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Foreclosures climbing

By Alicia Wallace
Camera Business Writer

More Boulder County residents defaulted on their home loans in October than they have during any month in the past decade.

The 107 foreclosures reported by the Boulder County Public Trustee's Office even bested August's 103 fil-

Boulder County real estate observers expect peak this year, possibly 2008

ings — which previously held the dubious 10-year high honor. Only 10 months into the year, 2007 already is Boulder County's worst year in re-

ported foreclosures since the late 1980s.

The trend should continue, local housing industry observers say, pos-

sibly through next year.

"I expect a foreclosure peak either this year or next year," said Lo Barnes, a veteran mortgage lender and co-owner of the local Boulder West Financial Services.

Foreclosures sometimes serve as

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lagging indicator of economic conditions, he said, noting the current troubles in the loan-servicing industry.

While the national real estate portrait continues to be splashed with dark, gloomy predictions on a weekly basis, Barnes and others say there might be a bit of a silver lining in Boulder County. The Boulder area, often countercyclical to national trends, started feeling the pinch before other regions out-of-state, Barnes said, adding he has noticed the supply of "bad mortgage ideas" has been choked off and new construction came to a bit of a halt this year.

"We were early to the party, and with any luck, we'll be early to leave it," he said. "But I'm afraid that the Front Range of Colorado is a good predictor for what's ahead" in places such as California, New York, Arizona and Washington, D.C.

In a time when the chief of Wells Fargo compares the housing slump to that of the Great Depression, local Realtor Mike Scott says the doom and gloom is not necessarily the case locally.

"Of our 40 to 50 agents, we have some that are doing very, very well, and some that are struggling," said Scott, managing broker of Re/Max Alliance in Louisville. "The nuts and bolts of it is that certainly homes are selling, it's just a different environment we're working in today."

So far this year, there have been 805 reported foreclosures in Boulder County, up nearly 22 percent from this time last year, according to Public Trustee records. In all of 2006, there were 790 foreclosures reported.

Still, even if Boulder continues at the 100-plus rate per

Foreclosures by the numbers

Annual foreclosure totals in Boulder County	Boulder County's monthly foreclosures, 2007	October foreclosures by city
1995 126	January 64	Boulder 20
1996 167	February 68	Erie 3
1997 222	March 84	Lafayette 7
1998 214	April 76	Longmont 69
1999 209	May 65	Louisville 6
2000 193	June 70	Nederland 1
2001 231	July 81	Ward 1
2002 291	August 103	
2003 487	September 87	
2004 523	October 107	
2005 19		
2006 790		
2007* 805		

* through October

Source: Boulder County Public Trustee's Office

month, 2007 might not be the harshest year on record. For that to happen, it would need to surpass the 1,080 foreclosures reported in 1988.

The majority of October's foreclosures reported in Boulder County were addresses in Longmont, a familiar sight among the increases of the past couple of years.

"Longmont is trying to recover from significant primary job losses and considerable new construction," said Ken Hotard, senior vice president of public affairs for the Boulder Area Realtor Association. "And so that creates a pretty good challenge for them."

By comparison, Boulder County's foreclosure situation is one of the rosier among metro counties in the state.

During the first six months of the year, Boulder County's home loan default rate was one foreclosure for every 264 households, according to a Colorado Division of Housing report released in August. Other rates included Broomfield County's 1 per 160 homes, Denver County's 1 per 60 homes, Adams County's 1 per 45 homes, El Paso Coun-

ty's 1 per 123 homes, and Weld County's 1 for every 62 homes.

In Weld, there were 299 foreclosures reported during the month of October, the most so far this year, said Susie Velasquez, the county's public trustee.

Excessive land subdivision has helped fuel the foreclosure glut in the Front Range, said Boulder West Financial's Barnes, noting this has occurred particularly in the area he calls the "foreclosure belt," near the Interstate-25 North corridor that includes counties such as Weld, Adams and Arapahoe.

The effects from the subdivisions are "going to be with us for a long time, and will tend to inhibit future appreciation," Barnes said.

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