

# **Monthly Metropolitan Foreclosure Report, March 2013**

## **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://www.divisionofhousing.com>.

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**

During March 2013, foreclosure filings were down, year over year, and foreclosure filings fell to the lowest point recorded in any month since the Division of Housing began keeping monthly foreclosure stats in 2007. Foreclosure auction sales were at the lowest level recorded in any March during the past seven years.

March 2013 foreclosure filings were down 54.7 percent from March 2012, dropping from 2,325 to 1,053, year over year.

March 2013 foreclosure sales (completed foreclosures) were down compared to March 2012 with a decrease of 34.4 percent, dropping from 965 to 633.

For the first three months of the year combined, foreclosure filings were down 41.9 percent in 2013 compared to the same period last year. There were 6,320 foreclosure filings during the first three months of 2012 and 3,669 during the same period this year.

Foreclosure auction sales were down 32.0 percent comparing the first three months of 2013 versus the same period last year. There were 3,363 foreclosure sales during the first two months of last year and 2,288 during the same period this year.

Filings fell 9.2 percent from February 2013 to March 2013, and auction sales were down 12.7 percent over the same period.

Mesa County reported the highest foreclosure rate during March, while Boulder County reported the lowest rate. (See Table 7.)

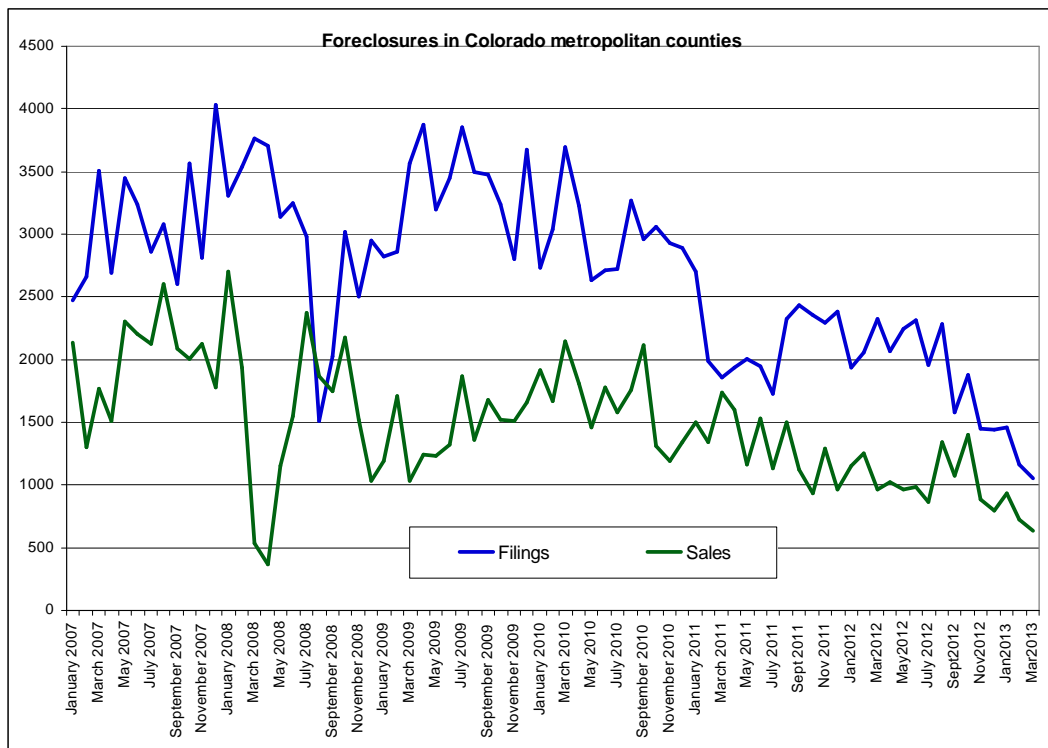
### **Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- March 2013.**

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.

During 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.

As of March 2013, foreclosure filings continue to hit new lows for any month since the survey was first created in 2007.

**Graph 1:**



## Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2007-March 2013.

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

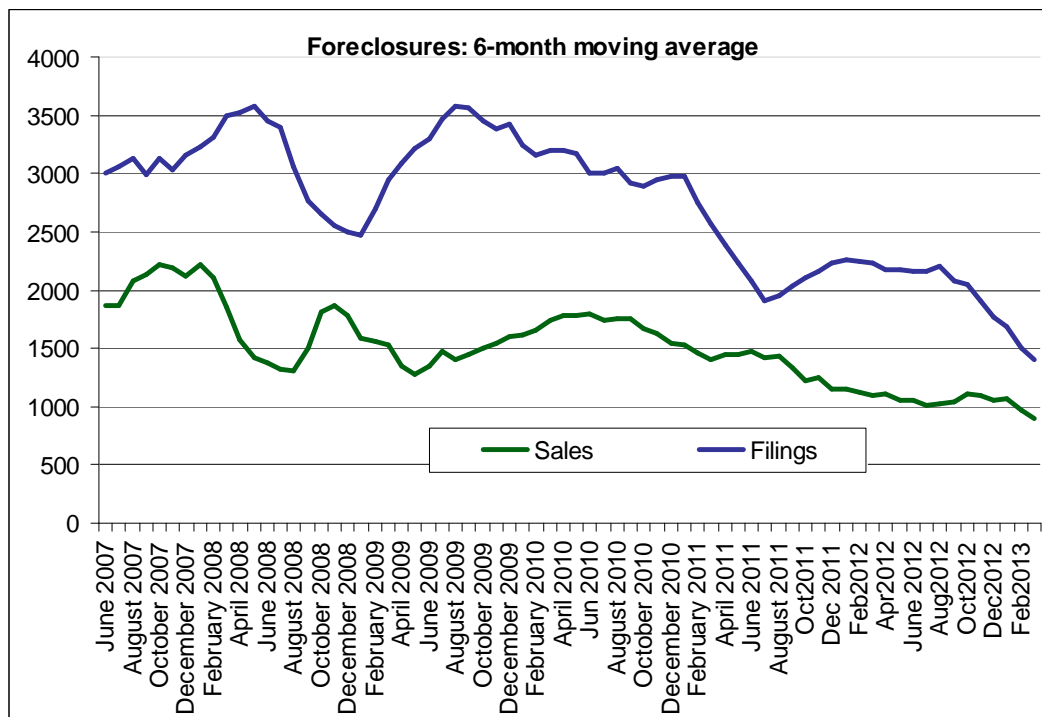
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

Foreclosure filings activity declined significantly between January 2011 and July 2011, but has been generally flat since late 2011. Foreclosure sales activity has been falling since late 2011.

There appears to be a six to nine-month delay between trends in filings and sales. For example, the large decline in filings that began in mid-2009 shows up as a decline in sales that begins during the spring of 2010. This likely reflects a time lag between the initiation of foreclosures and the completion of foreclosures. Nevertheless, the increase in filings that appeared in late 2011 has yet to produce any resulting rise in auction sales.

Since 2011, however, both filings and sales have shown general declines in activity.

**Graph 2:**



**Comparison tables:**

**Month-over-month comparisons (February 2013 to March 2013):**

**Table 1: Foreclosure filings**

County	February 2013	March 2013	Pct Change from previous month
Adams	159	144	-9.4
Arapahoe	147	154	4.8
Boulder	44	39	-11.4
Broomfield	12	6	-50.0
Denver	127	149	17.3
Douglas	82	73	-11.0
El Paso	180	155	-13.9
Jefferson	137	106	-22.6
Larimer	58	55	-5.2
Mesa	60	62	3.3
Pueblo	75	58	-22.7
Weld	79	52	-34.2
Total	1160	1053	-9.2

**Table 2: Foreclosure sales**

County	February 2013	March 2013	Pct Change from previous month
Adams	88	60	-31.8
Arapahoe	98	80	-18.4
Boulder	19	19	0.0
Broomfield	4	3	-25.0
Denver	79	88	11.4
Douglas	27	37	37.0
El Paso	131	106	-19.1
Jefferson	80	62	-22.5
Larimer	39	30	-23.1
Mesa	57	54	-5.3
Pueblo	47	49	4.3
Weld	56	45	-19.6
Total	725	633	-12.7

## Year-over-year comparisons of March foreclosure activity:

**Table 3: Foreclosure filings**

County	March 2012	March 2013	Year- over-year percent change
Adams	309	144	-53.4
Arapahoe	364	154	-57.7
Boulder	95	39	-58.9
Broomfield	20	6	-70.0
Denver	307	149	-51.5
Douglas	169	73	-56.8
El Paso	275	155	-43.6
Jefferson	285	106	-62.8
Larimer	90	55	-38.9
Mesa	144	62	-56.9
Pueblo	95	58	-38.9
Weld	172	52	-69.8
Total	2325	1053	-54.7

**Table 4: Foreclosure sales**

County	March 2012	March 2013	Year- over-year percent change
Adams	136	60	-55.9
Arapahoe	129	80	-38.0
Boulder	35	19	-45.7
Broomfield	10	3	-70.0
Denver	113	88	-22.1
Douglas	53	37	-30.2
El Paso	126	106	-15.9
Jefferson	103	62	-39.8
Larimer	48	30	-37.5
Mesa	74	54	-27.0
Pueblo	61	49	-19.7
Weld	77	45	-41.6
	965	633	-34.4

**Year-to-date totals (January-March of each year)**

**Table 5: Foreclosure Filings**

County	YTD Jan-Mar 2012 Filings	YTD Jan-Mar 2013 Filings	Percent Change from 2012
Adams	861	476	-44.7
Arapahoe	979	524	-46.5
Boulder	214	124	-42.1
Broomfield	53	41	-22.6
Denver	841	480	-42.9
Douglas	434	220	-49.3
El Paso	861	549	-36.2
Jefferson	723	429	-40.7
Larimer	306	182	-40.5
Mesa	344	182	-47.1
Pueblo	292	201	-31.2
Weld	412	261	-36.7
Total	6320	3669	-41.9

**Table 6: Foreclosure Sales**

County	YTD Jan-March 2012 Sales	YTD Jan-Mar 2013 Sales	Percent Change from 2012
Adams	479	276	-42.4
Arapahoe	492	323	-34.3
Boulder	112	68	-39.3
Broomfield	30	18	-40.0
Denver	394	239	-39.3
Douglas	192	124	-35.4
El Paso	438	412	-5.9
Jefferson	369	219	-40.7
Larimer	169	123	-27.2
Mesa	233	161	-30.9
Pueblo	195	156	-20.0
Weld	260	169	-35.0
Total	3363	2288	-32.0

**Foreclosure sales (completed foreclosure) rates in each county:**

March 2013 rates, on the right, are compared with 2012 rates on the left. In most counties, foreclosure rates declined from 2011 to 2012. (An increase in the number of households per foreclosure means a decline in the foreclosure rate.)

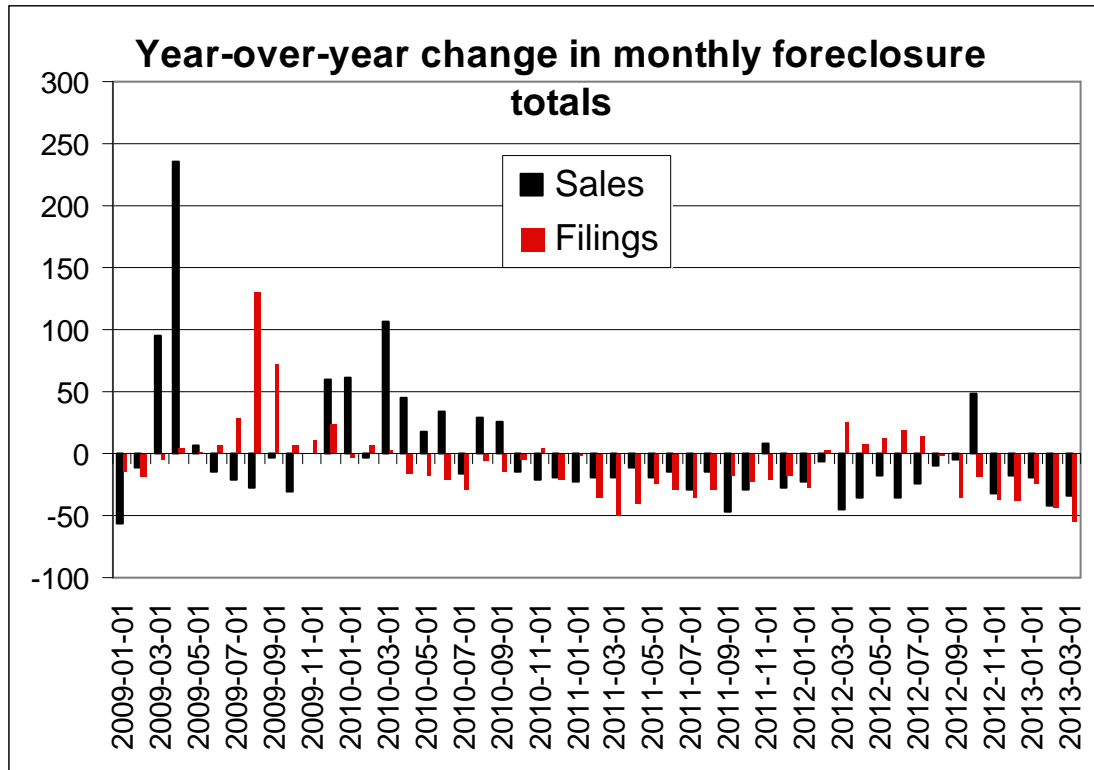
**Table 7:**

County	March	No. of households per completed foreclosure, 2011	March	No. of households per completed foreclosure, 2012
Adams	136	1,156	60	2,621
Arapahoe	129	1,775	80	2,863
Boulder	35	3,465	19	6,383
Broomfield	10	2,196	3	7,320
Denver	113	2,411	88	3,096
Douglas	53	1,970	37	2,823
El Paso	126	1,919	106	2,281
Jefferson	103	2,140	62	3,555
Larimer	48	2,555	30	4,087
Mesa	74	787	54	1,079
Pueblo	61	1,041	49	1,296
Weld	77	1,187	45	2,031
Metro total	<b>965</b>	<b>1,766</b>	<b>633</b>	<b>2,693</b>

For March 2013, the highest foreclosure rate was found in Mesa County, and the lowest rate was found in Broomfield County.

## Appendix: Additional Analysis

Graph 3:



Both foreclosure filings and foreclosure sales showed solid declines, year over year, during March with filings dropping 54.7 percent and foreclosure auction sales dropping 34.4 percent.



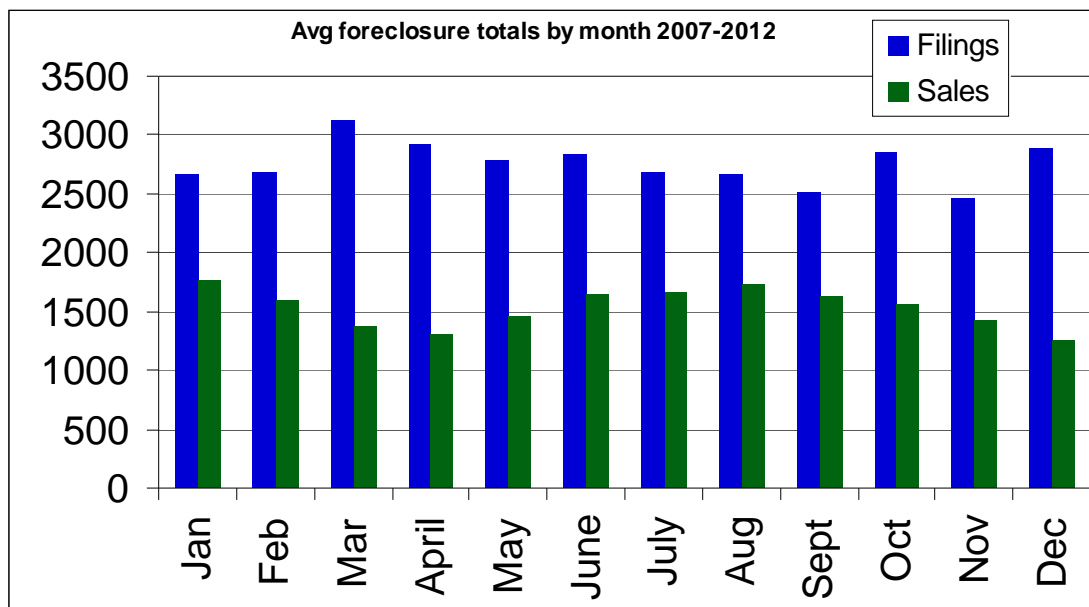
#### Graph 4:

##### Appendix: Seasonal Factors

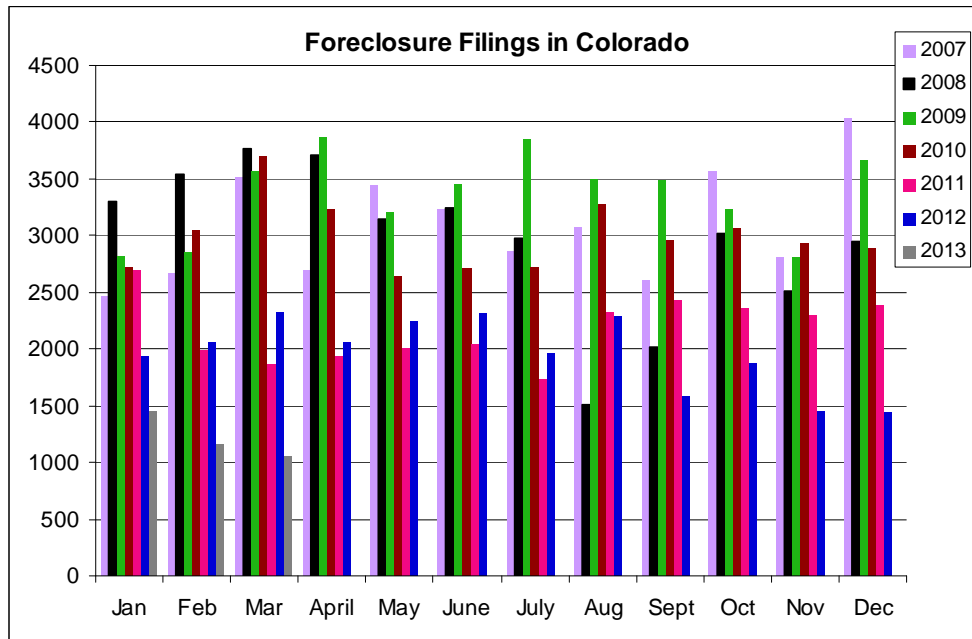
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

Although we only have six years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April, with December also showing a high average.

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



Foreclosure 2013 filings activity for March was at a seven-year low for the month and was at the lowest level recorded in any month since the survey was initiated in 2007.

**Graph 6:** Foreclosure sales at auction by month and year

The auction sales total during March 2013 was almost at a seven-year low for the month, and was at the lowest total recorded in any month since 2008.

