

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

August 2013 foreclosure filings were down 54.7 percent from August 2012, dropping from 2,287 to 1,037, year over year.

August 2013 foreclosure sales (completed foreclosures) were down compared to August 2012 with a decrease of 59.7 percent, dropping from 1,341 to 541, year over year.

For the first eight months of the year combined, foreclosure filings were down 46.7 percent in 2013 compared to the same period last year. There were 17,197 foreclosure filings during the eight months of 2012 and 9,171 during the same period this year.

Foreclosure auction sales were down 35.0 percent comparing the first eight months of 2013 to the same period last year. There were 8,541 foreclosure sales during the first five months of last year and 5,553 during the same period this year.

Filings fell 9.8 percent from July 2013 to August 2013, and auction sales were down 14.3 percent over the same period.

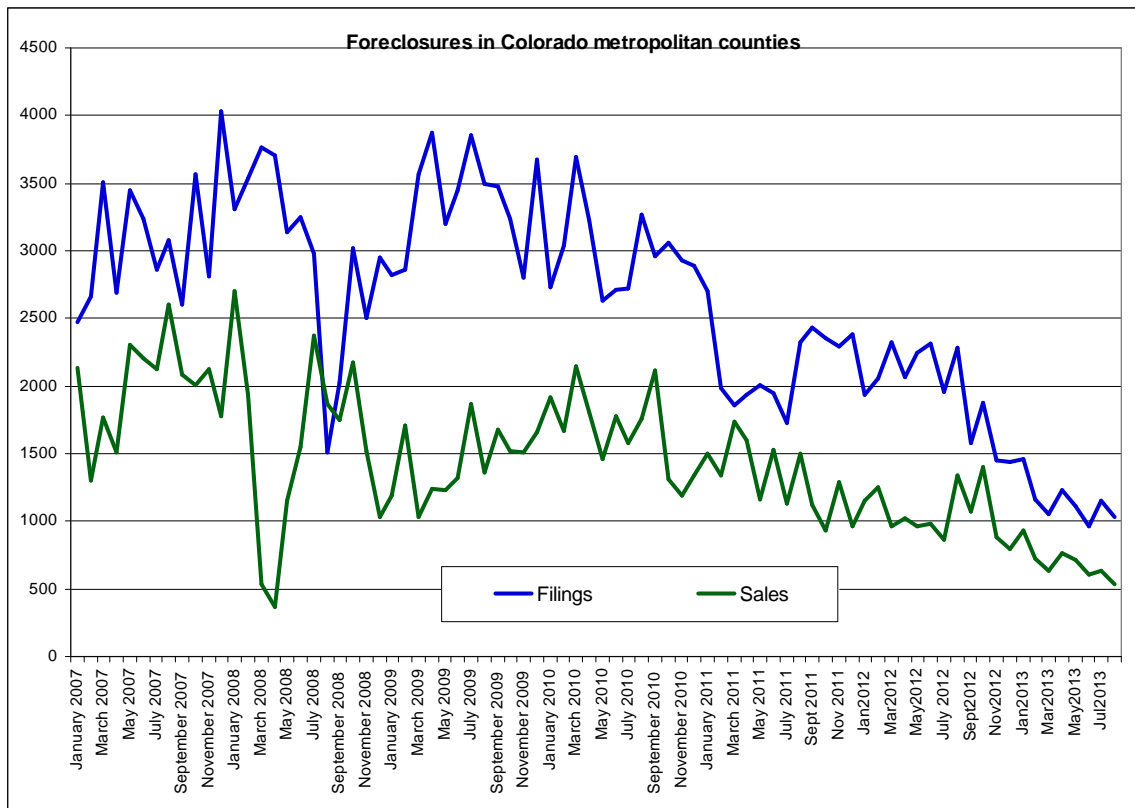
Pueblo County reported the highest foreclosure rate during August, while Boulder County reported the lowest rate. (See Table 7.)

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

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

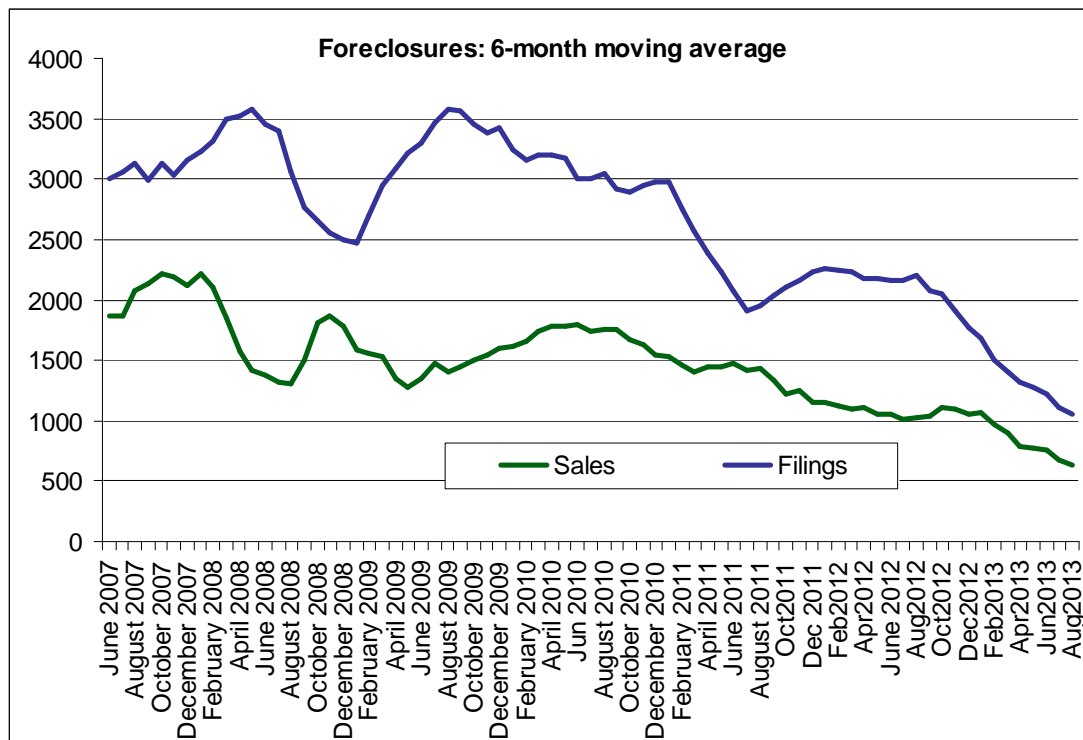
Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

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 August 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 (July 2013 to August 2013):

Table 1: Foreclosure filings

County	July	August	Pct Change from previous month
Adams	146	137	-6.2
Arapahoe	162	147	-9.3
Boulder	34	31	-8.8
Broomfield	6	5	-16.7
Denver	204	119	-41.7
Douglas	56	60	7.1
El Paso	166	154	-7.2
Jefferson	105	122	16.2
Larimer	56	39	-30.4
Mesa	57	89	56.1
Pueblo	77	62	-19.5
Weld	81	72	-11.1
Total	1150	1037	-9.8

Table 2: Foreclosure sales

County	July	August	Pct Change from previous month
Adams	93	79	-15.1
Arapahoe	92	70	-23.9
Boulder	16	10	-37.5
Broomfield	6	7	16.7
Denver	71	62	-12.7
Douglas	21	25	19.0
El Paso	92	79	-14.1
Jefferson	75	59	-21.3
Larimer	31	19	-38.7
Mesa	36	35	-2.8
Pueblo	46	49	6.5
Weld	52	47	-9.6
Total	631	541	-14.3

Year-over-year comparisons of August foreclosure activity:

Table 3: Foreclosure filings

County	Aug-12	Aug-13	Year-over-year percent change
Adams	319	137	-57.1
Arapahoe	325	147	-54.8
Boulder	78	31	-60.3
Broomfield	22	5	-77.3
Denver	268	119	-55.6
Douglas	155	60	-61.3
El Paso	339	154	-54.6
Jefferson	303	122	-59.7
Larimer	105	39	-62.9
Mesa	133	89	-33.1
Pueblo	90	62	-31.1
Weld	150	72	-52.0
Total	2287	1037	-54.7

Table 4: Foreclosure sales

County	Aug-12	Aug-13	Year-over-year percent change
Adams	192	79	-58.9
Arapahoe	207	70	-66.2
Boulder	50	10	-80.0
Broomfield	11	7	-36.4
Denver	127	62	-51.2
Douglas	52	25	-51.9
El Paso	198	79	-60.1
Jefferson	134	59	-56.0
Larimer	69	19	-72.5
Mesa	77	35	-54.5
Pueblo	110	49	-55.5
Weld	114	47	-58.8
Total	1341	541	-59.7

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

Table 5: Foreclosure Filings

County	YTD Jan-Aug 2012 Filings	YTD Jan-Aug 2013 Filings	Percent Change from 2012
Adams	2295	1231	-46.4
Arapahoe	2637	1336	-49.3
Boulder	583	300	-48.5
Broomfield	160	80	-50.0
Denver	2261	1180	-47.8
Douglas	1170	543	-53.6
El Paso	2444	1369	-44.0
Jefferson	1973	1010	-48.8
Larimer	798	413	-48.2
Mesa	895	526	-41.2
Pueblo	819	539	-34.2
Weld	1161	644	-44.5
Total	17196	9171	-46.7

Table 6: Foreclosure Sales

County	YTD Jan-Aug 2012 Sales	YTD Jan-Aug 2013 Sales	Percent Change from 2012
Adams	1236	740	-40.1
Arapahoe	1276	777	-39.1
Boulder	249	165	-33.7
Broomfield	65	42	-35.4
Denver	1035	587	-43.3
Douglas	465	260	-44.1
El Paso	1177	945	-19.7
Jefferson	919	559	-39.2
Larimer	381	241	-36.7
Mesa	555	400	-27.9
Pueblo	540	406	-24.8
Weld	643	431	-33.0
Total	8541	5553	-35.0

Foreclosure sales (completed foreclosure) rates in each county:

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

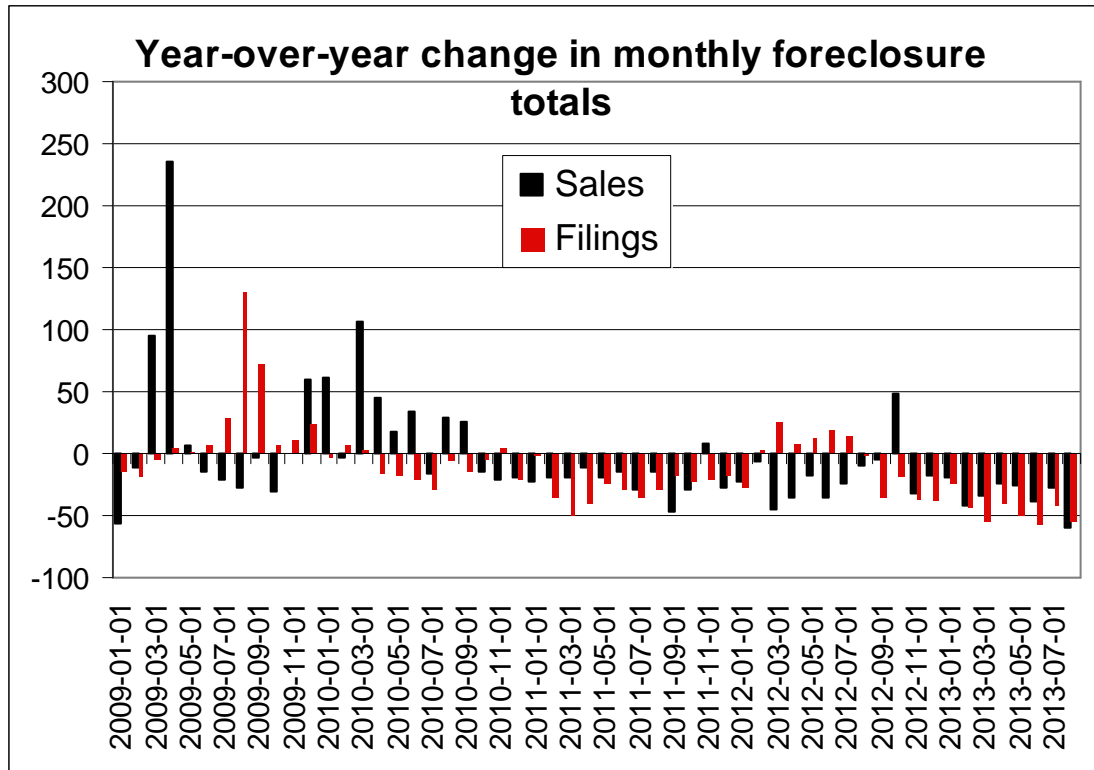
Table 7:

County	Aug-12	No. of households per completed foreclosure, 2012	Aug-13	No. of households per completed foreclosure, 2013
Adams	192	819	79	1,991
Arapahoe	207	1,106	70	3,272
Boulder	50	2,425	10	12,127
Broomfield	11	1,996	7	3,137
Denver	127	2,145	62	4,394
Douglas	52	2,008	25	4,177
El Paso	198	1,221	79	3,061
Jefferson	134	1,645	59	3,736
Larimer	69	1,777	19	6,454
Mesa	77	757	35	1,665
Pueblo	110	577	49	1,296
Weld	114	802	47	1,944
Metro total	1341	1,271	541	3,150

For August 2013, the highest foreclosure rate was found in Pueblo County, and the lowest rate was found in Boulder County.

Appendix: Additional Analysis

Graph 3:



Both foreclosure filings and foreclosure sales showed solid declines, year over year, during August with filings dropping 54.7 percent and foreclosure auction sales dropping 59.6 percent.

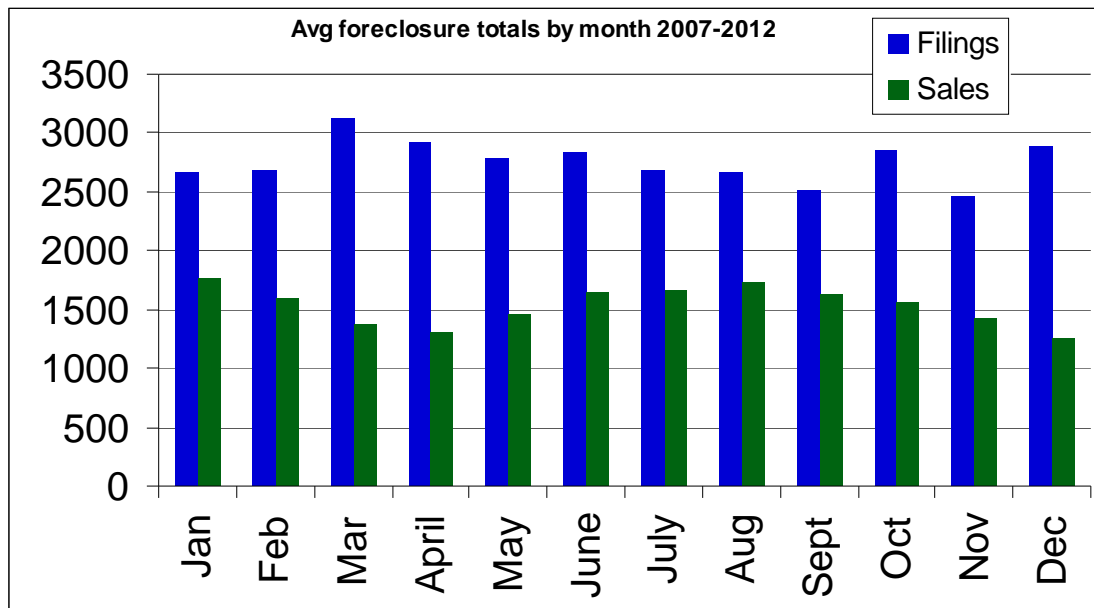
Graph 4:

Appendix: Seasonal Factors

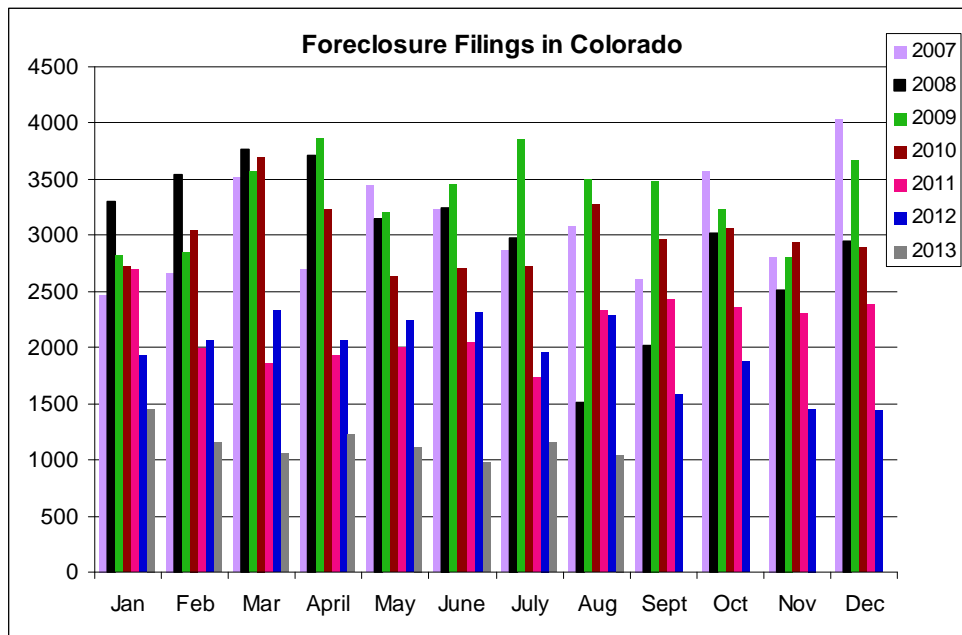
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

