

Monthly Metropolitan Foreclosure Report, October 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 October 2013, foreclosure filings were down, year over year, and foreclosure filings were at the lowest level recorded in any month since the monthly survey of foreclosures was begun in 2007. Foreclosure sales at auction remained near 7-year lows during October.

October 2013 foreclosure filings were down 55.2 percent from October 2012, dropping from 1,880 to 843, year over year.

October 2013 foreclosure sales (completed foreclosures) were down compared to October 2012 with a decrease of 68.7 percent, dropping from 1,399 to 438, year over year. This was the largest year-over-year decline recorded since the survey was begun in 2007.

For the first ten months of the year combined, foreclosure filings were down 47.2 percent in 2013 compared to the same period last year. There were 20,660 foreclosure filings during the first ten months of 2012 and 10,918 during the same period this year.

Foreclosure auction sales were down 41.7 percent comparing the first ten months of 2013 to the same period last year. There were 11,013 foreclosure sales during the first ten months of last year and 6,426 during the same period this year.

Filings fell 6.7 percent from September 2013 to October 2013, and auction sales were up 0.7 percent over the same period.

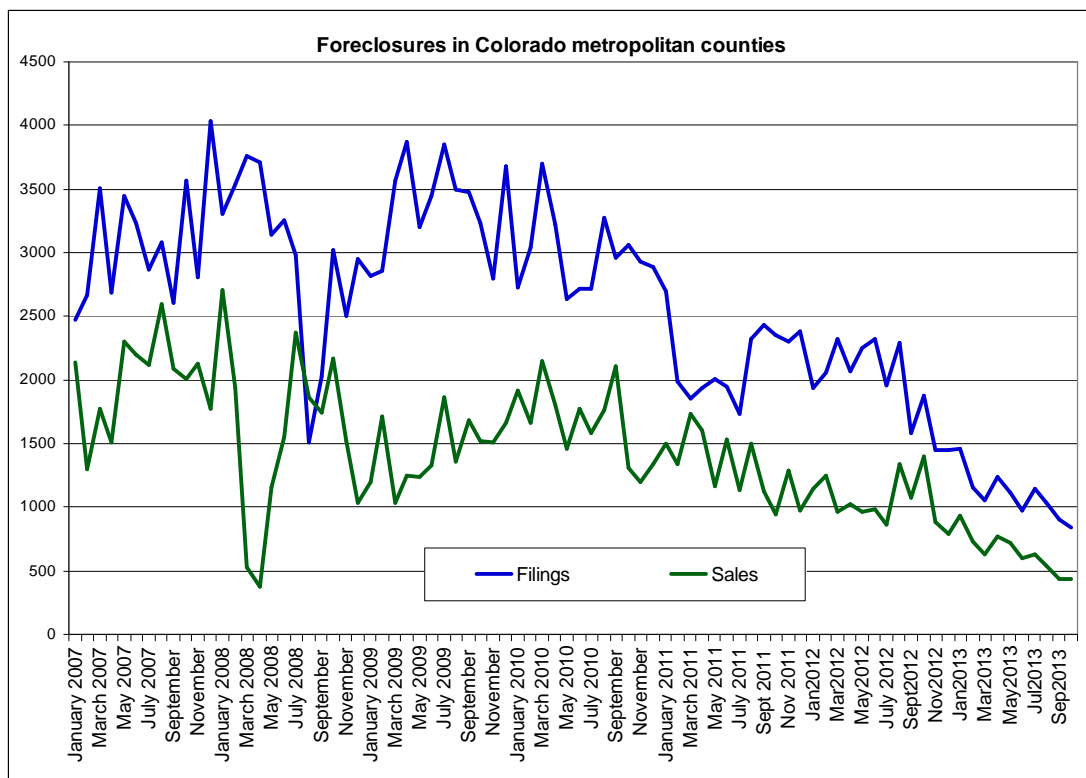
Mesa County reported the highest foreclosure rate during October, while Boulder County reported the lowest rate. (See Table 7.)

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

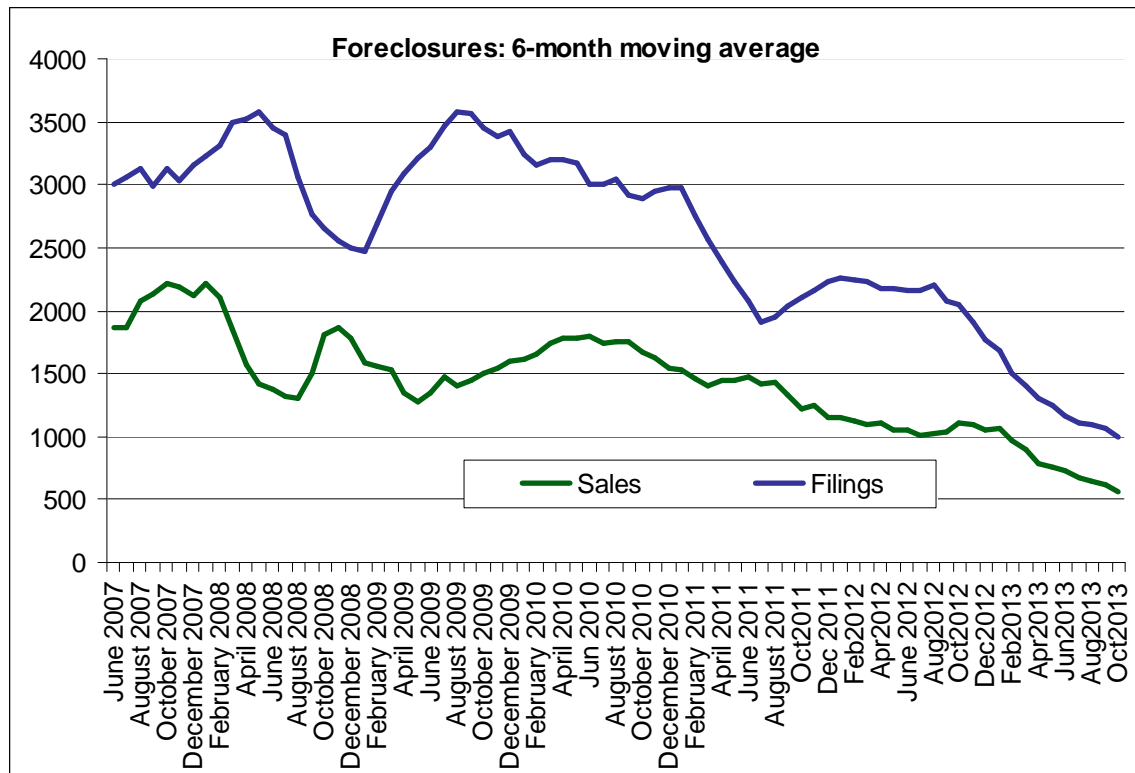
An analysis of a six-month moving average for both filings and sales at auction:

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, and began to fall quickly after early 2013. Foreclosure sales activity has been generally falling since late 2011.

Since 2011, both filings and sales have shown general declines in activity. During October 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 (September 2013 to October 2013):

Table 1: Foreclosure filings

County	September	October	Pct Change from previous month
Adams	133	79	-40.6
Arapahoe	115	110	-4.3
Boulder	32	17	-46.9
Broomfield	4	7	75.0
Denver	125	98	-21.6
Douglas	50	68	36.0
El Paso	138	128	-7.2
Jefferson	77	93	20.8
Larimer	44	38	-13.6
Mesa	61	74	21.3
Pueblo	64	92	43.8
Weld	61	39	-36.1
Total	904	843	-6.7

Table 2: Foreclosure sales

County	September	October	Pct Change from previous month
Adams	51	55	7.8
Arapahoe	76	38	-50.0
Boulder	6	12	100.0
Broomfield	4	4	0.0
Denver	50	33	-34.0
Douglas	18	33	83.3
El Paso	76	68	-10.5
Jefferson	39	41	5.1
Larimer	13	15	15.4
Mesa	33	69	109.1
Pueblo	49	47	-4.1
Weld	20	23	15.0
Total	435	438	0.7

Year-over-year comparisons of October foreclosure activity:

Table 3: Foreclosure filings

County	October 2012	October 2013	Year- over-year percent change
Adams	239	79	-66.9
Arapahoe	262	110	-58.0
Boulder	60	17	-71.7
Broomfield	11	7	-36.4
Denver	219	98	-55.3
Douglas	116	68	-41.4
El Paso	310	128	-58.7
Jefferson	181	93	-48.6
Larimer	102	38	-62.7
Mesa	133	74	-44.4
Pueblo	100	92	-8.0
Weld	147	39	-73.5
Total	1880	843	-55.2

Table 4: Foreclosure sales

County	October 2012	October 2013	Year- over-year percent change
Adams	181	55	-69.6
Arapahoe	187	38	-79.7
Boulder	43	12	-72.1
Broomfield	17	4	-76.5
Denver	192	33	-82.8
Douglas	83	33	-60.2
El Paso	199	68	-65.8
Jefferson	146	41	-71.9
Larimer	62	15	-75.8
Mesa	88	69	-21.6
Pueblo	81	47	-42.0
Weld	120	23	-80.8
Total	1399	438	-68.7

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

Table 5: Foreclosure Filings

County	YTD Jan-Oct 2012 Filings	YTD Jan-Oct 2013 Filings	Percent Change from 2012
Adams	2757	1443	-47.7
Arapahoe	3156	1561	-50.5
Boulder	702	349	-50.3
Broomfield	184	91	-50.5
Denver	2695	1403	-47.9
Douglas	1369	661	-51.7
El Paso	3012	1635	-45.7
Jefferson	2308	1180	-48.9
Larimer	959	495	-48.4
Mesa	1107	661	-40.3
Pueblo	1001	695	-30.6
Weld	1410	744	-47.2
Total	20660	10918	-47.2

Table 6: Foreclosure Sales

County	YTD Jan-Oct 2012 Sales	YTD Jan-Oct 2013 Sales	Percent Change from 2012
Adams	1562	791	-49.4
Arapahoe	1612	891	-44.7
Boulder	319	171	-46.4
Broomfield	87	50	-42.5
Denver	1379	670	-51.4
Douglas	608	311	-48.8
El Paso	1524	1021	-33.0
Jefferson	1177	639	-45.7
Larimer	491	254	-48.3
Mesa	733	502	-31.5
Pueblo	688	502	-27.0
Weld	833	474	-43.1
Total	11013	6426	-41.7

Foreclosure sales (completed foreclosure) rates in each county:

October 2013 rates, on the right, are compared with October 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.)

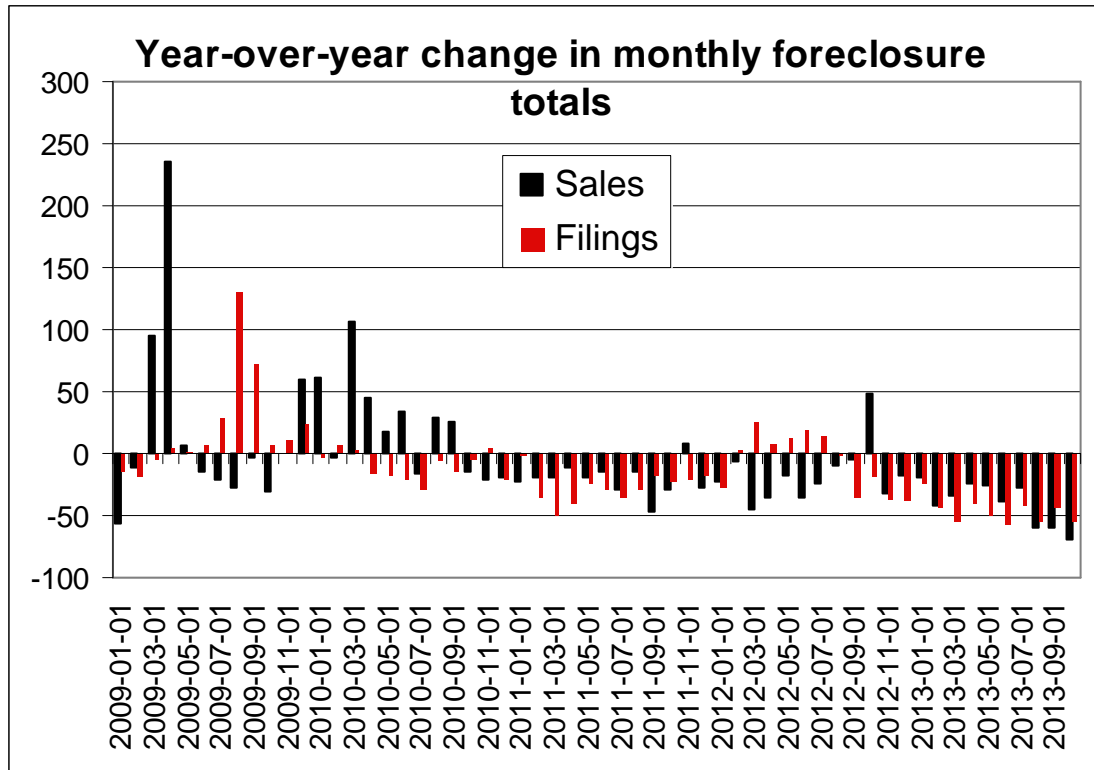
Table 7:

County	October 2012	No. of households per completed foreclosure, 2012	October 2013	No. of households per completed foreclosure, 2013
Adams	181	884	55	2,910
Arapahoe	187	1,246	38	6,131
Boulder	43	2,867	12	10,273
Broomfield	17	1,315	4	5,588
Denver	192	1,451	33	8,442
Douglas	83	1,284	33	3,229
El Paso	199	1,232	68	3,606
Jefferson	146	1,529	41	5,444
Larimer	62	2,013	15	8,319
Mesa	88	663	69	846
Pueblo	81	786	47	1,355
Weld	120	777	23	4,056
Metro total	1,399	1,238	438	3,955

For October 2013, the highest foreclosure rate was found in Mesa 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 October with filings dropping 42.9 percent and foreclosure auction sales dropping 59.5 percent.

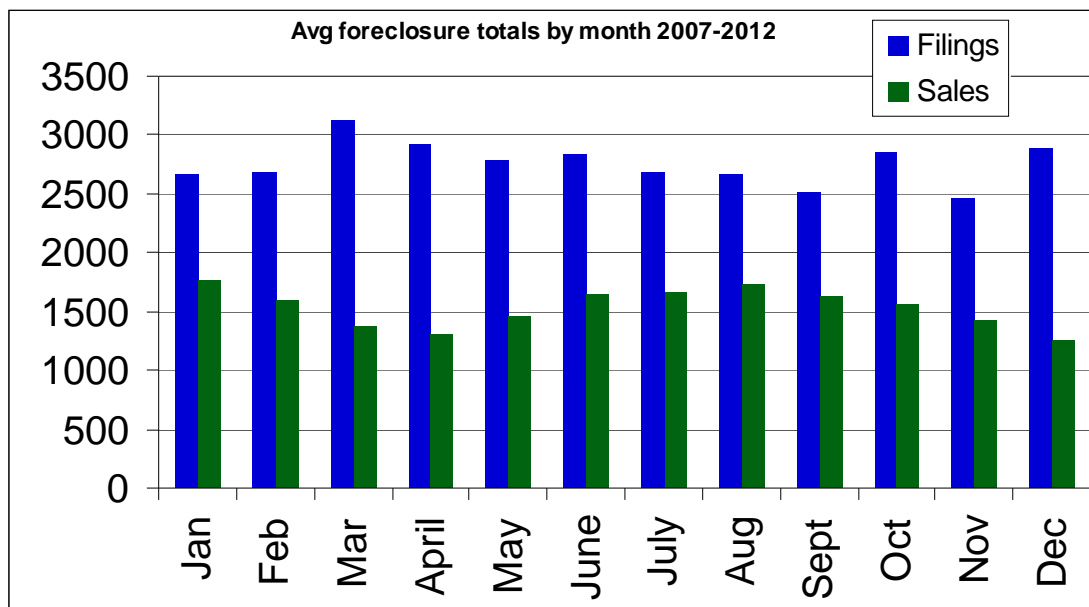
Graph 4:

Appendix: Seasonal Factors

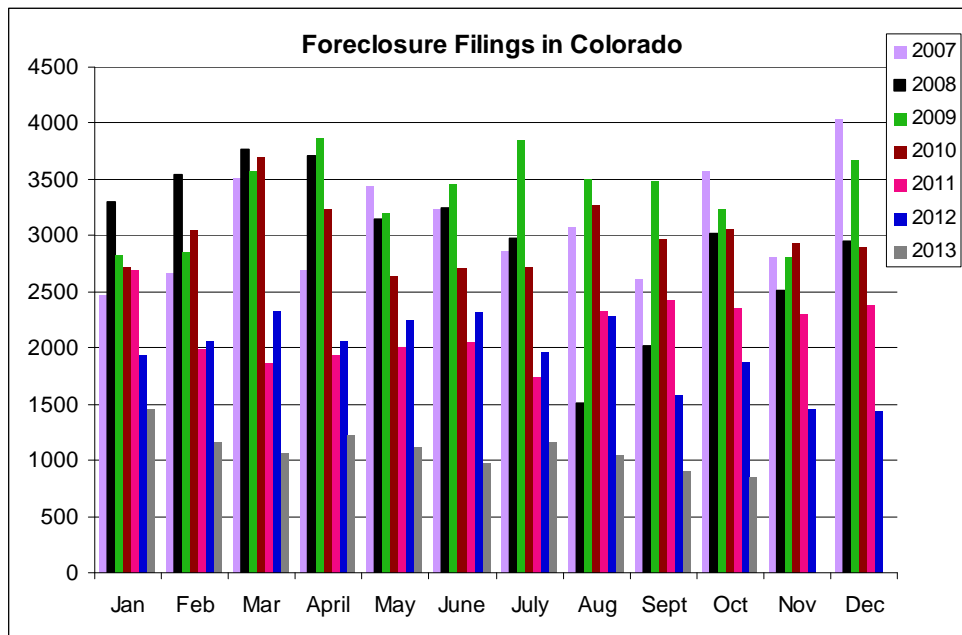
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 October 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 October 2013 was at the lowest October total recorded, and was at a seven-year low for the month. Only April 2008 and September 2013 show a lower number of foreclosure sales for any month recorded.

