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REPORT: Concentrated Foreclosures Lead to an Increase in Neighborhood Crime

NYU's Furman Center for Real Estate & Urban Policy finds three or more foreclosures on a block cause crime to increase

NEW YORK, NY—Neighborhoods with concentrated foreclosures experience an increase in crime with each new foreclosure notice issued, according to a [new report](#) by **NYU's Furman Center for Real Estate and Urban Policy**. The study found that the effects are pronounced in hardest hit neighborhoods; that is, those with concentrated foreclosures and those with preexisting moderate or high crime levels.

Using New York City foreclosure data from 2003-2010 and crime data from 2004-2008, researchers found that for each property receiving a foreclosure notice, the immediate neighborhood saw a 0.7 percent increase in total crime, a 1.5 percent increase in violent crime, and a 0.8 percent increase in public order crime.

“This research indicates that foreclosures are not just an issue affecting individual homeowners; they threaten the stability of the surrounding neighborhood as well,” said Furman Center Co-Director Ingrid Gould Ellen.

The study found that properties receiving foreclosure notices that will end up going to auction have a larger effect on communities as they go through the foreclosure process than properties receiving foreclosure notices that are resolved before auction. The study also found that properties that went all the way through the foreclosure process to auction were associated with a larger increase in crime—a 1.3 percent increase in total crime, a 2.6 percent increase in violent crime, and a 2.6 percent increase in public order crime.

“As they make their way through the process the properties that will result in auctions do more harm than those that will avoid an auction,” said Ellen. “This suggests that finding ways to help

homeowners avoid foreclosure and resolve their cases more quickly might go a long way to addressing the effects we see.”

The report also suggests that policing and community stabilizing efforts should prioritize areas with concentrated foreclosures, especially those where crime rates are already moderate to high.

Policy brief now available: [Do Foreclosures Cause Crime? \(PDF\)](#)

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*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. The Furman Center is the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development, and is dedicated to providing objective academic and empirical research. More information on the Furman Center can be found at www.furmancenter.org.*