

Monthly Metropolitan Foreclosure Report, January 2014 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 January 2014, foreclosure filings were down, year over year, and foreclosure filings remained near the all-time recorded low reported in November 2013. Foreclosure filings inched up from November's and December's lows. Foreclosure auction sales also inched up slightly in January, but remained near all-time lows.

January 2014 foreclosure filings were down 34.3 percent from January 2013, dropping from 1,456 to 957, year over year.

January 2014 foreclosure sales (completed foreclosures) were down compared to January 2013 with a decrease of 37.1 percent, dropping from 930 to 585, year over year.

Filings rose 19.3 percent from December 2013 to January 2014, and auction sales were up 38.0 percent over the same period.

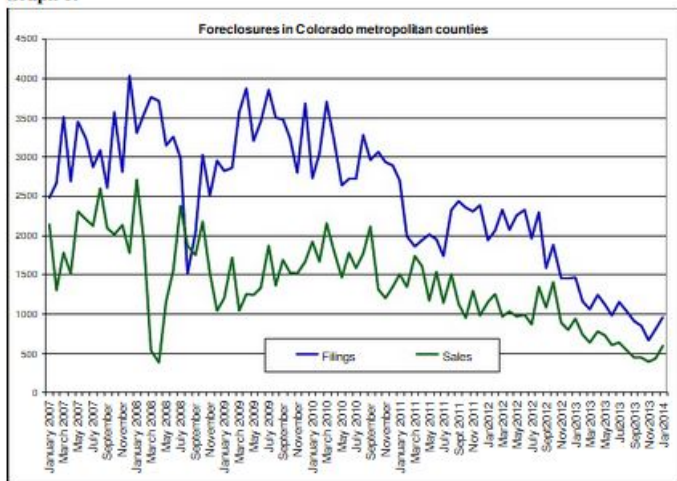
Mesa County reported the highest foreclosure rate during January, while Broomfield County reported the lowest rate. (See Table 7.)

Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- January 2014.

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-January 2014.

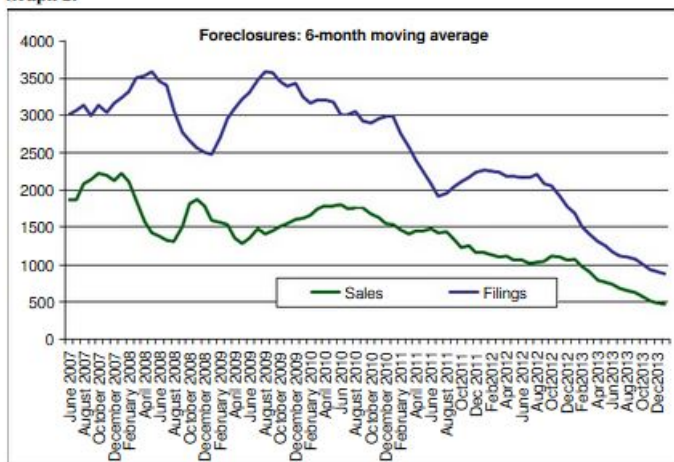
An analysis of a six-month moving average for both filings and sales at auction:

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 (December 2013 to January 2014):

Table 1: Foreclosure filings

County	December	January	Pct Change from previous month
Adams	127	114	-10.2
Arapahoe	80	117	46.3
Boulder	22	27	22.7
Broomfield	6	9	50.0
Denver	120	87	-27.5
Douglas	51	54	5.9
El Paso	126	201	59.5
Jefferson	73	124	69.9
Larimer	38	40	5.3
Mesa	56	51	-8.9
Pueblo	62	58	-6.5
Weld	41	75	82.9
Total	802	957	19.3

Table 2: Foreclosure sales

County	December	January	Pct Change from previous month
Adams	75	68	-9.3
Arapahoe	64	76	18.8
Boulder	15	18	20.0
Broomfield	1	2	100.0
Denver	62	53	-14.5
Douglas	8	25	212.5
El Paso	62	110	77.4
Jefferson	38	63	65.8
Larimer	20	24	20.0
Mesa	29	59	103.4
Pueblo	27	52	92.6
Weld	23	35	52.2
Total	424	585	38.0

Year-over-year comparisons of January foreclosure activity:

Table 3: Foreclosure filings

County	January 2013	January 2014	Year- over-year percent change
Adams	173	114	-34.1
Arapahoe	223	117	-47.5
Boulder	41	27	-34.1
Broomfield	23	9	-60.9
Denver	204	87	-57.4
Douglas	65	54	-16.9
El Paso	214	201	-6.1
Jefferson	186	124	-33.3
Larimer	69	40	-42.0
Mesa	60	51	-15.0
Pueblo	68	58	-14.7
Weld	130	75	-42.3
Total	1456	957	-34.3

Table 4: Foreclosure sales

County	January 2013	January 2014	Year- over-year percent change
Adams	128	68	-46.9
Arapahoe	145	76	-47.6
Boulder	30	18	-40.0
Broomfield	11	2	-81.8
Denver	72	53	-26.4
Douglas	60	25	-58.3
El Paso	175	110	-37.1
Jefferson	77	63	-18.2
Larimer	54	24	-55.6
Mesa	50	59	18.0
Pueblo	60	52	-13.3
Weld	68	35	-48.5
Total	930	585	-37.1

Foreclosure sales (completed foreclosure) rates in each county:

January 2014 rates, on the right, are compared with January 2014 rates on the left. In all counties, foreclosure rates declined from 2013 to 2014. (An increase in the number of households per foreclosure means a decline in the foreclosure rate.)

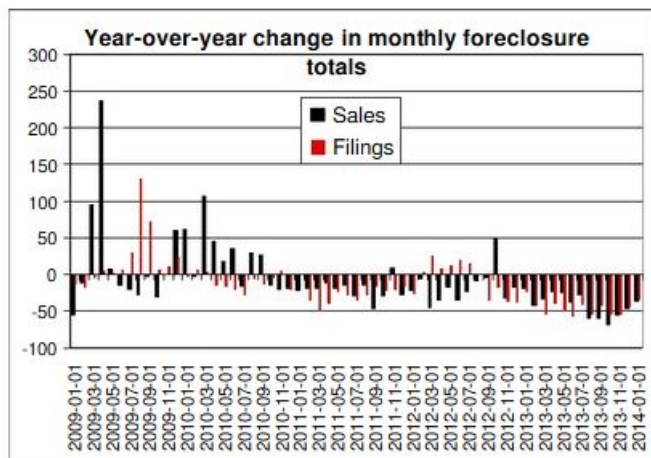
Table 7:

County	January	No. of households per completed foreclosure, 2012	January	No. of households per completed foreclosure, 2013
Adams	128	1,250	68	2,354
Arapahoe	145	1,607	76	3,065
Boulder	30	4,109	18	6,849
Broomfield	11	2,032	2	11,176
Denver	72	3,869	53	5,256
Douglas	60	1,776	25	4,262
El Paso	175	1,401	110	2,229
Jefferson	77	2,899	63	3,543
Larimer	54	2,311	24	5,199
Mesa	50	1,168	59	989
Pueblo	60	1,061	52	1,225
Weld	68	1,372	35	2,665
Metro total	930	1,863	585	2,961

For January 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 January with filings dropping 34.3 percent and foreclosure auction sales dropping 37.1 percent.

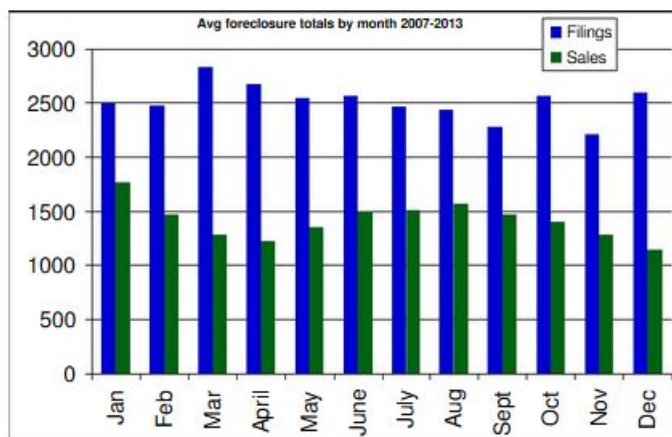
Graph 4:

Appendix: Seasonal Factors

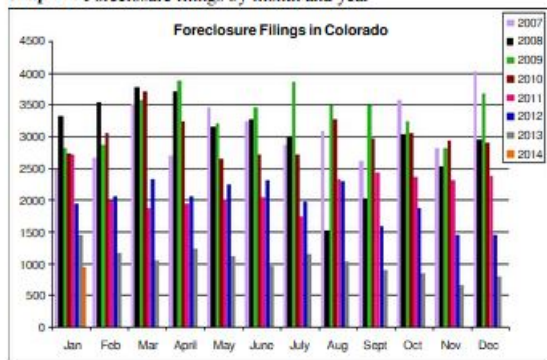
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an increased number of foreclosure filings three to four months later.

Although we only have seven 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 filings activity for January 2014 was at the lowest level recorded in any January since the survey was initiated in 2007. Filings were up from the all-time recorded low reported during November 2013.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during January 2014 was at the lowest January total recorded, and was at a seven-year low for the month.

