
Weld	96	107	11.5
	1195	1290	7.9

Year-to-date (January-November) comparisons:

Table 5: Foreclosure filings

	Nov YTD 2010	Nov YTD 2011	Percent Change from 2010
Adams	4502	3225	-28.4
Arapahoe	5005	3629	-27.5
Boulder	1257	921	-26.7
Broomfield	277	202	-27.1
Denver	4661	3162	-32.2
Douglas	2287	1575	-31.1
El Paso	4396	3242	-26.3
Jefferson	3509	2476	-29.4
Larimer	1675	1221	-27.1
Mesa	1544	1001	-35.2
Pueblo	1308	1145	-12.5
Weld	2561	1757	-31.4
Total	32982	23556	-28.6

Table 6: Foreclosure sales

	Nov YTD 2010	Nov YTD 2011	Percent Change from 2010
Adams	2673	1952	-27.0
Arapahoe	2971	2384	-19.8
Boulder	566	475	-16.1
Broomfield	139	83	-40.3
Denver	2724	2064	-24.2
Douglas	1208	971	-19.6
El Paso	2441	1932	-20.9
Jefferson	1876	1531	-18.4
Larimer	833	733	-12.0
Mesa	911	805	-11.6
Pueblo	787	715	-9.1
Weld	1599	1209	-24.4
Total	18728	14854	-20.7

Foreclosure sales (completed foreclosure) rates in each county:

November 2011 rates, on the right, are compared with 2010 rates on the left.

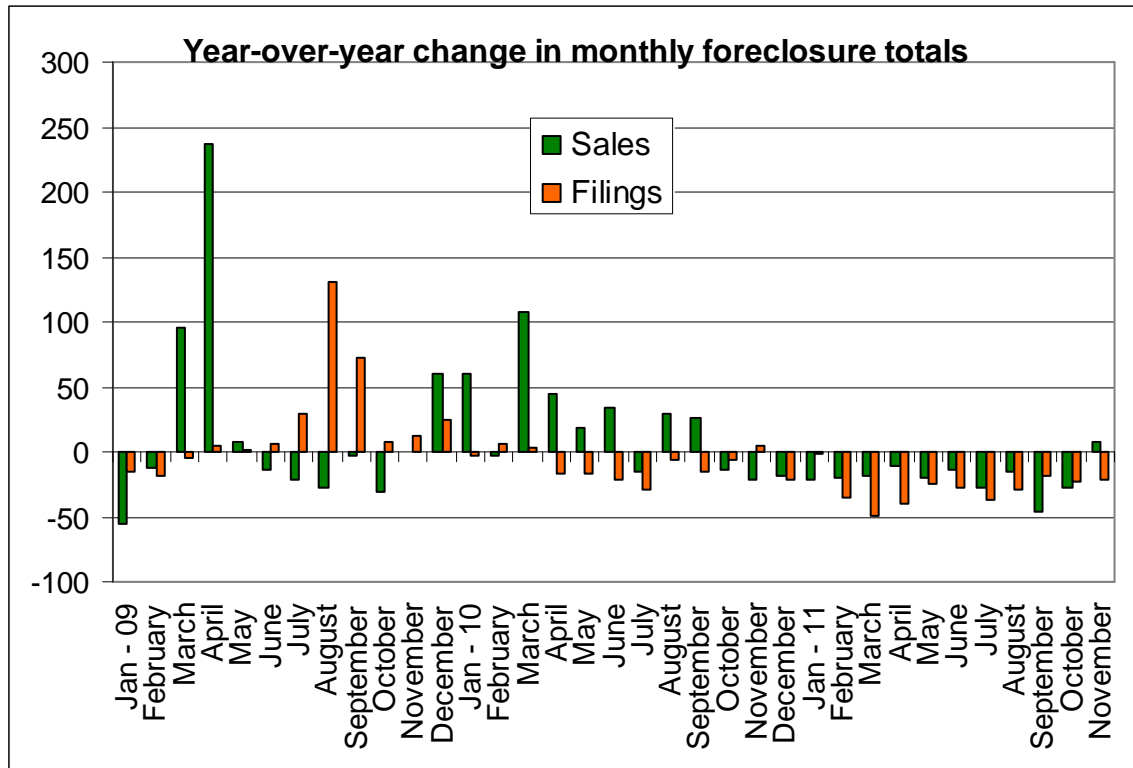
Table 7:

County	November	No. of households per completed foreclosure, 2010	November	No. of households per completed foreclosure, 2011
Adams	151	988	219	681
Arapahoe	191	1,128	220	979
Boulder	25	4,626	34	3,402
Broomfield	9	2,150	8	2,419
Denver	191	1,348	120	2,146
Douglas	85	1,125	80	1,196
El Paso	165	1,323	144	1,516
Jefferson	110	1,908	148	1,418
Larimer	51	2,189	75	1,488
Mesa	58	956	70	792
Pueblo	63	950	65	921
Weld	96	891	107	800
Metro total	1195	1,333	1290	1,235

For November 2011, the highest foreclosure rate was found in Adams County, and the lowest rate was found in Boulder County.

Appendix: Additional Analysis

Graph 3:



November 2011 marks the twelfth month in a row during which filings have fallen year over year, but sales at auction were up when compared to the same month the previous year, for the first time in 14 months.

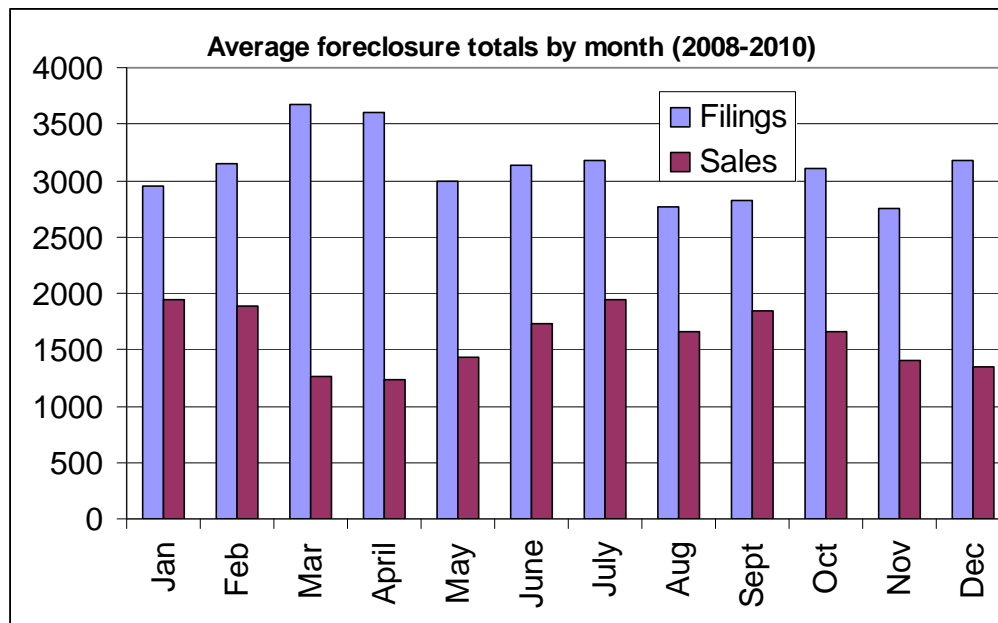
Graph 4:

Appendix: Seasonal Factors

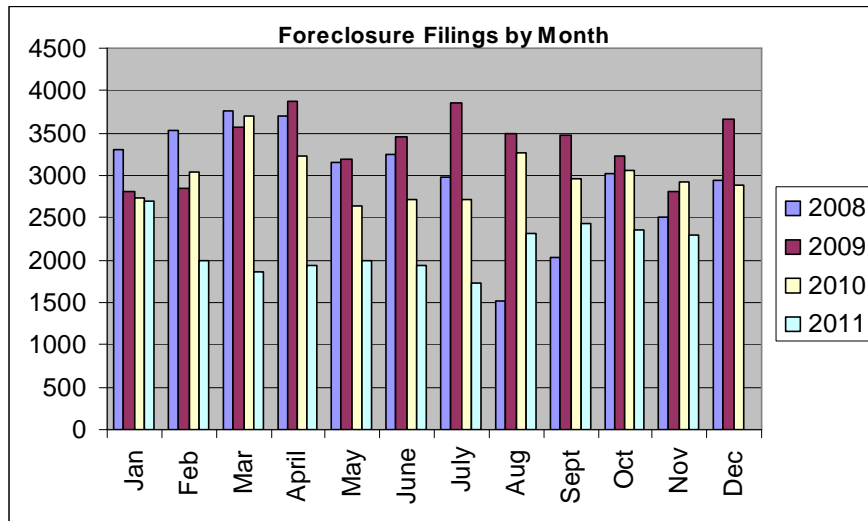
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an increased number of foreclosure filings three to four months later.

Although we only have three years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April.

Foreclosure sales, on the other hand, tend to peak in both January-February and during summer and early autumn. The increases found during January and February are likely due to increases in the speed with which foreclosures are processed following the holiday season. Traditionally, some loan servicers have held off pushing loans to the final stage of foreclosure until after the holidays. The increases in sales found during the summer and early autumn months likely reflect the increased number of filings that occur during March and April. As these filings move through the system, they show up as sales at auction several months later.



Graph 5: Foreclosure filings by month and year



In each month from January through November of this year, there have been fewer new foreclosure filings than during the same months during the years of 2008, 2009 and 2010, with the exceptions of August and September 2008. Foreclosure filings activity is clearly well below activity reported in recent years. October's and November's filings total were the lowest October and November totals reported in at least four years.

Graph 6: Foreclosure sales at auction by month and year

Foreclosure filings totals have moved downward in recent months also, but to a smaller degree. During October 2011, however, the auction sales total fell below 1,000 for the first time since April 2008. October's auction sales total was the lowest October total recorded in at least four years, and is the lowest overall total in 42 months.

