

**Vail Daily column: 06/21/14**

### **Foreclosure rates setting record lows in Eagle County**

One measure of the health of the real estate market in Eagle County is the number of foreclosures being handled by the Public Trustee's office. In Colorado, the office of the Public Trustee handles the foreclosure and sale of properties that the owners have defaulted on paying.

Fortunately for homeowners, business is pretty slow over at the Eagle County Trustee's office these days. In fact the number of foreclosures is so low it is breaking records not seen since 2005 at least, which is how far back the current online database goes.

#### **At A Healthy Norm**

So far this year, there have been only 56 foreclosures in Eagle County. By some estimates, there are about 29,000 parcels of property in the county and it is estimated that slightly more than half of them are mortgaged to some degree.

It would appear that we might be on track for about 100 foreclosed properties this year, which is a healthy norm for a county of this size. If it is true that about 15,000 properties in the county carry a mortgage, then we have a foreclosure rate of less than 0.7 percent, which is in line with "the good old days." I remember when I was learning the mortgage business about 20 years ago and attended a seminar on how the whole industry works, and at that time, the statistical default rate was about one-half of 1 percent.

Statistically speaking, the year with the highest number of foreclosures was 2010 with 636, followed by 2011 with 626.

Year to date statistics range from 71 actions in 2005 and 2008 to 283 in 2010. This year we are 20 percent lower than 2005 and 2008. 2012 had 264 and 2013 saw 112 year to date. We are at nearly half the rate of this past year at this time.

And as Realtors and would-be homeowners will tell you, inventory is getting slim out there. While there are still about 1,800 properties to choose from, many areas have only a few homes for sale.

#### **Buying Confidence**

Low mortgage rates have played a huge part in the recovery, but the deeper reason is that consumers now have confidence that their jobs are secure and their retirement accounts and other assets are at least stable. Increased market activity also means that someone who does need to sell usually can before the home goes into foreclosure.

The continued return of private equity to the mortgage markets bodes well for making loans available to more borrowers and increasing levels of home ownership.

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