

Report: Fewer Valley homeowners have negative equity

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Written by Business Journal Staff

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A report released today by CoreLogic showed that in Fresno, 27,922 residential properties with a mortgage — or 18.6 percent — were in negative equity as of Q1 2015 compared with 33,082, or 22 percent, in Q1 2014 and 28,386, or 18.8 percent, in Q4 2014.

An additional 4,532 — or 3.0 percent — of Fresno properties were in near negative equity for Q1 2015, compared with 5,117, or 3.4 percent, in Q1 2014 and 4,653, or 3.1 percent, in Q4 2014, according to the CoreLogic report.

Negative equity, often referred to as "underwater" or "upside down," means a borrower owes more on their mortgages than their home is worth. Negative equity can occur because of a decline in value, an increase in mortgage debt or a combination of both.

In the Visalia-Porterville area, 10,855, or 15.8 percent, of all residential properties with a mortgage were in negative equity as of Q1 2015, compared with 12,496, or 18.2 percent, in Q1 2014 and 11,994, or 17.4 percent, in Q4 2014.

According to the report, an additional 2,205 Tulare county properties — or 3.2 percent — were in near negative equity for Q1 2015 compared with 2,399, or 3.5 percent, in Q1 2014 and 2,338, or 3.4 percent, in Q4 2014.

Across the U.S., 254,000 properties regained equity in the first quarter of 2015, bringing the total number of mortgaged residential properties with equity at the end of Q1 2015 to approximately 44.9 million, or 90 percent of all mortgaged properties.

Nationwide, borrower equity increased year over year by \$694 billion in Q1 2015. The total number of mortgaged residential properties with negative equity is now at 5.1 million, or 10.2 percent of all mortgaged properties. This compares to 5.4 million homes, or 10.8 percent, that had negative equity in Q4 2014, a quarter-over-quarter decrease of 4.7 percent. Compared with 6.3 million homes, or 12.9 percent, reported for Q1 2014, the number of underwater homes has decreased year over year by 1.2 million, or 19.4 percent.

"Many homeowners are emerging from the negative equity trap, which bodes well for a continued recovery in the housing market," said Anand Nallathambi, president and CEO of CoreLogic. "With the economy improving and homeowners building equity, albeit slowly, the potential exists for an increase in housing stock available for sale, which would ease the current imbalance in supply and demand. There are still about 5 million homeowners who are underwater and we estimate that a further 5 percent appreciation in home values across the U.S. would reduce the number of owners with negative equity by about one million."

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