

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

May 2014 foreclosure filings were down 31.4 percent from May 2013, dropping from 1,113 to 763, year over year.

May 2014 foreclosure sales (completed foreclosures) were down compared to May 2013 with a decrease of 45.0 percent, dropping from 720 to 396, year over year.

Filings fell 12.9 percent from April 2014 to May 2014, and auction sales were down 15.7 percent over the same period.

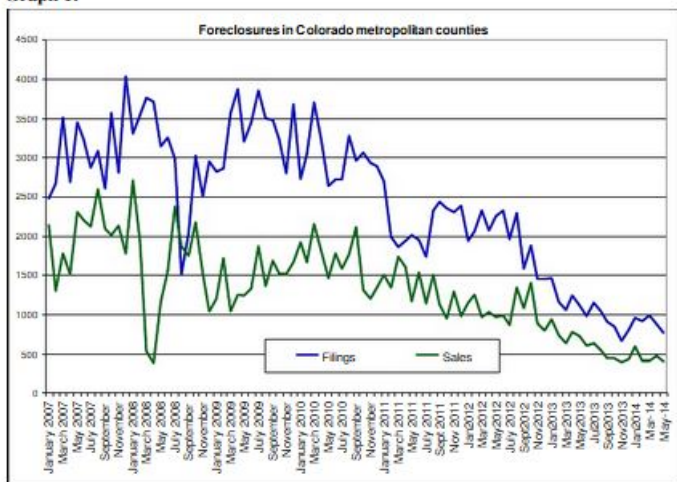
Mesa County reported the highest foreclosure rate during May, while Boulder County reported the lowest rate. (See Table 7.)

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

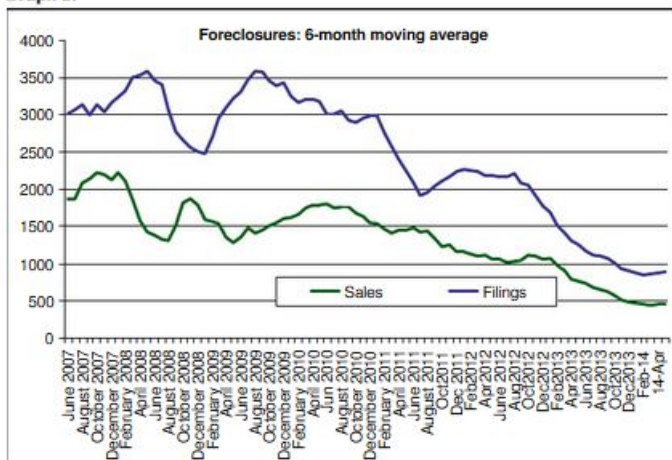
An analysis of a six-month moving average for both filings and sales at auction:

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 (April 2014 to May 2014):

Table 1: Foreclosure filings

County	April	May	Pct Change from previous month
Adams	103	101	-1.9
Arapahoe	149	110	-26.2
Boulder	25	19	-24.0
Broomfield	7	4	-42.9
Denver	136	89	-34.6
Douglas	38	28	-26.3
El Paso	167	141	-15.6
Jefferson	63	91	44.4
Larimer	31	34	9.7
Mesa	45	46	2.2
Pueblo	64	52	-18.8
Weld	48	48	0.0
Total	876	763	-12.9

Table 2: Foreclosure sales

County	April	May	Pct Change from previous month
Adams	70	43	-38.6
Arapahoe	52	48	-7.7
Boulder	12	4	-66.7
Broomfield	2	3	50.0
Denver	49	42	-14.3
Douglas	22	21	-4.5
El Paso	88	82	-6.8
Jefferson	48	36	-25.0
Larimer	12	11	-8.3
Mesa	35	37	5.7
Pueblo	47	38	-19.1
Weld	33	31	-6.1
Total	470	396	-15.7

Year-over-year comparisons of May foreclosure activity:

Table 3: Foreclosure filings

County	May	May	Year-over-year percent change
Adams	146	101	-30.8
Arapahoe	166	110	-33.7
Boulder	32	19	-40.6
Broomfield	4	4	0.0
Denver	144	89	-38.2
Douglas	62	28	-54.8
El Paso	165	141	-14.5
Jefferson	147	91	-38.1
Larimer	47	34	-27.7
Mesa	73	46	-37.0
Pueblo	64	52	-18.8
Weld	63	48	-23.8
Total	1113	763	-31.4

Table 4: Foreclosure sales

County	May	May	Year-over-year percent change
Adams	111	43	-61.3
Arapahoe	102	48	-52.9
Boulder	19	4	-78.9
Broomfield	2	3	50.0
Denver	62	42	-32.3
Douglas	23	21	-8.7
El Paso	135	82	-39.3
Jefferson	65	36	-44.6
Larimer	24	11	-54.2
Mesa	62	37	-40.3
Pueblo	52	38	-26.9
Weld	63	31	-50.8
Total	720	396	-45.0

Year-over-year comparisons for January-May:

Table 5: Foreclosure filings

County	YTD Jan-May 2013 Filings	YTD Jan-May 2014 Filings	Percent Change from 2013
Adams	809	574	-29.0
Arapahoe	874	669	-23.5
Boulder	206	128	-37.9
Broomfield	58	27	-53.4
Denver	763	523	-31.5
Douglas	366	189	-48.4
El Paso	887	892	0.6
Jefferson	686	464	-32.4
Larimer	281	181	-35.6
Mesa	313	238	-24.0
Pueblo	349	306	-12.3
Weld	424	300	-29.2
Total	6016	4491	-25.3

Table 6: Foreclosure sales

County	YTD Jan-May 2012 Sales	YTD Jan-May 2013 Sales	Percent Change from 2013
Adams	498	272	-45.4
Arapahoe	537	268	-50.1
Boulder	115	48	-58.3
Broomfield	27	15	-44.4
Denver	394	237	-39.8
Douglas	186	102	-45.2
El Paso	678	423	-37.6
Jefferson	359	219	-39.0
Larimer	167	77	-53.9
Mesa	278	219	-21.2
Pueblo	256	236	-7.8
Weld	283	140	-50.5
Total	3778	2256	-40.3

Foreclosure sales (completed foreclosure) rates in each county:

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

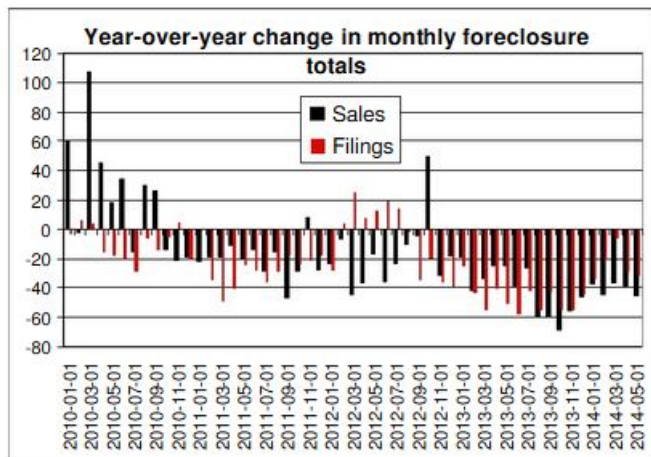
Table 7:

County	May	No. of households per completed foreclosure, 2013	May	No. of households per completed foreclosure, 2014
Adams	111	1,442	43	3,722
Arapahoe	102	2,284	48	4,853
Boulder	19	6,488	4	30,820
Broomfield	2	11,176	3	7,450
Denver	62	4,493	42	6,633
Douglas	23	4,632	21	5,073
El Paso	135	1,816	82	2,991
Jefferson	65	3,434	36	6,200
Larimer	24	5,199	11	11,344
Mesa	62	942	37	1,578
Pueblo	52	1,225	38	1,676
Weld	63	1,481	31	3,009
Metro total	720	2,406	396	4,374

For May 2014, 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 May with filings dropping 31.4 percent and foreclosure auction sales dropping 45.0 percent.

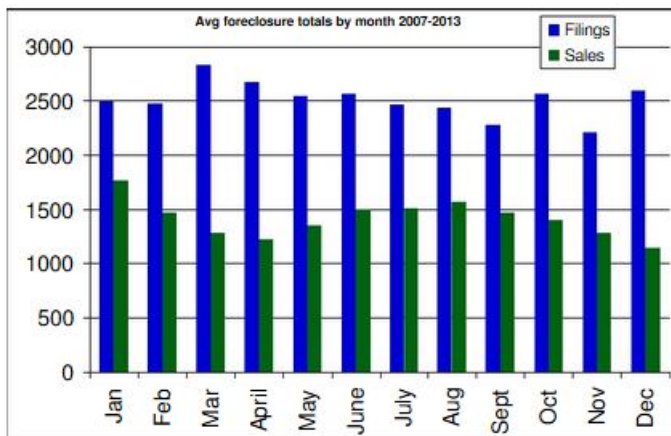
Graph 4:

Appendix: Seasonal Factors

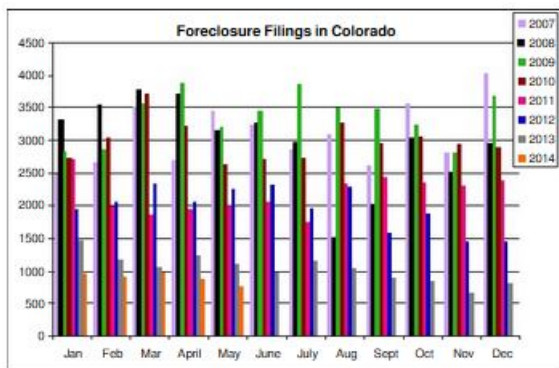
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an 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 May 2014 was at the lowest level recorded in any May since the survey was initiated in 2007.

Graph 6: Foreclosure sales at auction by month and year

The auction sales total during May 2014 was at the lowest May total recorded, and was at an eight-year low for the month.

