Report: Foreclosures Linked to Rising Crime Levels

MARCH 1, 2013 BY MIKE WHEATLEY LEAVE A COMMENT

The suspicion that the number of foreclosures in a neighborhood can be correlated with an increase in crime has been around for some time, but according to a recent report the connection would seem to be even stronger than first thought.

Researchers from New York University’s Furman Center for Real Estate & Urban Policy have found that as few as just three foreclosures in one neighborhood can lead to increased levels of crime in that locale. This assertion follows a study that looked at home foreclosure filings and auctions impacted neighborhoods across New York City.

The extensive study involved mapping some 96,000 “blockfaces” in the city, defined as two sides of a block across the street from one another, before mapping all foreclosures between 2003 and 2010. This information was then layered onto a map of all reported crimes in New York City.
between 2004 and 2008, in order to give researchers an idea of how foreclosures and crime are related.

The ‘foreclosure-crime’ map revealed that home repossessions do indeed appear to be linked to higher levels of criminal activity. By crunching the data, researchers were able to show that just a single foreclosure in a neighborhood would cause a 0.7% increase in overall crime, with violent crime rising by 1.5% and public order crimes increasing by 0.8% in comparison to those neighborhoods without any foreclosed homes.

Researchers then looked at the question of whether or not foreclosures actually lead to crime, rather than just associating with it. To do so, they examined whether or not future foreclosure filings had any impact on crime levels before the filing went out – almost conclusively, the study showed that they do not.

The report concludes:

“Our findings show that multiple foreclosures on a single blockface lead to an increase in violent and public-order crime, particularly in areas that have moderate to high existing crime rates. These findings warrant attention from government and community groups working in communities hard hit by the foreclosure crisis.”

The author suggests that while police and community groups concerned with combating high levels of crime should focus on neighborhoods with higher levels of foreclosure, the best course of action is to deal with the problem at its source – by helping homeowners to resolve their foreclosure cases more quickly with loan modifications and/or short sales, not only does it benefit the homeowners themselves but also the greater community.