

47 percent of South Florida homeowners underwater on mortgages

BY MONICA HATCHER

mhatcher@MiamiHerald.com

As home values continue to show declines compared to a year ago, the percentage of South Florida homeowners underwater in their mortgages grew between the first and second quarter of the year, figures from Zillow.com show.

Forty-seven percent of all single-family homeowners with mortgages in Miami-Dade and Broward were in a negative equity position at the end of the second quarter, meaning they owed more on their mortgages than their homes would likely fetch on the market.

That's up from 44 percent at the end of the first quarter, according to the Web-based real estate services firm. The firm does not do a similar analysis for condo owners.

Negative equity has become one of the chief reasons homeowners enter foreclosure. Discouraged by falling home prices and the prospect of making hefty payments on an impaired asset, many decide to walk away from the debt.

Zillow.com derives its numbers by comparing mortgage documents with sales information and comparables for each property. Some analysts have said the figures could be slightly exaggerated since the research assumes borrowers are making only minimum payments.