## CONTRA COSTA TIMES

## **More Bay Area homes** going underwater

## By George Avalos Oakland Tribune

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More Bay Area homes are under water -- meaning their value is sunk below the amount of their mortgage -- a survey released Monday by Zillow. com shows.

During the first quarter of 2011, Zillow reported, 25.7 percent of homes in the nine-county Bay Area suffered from negative equity, worse than the 22.4 percent in the same quarter last year.

"We won't see a bottom in home values until 2012 or later," said Stan Humphries, chief economist with Zillow, which tracks residential property values.

Zillow reported that 38 percent of homes in Contra Costa County were under water in the first guarter. That compared to the 37.9 percent figure of a year ago.

In Alameda County, 22.8 percent of homes were under water during the first quarter of this year. That was worse than the 21 percent with negative equity in the January-March period of 2010.

"Home values are still a problem," said Don Morton, an agent with Danville-based Empire Realty Associates. "People are losing equity every day."

The weakest region in the Bay Area was Solano County, where 58.4 percent of the homes were under water in the first quarter, Zillow reported. A year ago, 53.4 percent of homes were under water in Solano County.

San Joaquin County had a first-quarter negative equity number of 57.5 percent of the homes. That was worse than the level from a year ago of 56.9 percent, Zillow reported.

"Nobody expects this market

to come around this year," Morton said.

In Santa Clara County, 14.7 percent of the homes were under water in the first quarter, worse than the 14 percent a year ago.

Zillow said that 17.5 percent of homes in San Mateo County suffered from negative equity, compared with 11 percent a year ago.

Some observers hope that the erosion in home values and the renewed rise in houses being under water are about to subside.

They point to a modest easing for mortgages that are delinquent for 30 to 60 days.

"You would hope that this is the worst of the negative equity wave passing through," said Doug Nesbit, an official with San Ramon-based CMG Mortgage. "Maybe things will be a little better going forward."

Nevertheless, homeowners who live in Solano and Contra Costa counties will have to tread water for a considerable time.

"The negative equity in some of those areas is shockingly high," Nesbit said.

The housing bubble was particularly pronounced in Solano and San Joaquin counties and the eastern sections of Contra Costa.

"The numbers just show you how out of whack home values got in Contra Costa," Nesbit said.







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Area. The chart lists the percent of homes in a r to the chart lists the percent of homes in a r to the chart lists and lists an investment and quick profit," Nesbit said. "Others thought they could rent out those houghes. Itst quarter 2011 1st quarter 2010

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Bay Area home values in the January-March quarter of 2011 fell 8.4 percent below the values in the same quarter the year before.

"Home-value declines are currently equal to those we experienced during the darkest days of the housing recession," Humphries said.

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