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NYU'S FURMAN CENTER REPORT FINDS CITYWIDE HOME PRICES DECLINE BUT FEWER FORECLOSURES

NYU's Furman Center for Real Estate and Urban Policy's Quarterly Housing Update reports that housing prices declined between the last quarter of 2010 and the first quarter of 2011 in every borough except Queens, where prices remained essentially flat. Manhattan home prices declined 1.7 percent in the first quarter of 2011, but were still 2.5 percent higher than in the first quarter of 2010, and only 11 percent lower than in the peak of the market. Home values in the Bronx and Queens have each depreciated by almost a third since their peaks in the second quarter of 2007 and fourth quarter of 2006, respectively.

The volume of home sales continued to decline in every borough compared to the previous year. Citywide sales volume dropped by 17.4 percent between the fourth quarter of 2010 and the first quarter of 2011, and 25.8 percent from the first quarter of 2010. In Manhattan there were 29 percent fewer sales in the first quarter of 2011 than during the first quarter of 2010.

Housing construction remains very slow, with only 159 units authorized by new building permits throughout the city during the quarter. More than twice as many units were authorized in the previous quarter.

Although the New York City housing market still appears to be showing signs of distress, the number of foreclosures is down citywide. "New foreclosure notices have declined for three straight quarters, and foreclosures in Queens are down 25.8 compared to the first quarter of 2010," said Vicki Been, faculty director of NYU's Furman Center for Real Estate and Urban Policy. "But, two-to-four family homes, which often include tenants, are increasingly likely to receive foreclosure notices; 52 percent of properties affected by foreclosure last quarter had between two and four units."

Brooklyn and Queens continue to be the hardest hit boroughs; residents of the two boroughs together made up 58 percent of the nearly 9,000 households potentially affected by foreclosure. The number of single family homes in Queens that received more foreclosure notices, however, was greater than the total of every other borough combined.

The Quarterly Housing Update is unique among New York City housing reports because it incorporates sales data, new construction indicators, and foreclosures. It also presents a repeat sales index for each borough to capture price appreciation while controlling for housing quality. This publication is available on a quarterly basis, and provides comparison data from the previous quarter and the same quarter in the previous year.

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About the Furman Center for Real Estate and Urban Policy

The Furman Center for Real Estate and Urban Policy is a joint center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service at NYU. Since its founding in 1995, the Furman Center has become the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development. The Furman Center is dedicated to providing objective academic and empirical research on the legal and

public policy issues involving land use, real estate, housing and urban affairs in the United States, with a particular focus on New York City. More information on the Furman Center can be found at: <http://furmancenter.org>