

More than quarter of El Dorado, Placer homeowners under water

By Hudson Sangree, Sacramento Bee

The number of Sacramento-area homeowners who owe more than their homes are worth continued tumbling in the first three months of this year, real estate tracking firm Zillow reported this week.

In the first quarter of 2013, there were 140,857 homes in so-called negative equity in the Sacramento region, the Seattle-based firm reported. That was down from 156,840 homes in negative equity in the fourth quarter of 2012, it said.

Rising prices, caused by a limited supply of homes for sale and more homebuyers entering the market, are pushing thousands of area homeowners into positive equity.

Zillow's negative equity forecast predicts the number of homeowners who are underwater on their mortgages will continue falling this year, freeing 40,000 more homeowners from negative equity by the first quarter of 2014.

In the four-county region, Sacramento County remained the most underwater. Nearly 42 percent of Sacramento homeowners with mortgages owed more than their homes were worth in the first quarter, Zillow said.

In Placer and El Dorado counties, about 29 percent of homeowners were underwater.

In Yolo County, 37 percent of homeowners remained in negative equity in the first three months of this year.

About 15 percent of homeowners in the region still owe at

least double what their houses are worth, while about 34 percent are only slightly underwater, Zillow said.