

Monthly Metropolitan Foreclosure Report, April 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 April 2013, foreclosure filings were down, year over year, and foreclosure filings remained near 7-year lows. Foreclosure sales at auction remained near 5-year lows.

April 2013 foreclosure filings were down 40.2 percent from April 2012, dropping from 2,064 to 1,234, year over year.

April 2013 foreclosure sales (completed foreclosures) were down compared to April 2012 with a decrease of 24.9 percent, dropping from 1,024 to 769.

For the first four months of the year combined, foreclosure filings were down 41.5 percent in 2013 compared to the same period last year. There were 8,384 foreclosure filings during the first four months of 2012 and 4,903 during the same period this year.

Foreclosure auction sales were down 30.3 percent comparing the first four months of 2013 to the same period last year. There were 4,387 foreclosure sales during the first four months of last year and 3,057 during the same period this year.

Filings rose 17.2 percent from March 2013 to April 2013, and auction sales were up 21.5 percent over the same period.

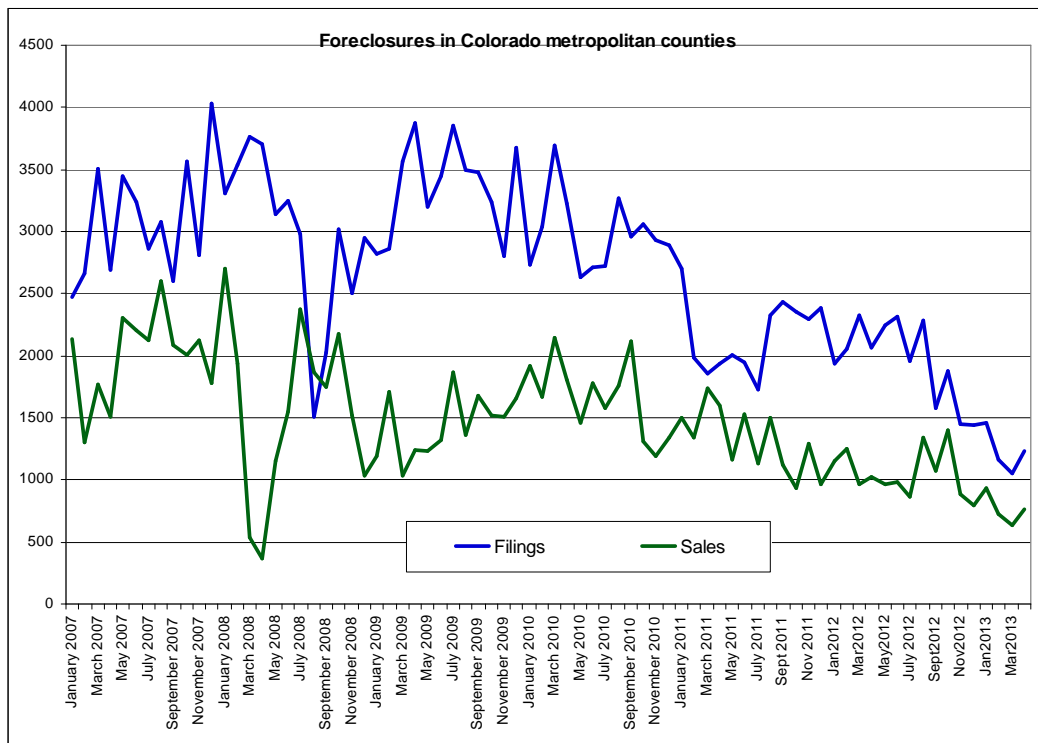
Mesa County reported the highest foreclosure rate during April, while Larimer County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- April 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.

Graph 1:



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

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

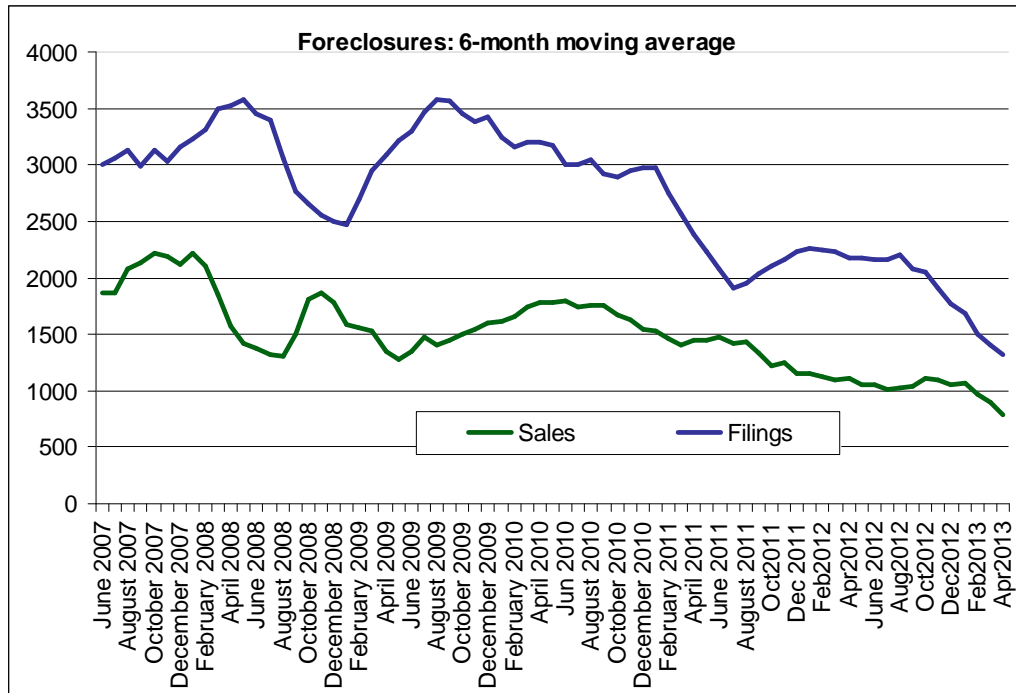
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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 (March 2013 to April 2013):

Table 1: Foreclosure filings

County	March	April	Pct Change from previous month
Adams	144	187	29.9
Arapahoe	154	184	19.5
Boulder	39	50	28.2
Broomfield	6	13	116.7
Denver	149	139	-6.7
Douglas	73	84	15.1
El Paso	155	173	11.6
Jefferson	106	110	3.8
Larimer	55	52	-5.5
Mesa	62	58	-6.5
Pueblo	58	84	44.8
Weld	52	100	92.3
Total	1053	1234	17.2

Table 2: Foreclosure sales

County	March	April	Pct Change from previous month
Adams	60	111	85.0
Arapahoe	80	111	38.8
Boulder	19	28	47.4
Broomfield	3	7	133.3
Denver	88	93	5.7
Douglas	37	39	5.4
El Paso	106	131	23.6
Jefferson	62	75	21.0
Larimer	30	20	-33.3
Mesa	54	55	1.9
Pueblo	49	48	-2.0
Weld	45	51	13.3
Total	633	769	21.5

Year-over-year comparisons of April foreclosure activity:

Table 3: Foreclosure filings

County	April	April	Year-over-year percent change
Adams	294	187	-36.4
Arapahoe	339	184	-45.7
Boulder	65	50	-23.1
Broomfield	22	13	-40.9
Denver	258	139	-46.1
Douglas	120	84	-30.0
El Paso	298	173	-41.9
Jefferson	219	110	-49.8
Larimer	95	52	-45.3
Mesa	96	58	-39.6
Pueblo	113	84	-25.7
Weld	145	100	-31.0
Total	2064	1234	-40.2

Table 4: Foreclosure sales

County	April	April	Year-over-year percent change
Adams	166	111	-33.1
Arapahoe	122	111	-9.0
Boulder	23	28	21.7
Broomfield	5	7	40.0
Denver	172	93	-45.9
Douglas	54	39	-27.8
El Paso	157	131	-16.6
Jefferson	97	75	-22.7
Larimer	36	20	-44.4
Mesa	53	55	3.8
Pueblo	68	48	-29.4
Weld	71	51	-28.2
Total	1024	769	-24.9

Year-to-date totals (January-April of each year)

Table 5: Foreclosure Filings

County	YTD Jan-Apr 2012 Filings	YTD Jan-Apr 2013 Filings	Percent Change from 2012
Adams	1155	663	-42.6
Arapahoe	1318	708	-46.3
Boulder	279	174	-37.6
Broomfield	75	54	-28.0
Denver	1099	619	-43.7
Douglas	554	304	-45.1
El Paso	1159	722	-37.7
Jefferson	942	539	-42.8
Larimer	401	234	-41.6
Mesa	440	240	-45.5
Pueblo	405	285	-29.6
Weld	557	361	-35.2
Total	8384	4903	-41.5

Table 6: Foreclosure Sales

County	YTD Jan-Apr 2012 Sales	YTD Jan-Apr 2013 Sales	Percent Change from 2012
Adams	645	387	-40.0
Arapahoe	614	434	-29.3
Boulder	135	96	-28.9
Broomfield	35	25	-28.6
Denver	566	332	-41.3
Douglas	246	163	-33.7
El Paso	595	543	-8.7
Jefferson	466	294	-36.9
Larimer	205	143	-30.2
Mesa	286	216	-24.5
Pueblo	263	204	-22.4
Weld	331	220	-33.5
Total	4387	3057	-30.3

Foreclosure sales (completed foreclosure) rates in each county:

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

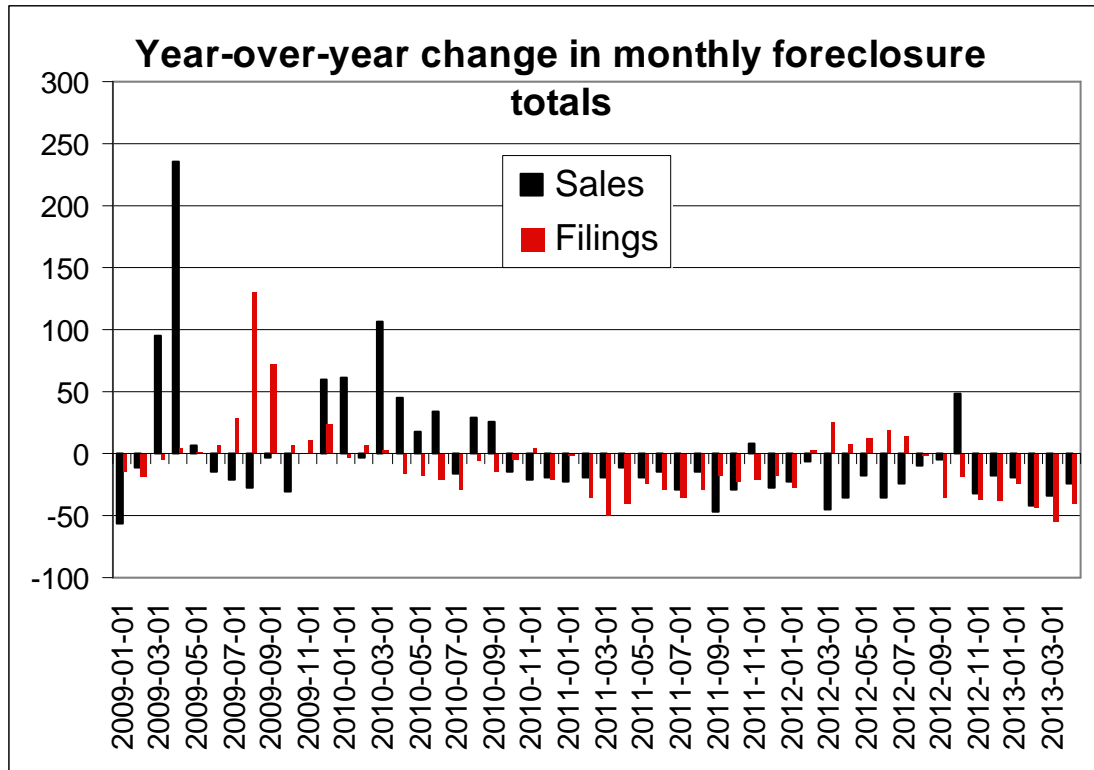
Table 7:

County	April	No. of households per completed foreclosure, 2011	April	No. of households per completed foreclosure, 2012
Adams	166	947	111	1,417
Arapahoe	122	1,877	111	2,063
Boulder	23	5,273	28	4,331
Broomfield	5	4,392	7	3,137
Denver	172	1,584	93	2,929
Douglas	54	1,934	39	2,678
El Paso	157	1,540	131	1,846
Jefferson	97	2,273	75	2,939
Larimer	36	3,406	20	6,131
Mesa	53	1,099	55	1,059
Pueblo	68	934	48	1,323
Weld	71	1,287	51	1,792
Metro total	1024	1,664	769	2,216

For April 2013, the highest foreclosure rate was found in Mesa County, and the lowest rate was found in Larimer County.

Appendix: Additional Analysis

Graph 3:



Both foreclosure filings and foreclosure sales showed solid declines, year over year, during April with filings dropping 40.2 percent and foreclosure auction sales dropping 24.9 percent.

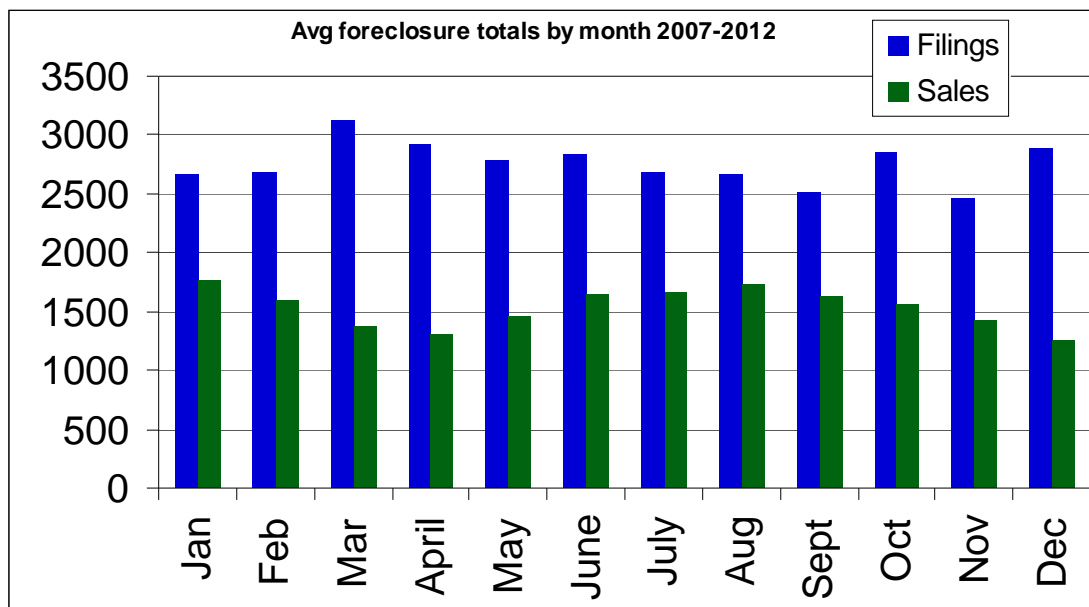
Graph 4:

Appendix: Seasonal Factors

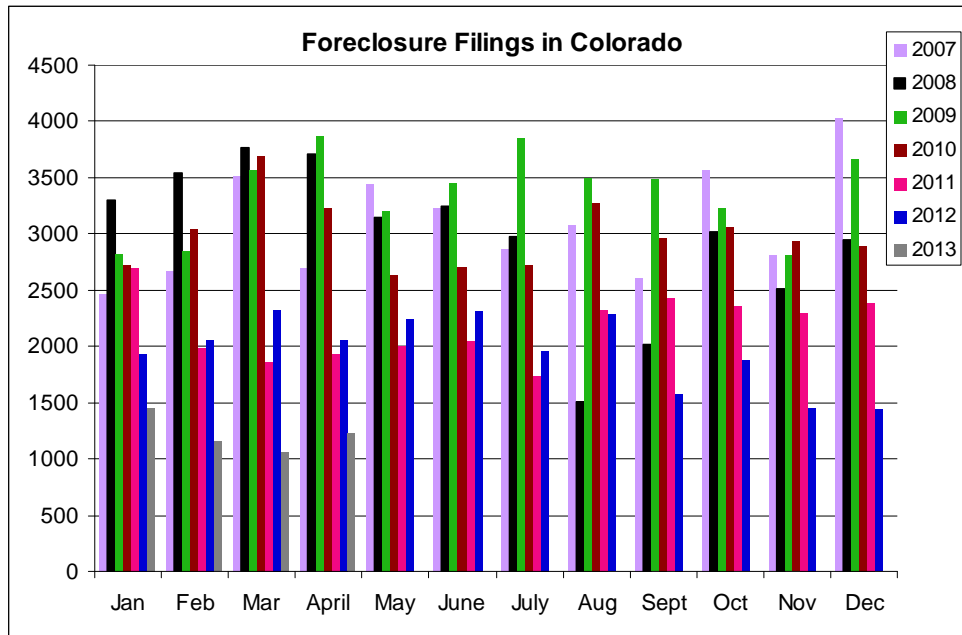
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 April 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 April 2013 was at the second-lowest April total recorded, and were at a five-year low.

