

Monthly Metropolitan Foreclosure Report, May 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 May 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.

May 2013 foreclosure filings were down 50.5 percent from May 2012, dropping from 2,249 to 1,113, year over year.

May 2013 foreclosure sales (completed foreclosures) were down compared to May 2012 with a decrease of 25.4 percent, dropping from 965 to 720, year over year.

For the first five months of the year combined, foreclosure filings were down 43.4 percent in 2013 compared to the same period last year. There were 10,633 foreclosure filings during the first five months of 2012 and 6,016 during the same period this year.

Foreclosure auction sales were down 29.4 percent comparing the first five months of 2013 to the same period last year. There were 5,352 foreclosure sales during the first five months of last year and 3,777 during the same period this year.

Filings fell 9.8 percent from April 2013 to May 2013, and auction sales were down 6.4 percent over the same period.

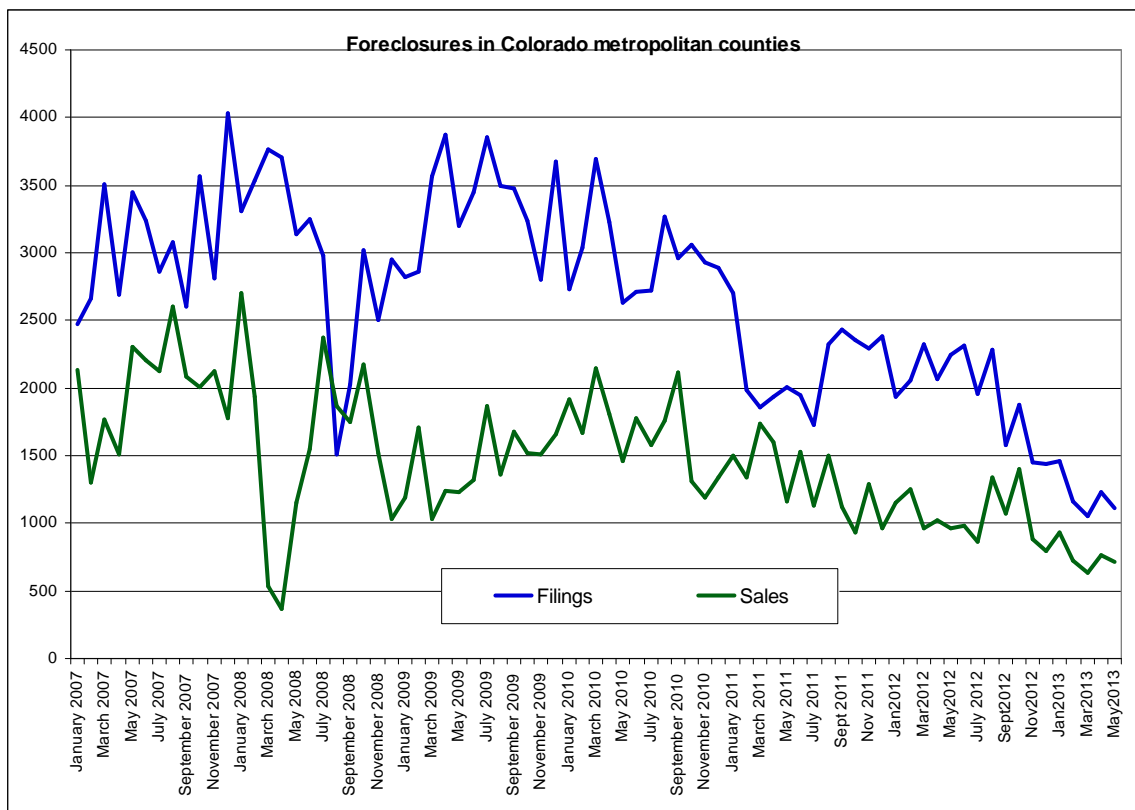
Mesa County reported the highest foreclosure rate during May, while Broomfield County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- May 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 spiked downward. 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. Since 2010, the overall trend in foreclosure sales has been downward.

Graph 1:



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

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

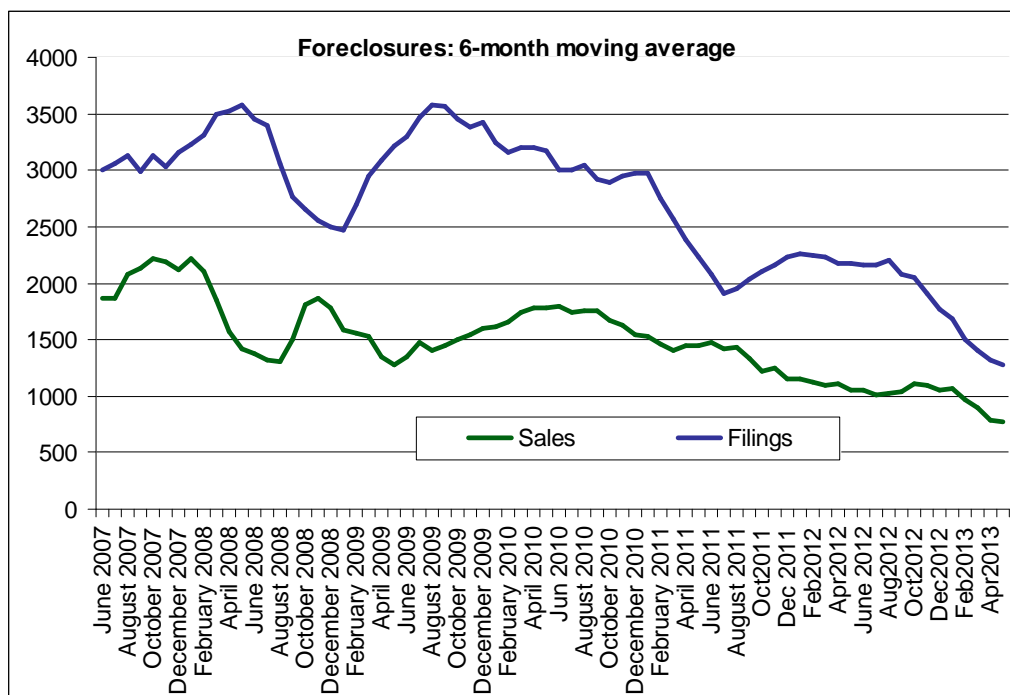
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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. During May 2013, the moving averages in both foreclosures sales and foreclosure filings were at the lowest level yet recorded.

Graph 2:



Comparison tables:

Month-over-month comparisons (April 2013 to May 2013):

Table 1: Foreclosure filings

County	April	May	Pct Change from previous month
Adams	187	146	-21.9
Arapahoe	184	166	-9.8
Boulder	50	32	-36.0
Broomfield	13	4	-69.2
Denver	139	144	3.6
Douglas	84	62	-26.2
El Paso	173	165	-4.6
Jefferson	110	147	33.6
Larimer	52	47	-9.6
Mesa	58	73	25.9
Pueblo	84	64	-23.8
Weld	100	63	-37.0
Total	1234	1113	-9.8

Table 2: Foreclosure sales

County	April	May	Pct Change from previous month
Adams	111	111	0.0
Arapahoe	111	102	-8.1
Boulder	28	19	-32.1
Broomfield	7	2	-71.4
Denver	93	62	-33.3
Douglas	39	23	-41.0
El Paso	131	135	3.1
Jefferson	75	65	-13.3
Larimer	20	24	20.0
Mesa	55	62	12.7
Pueblo	48	52	8.3
Weld	51	63	23.5
Total	769	720	-6.4

Year-over-year comparisons of May foreclosure activity:

Table 3: Foreclosure filings

County	May 2012	May 2013	Year- over-year percent change
Adams	274	146	-46.7
Arapahoe	314	166	-47.1
Boulder	74	32	-56.8
Broomfield	24	4	-83.3
Denver	344	144	-58.1
Douglas	167	62	-62.9
El Paso	278	165	-40.6
Jefferson	304	147	-51.6
Larimer	110	47	-57.3
Mesa	106	73	-31.1
Pueblo	115	64	-44.3
Weld	139	63	-54.7
Total	2249	1113	-50.5

Table 4: Foreclosure sales

County	May 2012	May 2013	Year- over-year percent change
Adams	141	111	-21.3
Arapahoe	167	102	-38.9
Boulder	19	19	0.0
Broomfield	6	2	-66.7
Denver	95	62	-34.7
Douglas	60	23	-61.7
El Paso	145	135	-6.9
Jefferson	98	65	-33.7
Larimer	37	24	-35.1
Mesa	68	62	-8.8
Pueblo	63	52	-17.5
Weld	66	63	-4.5
Total	965	720	-25.4

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

Table 5: Foreclosure Filings

County	YTD Jan-May 2012 Filings	YTD Jan-May 2013 Filings	Percent Change from 2012
Adams	1429	809	-43.4
Arapahoe	1632	874	-46.4
Boulder	353	206	-41.6
Broomfield	99	58	-41.4
Denver	1443	763	-47.1
Douglas	721	366	-49.2
El Paso	1437	887	-38.3
Jefferson	1246	686	-44.9
Larimer	511	281	-45.0
Mesa	546	313	-42.7
Pueblo	520	349	-32.9
Weld	696	424	-39.1
Total	10633	6016	-43.4

Table 6: Foreclosure Sales

County	YTD Jan-May 2012 Sales	YTD Jan-May 2013 Sales	Percent Change from 2012
Adams	786	498	-36.6
Arapahoe	781	536	-31.4
Boulder	154	115	-25.3
Broomfield	41	27	-34.1
Denver	661	394	-40.4
Douglas	306	186	-39.2
El Paso	740	678	-8.4
Jefferson	564	359	-36.3
Larimer	242	167	-31.0
Mesa	354	278	-21.5
Pueblo	326	256	-21.5
Weld	397	283	-28.7
Total	5352	3777	-29.4

Foreclosure sales (completed foreclosure) rates in each county:

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

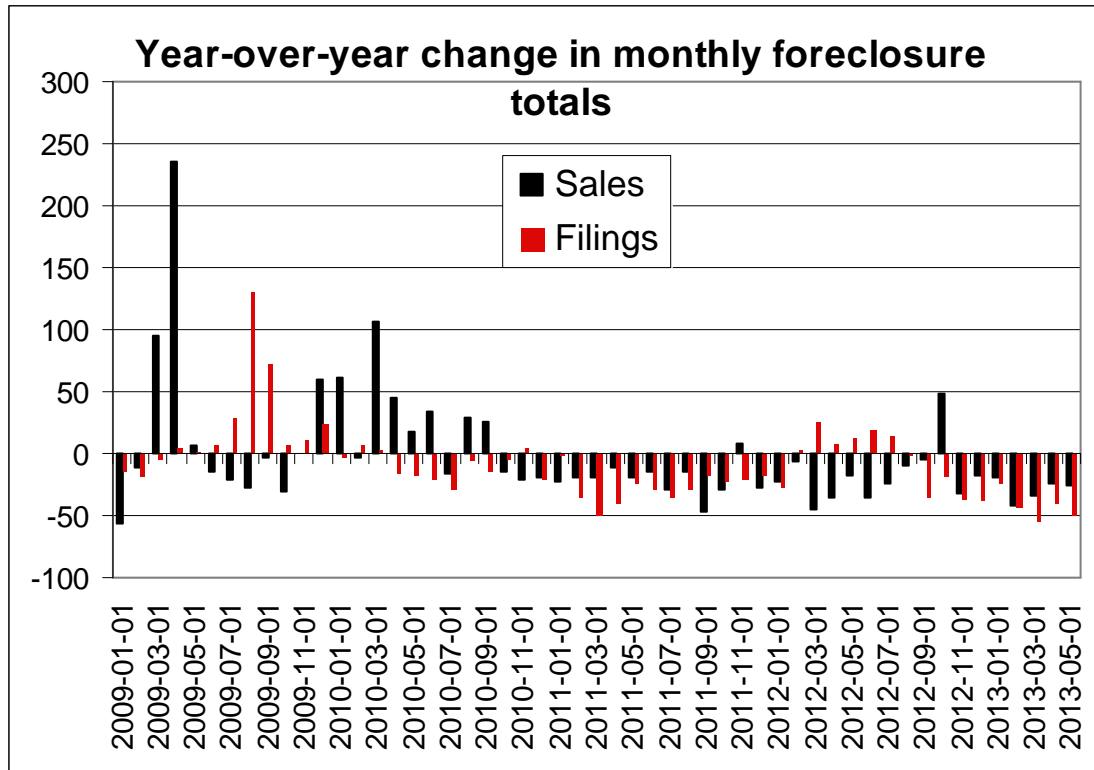
Table 7:

County	May	No. of households per completed foreclosure, 2012	May	No. of households per completed foreclosure, 2013
Adams	141	1,115	111	1,417
Arapahoe	167	1,371	102	2,245
Boulder	19	6,383	19	6,383
Broomfield	6	3,660	2	10,980
Denver	95	2,868	62	4,394
Douglas	60	1,741	23	4,541
El Paso	145	1,668	135	1,791
Jefferson	98	2,249	65	3,391
Larimer	37	3,314	24	5,109
Mesa	68	857	62	940
Pueblo	63	1,008	52	1,221
Weld	66	1,385	63	1,450
Metro total	965	1,766	720	2,367

For May 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 May with filings dropping 50.5 percent and foreclosure auction sales dropping 25.4 percent.

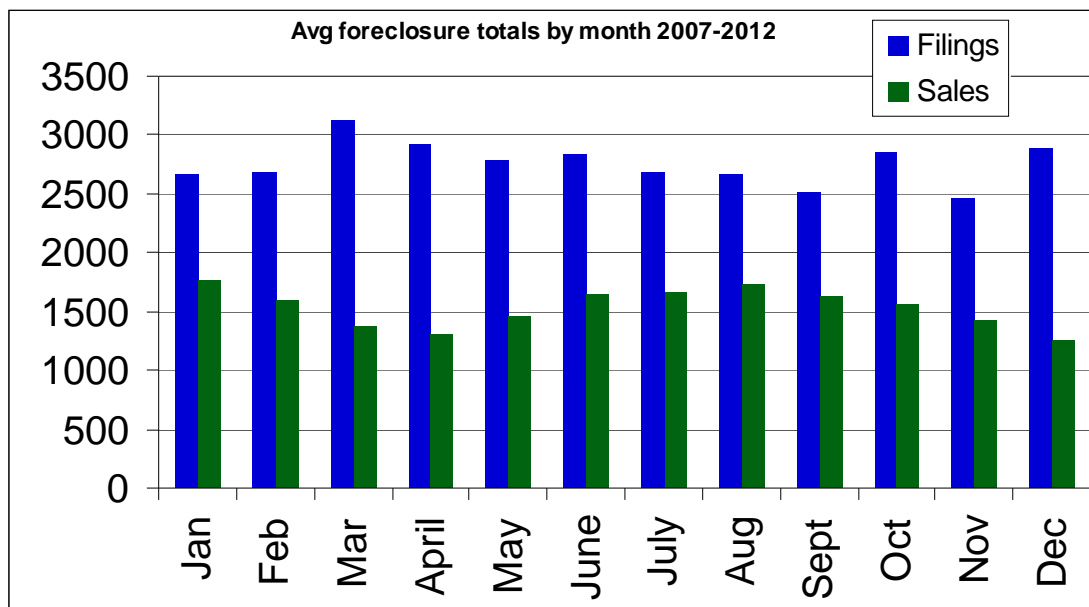
Graph 4:

Appendix: Seasonal Factors

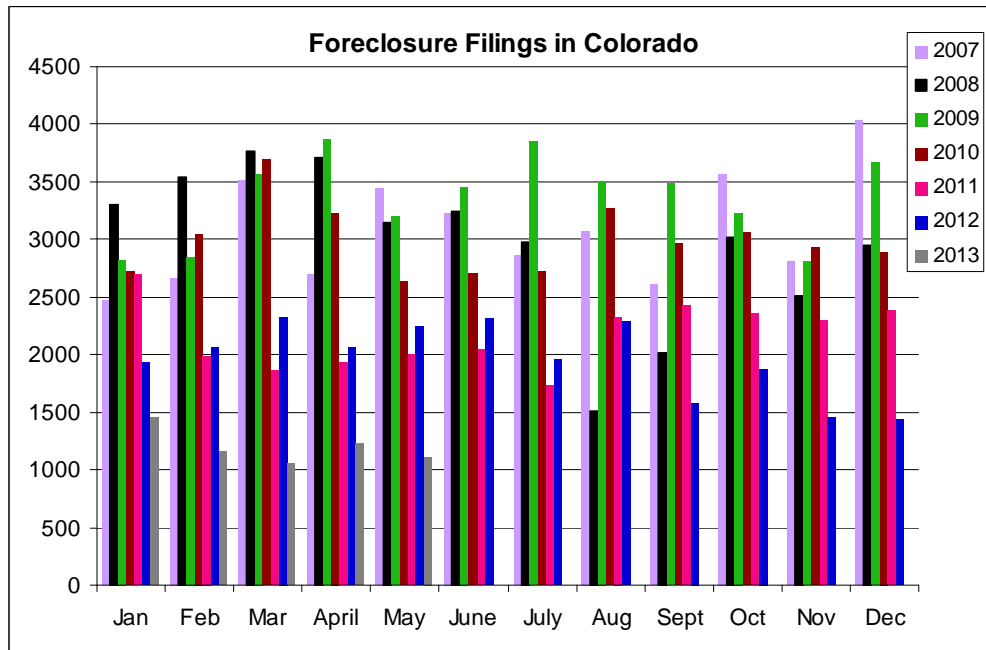
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

