

## Monthly Metropolitan Foreclosure Report, November 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 November 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 November.

November 2013 foreclosure filings were down 54.8 percent from November 2012, dropping from 1,450 to 656, year over year.

November 2013 foreclosure sales (completed foreclosures) were down compared to November 2012 with a decrease of 56.1 percent, dropping from 880 to 386, year over year.

For the first eleven months of the year combined, foreclosure filings were down 47.7 percent in 2013 compared to the same period last year. There were 22,110 foreclosure filings during the first eleven months of 2012 and 11,574 during the same period this year.

Foreclosure auction sales were down 42.7 percent comparing the first eleven months of 2013 to the same period last year. There were 11,893 foreclosure sales during the first eleven months of last year and 6,812 during the same period this year.

Filings fell 22.2 percent from October 2013 to November 2013, and auction sales were down 11.9 percent over the same period.

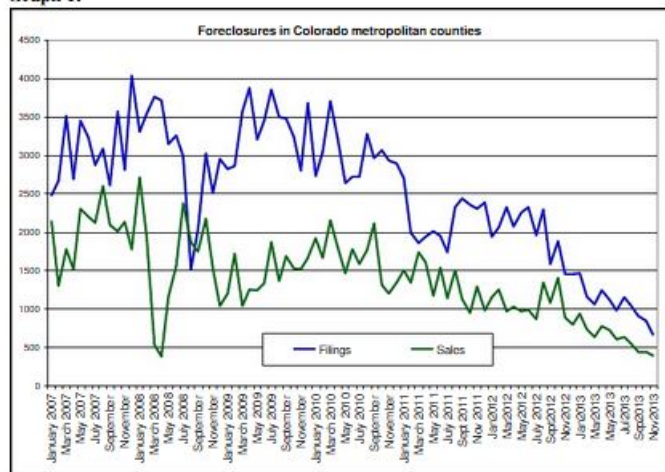
Pueblo County reported the highest foreclosure rate during November, while Boulder County reported the lowest rate. (See Table 7.)

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

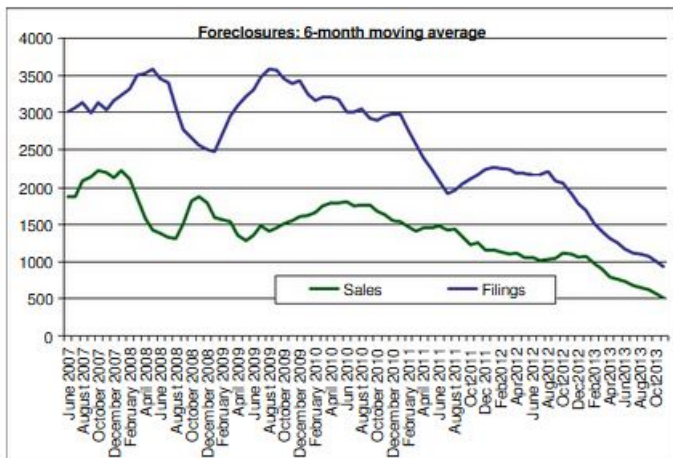
An analysis of a six-month moving average for both filings and sales at auction:

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 November 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 (October 2013 to November 2013):

**Table 1: Foreclosure filings**

County	October	November	Pct Change from previous month
Adams	79	66	-16.5
Arapahoe	110	59	-46.4
Boulder	17	18	5.9
Broomfield	7	12	71.4
Denver	98	93	-5.1
Douglas	68	57	-16.2
El Paso	128	100	-21.9
Jefferson	93	50	-46.2
Larimer	38	24	-36.8
Mesa	74	64	-13.5
Pueblo	92	78	-15.2
Weld	39	35	-10.3
Total	843	656	-22.2

**Table 2: Foreclosure sales**

County	October	November	Pct Change from previous month
Adams	55	42	-23.6
Arapahoe	38	45	18.4
Boulder	12	3	-75.0
Broomfield	4	1	-75.0
Denver	33	74	124.2
Douglas	33	25	-24.2
El Paso	68	47	-30.9
Jefferson	41	34	-17.1
Larimer	15	6	-60.0
Mesa	69	33	-52.2
Pueblo	47	48	2.1
Weld	23	28	21.7
Total	438	386	-11.9

**Year-over-year comparisons of November foreclosure activity:**

**Table 3: Foreclosure filings**

County	November 2012	November 2013	Year- over-year percent change
Adams	197	66	-66.5
Arapahoe	209	59	-71.8
Boulder	49	18	-63.3
Broomfield	10	12	20.0
Denver	200	93	-53.5
Douglas	69	57	-17.4
El Paso	212	100	-52.8
Jefferson	202	50	-75.2
Larimer	54	24	-55.6
Mesa	72	64	-11.1
Pueblo	86	78	-9.3
Weld	90	35	-61.1
Total	1450	656	-54.8

**Table 4: Foreclosure sales**

County	November 2012	November 2013	Year- over-year percent change
Adams	115	42	-63.5
Arapahoe	112	45	-59.8
Boulder	31	3	-90.3
Broomfield	6	1	-83.3
Denver	120	74	-38.3
Douglas	48	25	-47.9
El Paso	173	47	-72.8
Jefferson	71	34	-52.1
Larimer	40	6	-85.0
Mesa	51	33	-35.3
Pueblo	48	48	0.0
Weld	65	28	-56.9
Total	880	386	-56.1

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

**Table 5: Foreclosure Filings**

County	YTD Jan-Nov 2012 Filings	YTD Jan-Nov 2013 Filings	Percent Change from 2012
Adams	2954	1509	-48.9
Arapahoe	3365	1620	-51.9
Boulder	751	367	-51.1
Broomfield	194	103	-46.9
Denver	2895	1496	-48.3
Douglas	1438	718	-50.1
El Paso	3224	1735	-46.2
Jefferson	2510	1230	-51.0
Larimer	1013	519	-48.8
Mesa	1179	725	-38.5
Pueblo	1087	773	-28.9
Weld	1500	779	-48.1
Total	22110	11574	-47.7

**Table 6: Foreclosure Sales**

County	YTD Jan-Nov 2012 Sales	YTD Jan-Nov 2013 Sales	Percent Change from 2012
Adams	1677	888	-47.0
Arapahoe	1724	936	-45.7
Boulder	350	186	-46.9
Broomfield	93	51	-45.2
Denver	1499	744	-50.4
Douglas	656	336	-48.8
El Paso	1697	1136	-33.1
Jefferson	1248	673	-46.1
Larimer	531	275	-48.2
Mesa	784	535	-31.8
Pueblo	736	550	-25.3
Weld	898	502	-44.1
Total	11893	6812	-42.7

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

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

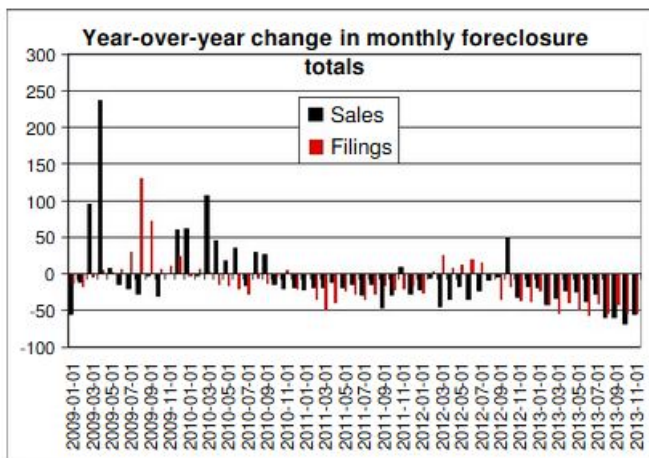
**Table 7:**

County	Nov-12	No. of households per completed foreclosure, 2012	Nov-13	No. of households per completed foreclosure, 2013
Adams	115	1,392	42	3,811
Arapahoe	112	2,080	45	5,177
Boulder	31	3,977	3	41,094
Broomfield	6	3,725	1	22,351
Denver	120	2,321	74	3,764
Douglas	48	2,220	25	4,262
El Paso	173	1,417	47	5,218
Jefferson	71	3,144	34	6,565
Larimer	40	3,120	6	20,797
Mesa	51	1,145	33	1,769
Pueblo	48	1,327	48	1,327
Weld	65	1,435	28	3,332
Metro total	880	1,969	386	4,488

For November 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 November with filings dropping 54.8 percent and foreclosure auction sales dropping 56.1 percent.



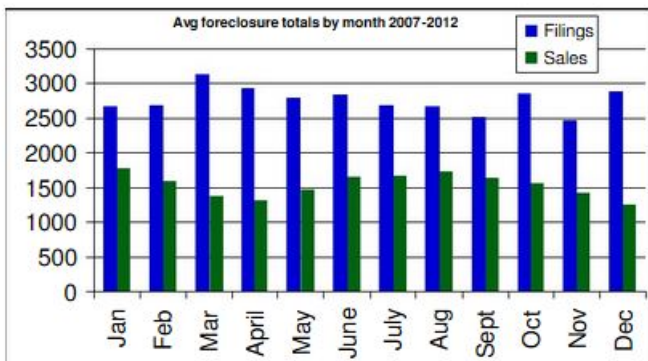
#### Graph 4:

##### Appendix: Seasonal Factors

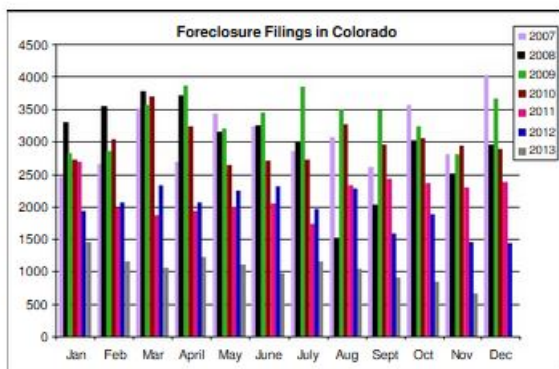
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an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

