

Media Contact:
Shannon Moriarty
shannon.moriarty@nyu.edu
212-998-6492

NYU Furman Center Report Describes New York City Properties Affected by Sale of Tax Liens

Between 2010 and 2015, municipal property tax lien sales affected over 15,000 properties and roughly 43,600 residential units in New York City.

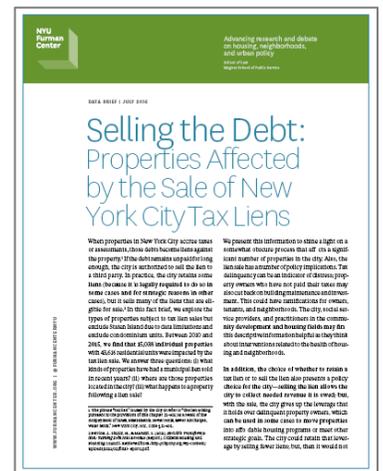
New York, NY: A brief released today by the [NYU Furman Center](#) describes the process of tax lien sales in New York City, which affected over 15,000 properties and roughly 43,600 residential units between 2010 and 2015.

The report, [Selling the Debt: Properties Affected by the Sale of New York City Tax Liens \(PDF\)](#), sheds light on New York City's sale of unpaid municipal debts. The sale of tax liens in New York City has generated substantial revenue for the city; between 1997 and 2015, the city raised more than \$1.3 billion. However, the city also has the power to remove liens eligible for sale from the lien sale list. Most notably, properties that meet a statutory definition of distressed cannot have liens sold. For these, the city must either foreclose on the lien itself or monitor the property for rehabilitation and preservation of the housing.

The report describes the characteristics of properties with liens sold in New York City between 2010 and 2015, including the property type, their location, and the outcome following the lien sale. The report finds that, between 2010 and 2015, tax lien sales were concentrated in central and eastern Brooklyn and southeast Queens. It separately analyzes the lots in New York City with two or more liens sold between 2010 and 2015, because the existence of multiple years of unpaid municipal debts may indicate a higher level of financial and/or physical distress.

"Tax delinquency can be a warning that a property is in distress, because property owners who have not paid their taxes may also cut back on building maintenance," said [Jessica Yager](#), Executive Director of the NYU Furman Center and co-author of the report. "This could affect the stability of housing, as well as the health and vitality of neighborhoods."

Decisions about the lien sale also present a tradeoff for the city.



“Selling liens allows the city to collect revenues it is owed,” said Yager. “But in selling tax liens, the city forfeits the leverage that it holds over delinquent property owners, which can be used in some cases to move properties into affordable housing programs.”

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REPORT PDF: [Selling the Debt: Properties Affected by the Sale of New York City Tax Liens \(PDF\)](#)

REPORT URL: <http://furmancenter.org/thestoop/entry/new-report-describes-new-york-city-properties-affected-by-sale-of-tax-liens>

MEDIA CONTACT: Shannon Moriarty, shannon.moriarty@nyu.edu, 617-824-0069

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About the NYU Furman Center

The NYU Furman Center advances research and debate on housing, neighborhoods, and urban policy. Established in 1995, it is a joint center of the New York University School of Law and the Wagner Graduate School of Public Service. More information can be found at furmancenter.org and [@FurmanCenterNYU](#).