Seriously underwater homes dropped by 0.8 percent in 2017

Attom Data Solutions today released its 2017 U.S. Year-End Home Equity and Underwater analysis, which revealed that the number of seriously underwater properties — meaning they had a loan-to-value (LTV) of 125+ — decreased 0.3 percent year-over-year in Q4 2017 to 9.3 percent, the smallest year-over-year decrease in the share of seriously underwater properties since Attom began tracking in Q1 2012.

Meanwhile, 25.4 percent of U.S. properties were equity-rich (LTV of 50 or less), a 0.8 percent gain from Q4 2016 and the smallest year-over-year increase since Q3 2015.

Furthermore, the share of homeowners with at least 20 percent equity dropped 1.1 percentage points year-over-year while the share of homeowners with between 10 percent equity and 10 percent negative equity increased 1.1 percentage points from Q4 2016, something Attom says is the result of homeowners leveraging their equity to move up into a better home.

On the state-by-state level, Colorado (4.0 percent), California (4.2 percent), Oregon (4.2 percent), Washington (4.2 percent) and Hawaii (4.6 percent) had the lowest percentage of seriously underwater homes while Louisiana (19.3 percent), Kansas (16.2 percent), Mississippi (16.2 percent), Iowa (16.0 percent) and Illinois (15.1 percent) had the highest.

Out of the 100 largest Metropolitan Statistical Areas, San Jose (1.4 percent), San Francisco (2.2 percent), Denver (2.6 percent), Portland (2.8 percent) and Salt Lake City (2.9 percent) had the lowest percentage of seriously underwater homes, while Pittsburgh, Baton Rouge, Scranton, Youngstown and New Orleans had levels ranging from 17.4 to 21.3 percent.

Lastly, Hawaii, California, New York, Washington and Oregon are the most equity rich states with anywhere from 31.6 to 41.7 percent of homes having a loan-to-value of 50 or less, and four California metropolitan statistical areas (MSAs) — San Jose, San Francisco, Los Angeles and San Diego — had the highest shares of equity-rich homes.

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Louisiana (14.0 percent), Oklahoma (15.1 percent), Georgia (15.6), Alabama (15.9 percent) and Kansas (15.9 percent) had the least percentage of equity-rich properties on the state level, and one Lousiana MSA (Baton Rouge) and two Oklahoma MSAs (Tulsa and Oklahoma City) were at the bottom of the list of equity-rich cities.

See where your city ranks here.

About the analysis

The Attom Data Solutions U.S. Home Equity and Underwater report provides counts of residential properties based on several categories of equity — or loan to value (LTV) — at the state, metro, county and ZIP code level, along with the percentage of total residential properties with a mortgage that each equity category represents. The equity/LTV is calculated based on record-level open loan data and record-level estimated property value data derived from publicly recorded mortgage and

deed of trust data collected and licensed by Attom Data Solutions nationwide for more than 150 million U.S. properties.

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