

The State of Homeowners and Their Homes

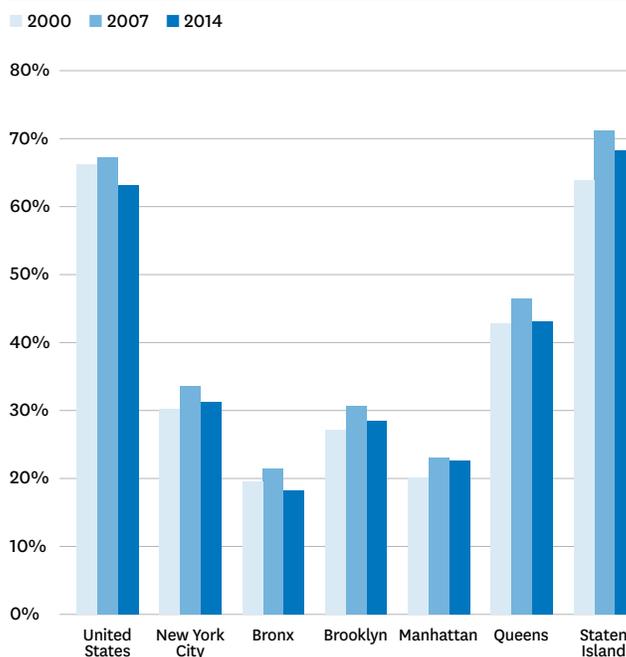
In 2015, home prices rose, the number of home sales dropped, and the number of foreclosures fell slightly but remained elevated compared to the years prior to the foreclosure crisis. Sales prices were higher in 2015 than in the previous year for residential properties in all boroughs. Prices were also higher across all property types, though the largest increase in prices was for multifamily buildings with five or more units. Close to 50 percent of mortgage-related foreclosure filings in 2015 were on properties that had received a foreclosure filing in the last six years with no change in ownership during that time, indicating prolonged homeowner distress. Pre-foreclosure notices, which indicate risk of foreclosure filings in the future, fell for a fourth year in a row in all boroughs.

HOMEOWNERSHIP FINDING #1

New York City's homeownership rate declined since peaking during the housing boom, but in 2014 remained above 2000 levels.

Between 2000 and 2014, the U.S. homeownership rate fell by about three percentage points. By contrast, the homeownership rate in New York City in 2014 was one percentage point above where it was in 2000, after experiencing a nearly four-percentage-point jump during the housing boom, as Figure 1 shows. Of the New York City boroughs, Staten Island saw the largest increase in its homeownership rate between 2000 and 2007 (+7.4 percentage points), and its rate in 2014 was the highest compared to its homeownership rate in 2000 (+4.4 percentage points). The Bronx was the only borough where the homeownership rate was lower in 2014 than in 2000 (-1.4 percentage points).

Figure 1: Homeownership Rate by Borough



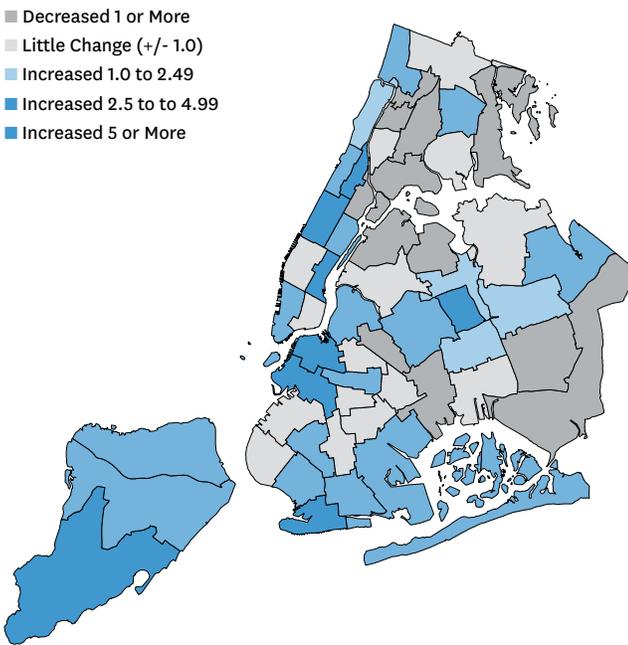
Sources: United States Census (2000), American Community Survey (2007, 2014), NYU Furman Center

**HOMEOWNERSHIP
FINDING #2**

Homeownership rates increased in some New York City neighborhoods between 2000 and 2014.

The neighborhoods with the largest increase in homeownership rates between 2000 and 2014 were Park Slope/Carroll Gardens (BK 6, +8.4 percentage points), Rego Park/Forest Hills (QN 6, +7.0 percentage points), Coney Island (BK 13, +6.9 percentage points), the Upper West Side (MN 7, +6.9 percentage points), and Fort Greene/Brooklyn Heights (BK 2, +5.8 percentage points). The largest decline in homeownership occurred in Throgs Neck/Co-op City (BX 10) in the eastern Bronx, where the homeownership rate dropped from 45.5 percent in 2000 to 41.5 percent in 2014.

Figure 2: Change in Homeownership Rate by Sub-Borough Area, 2000-2014



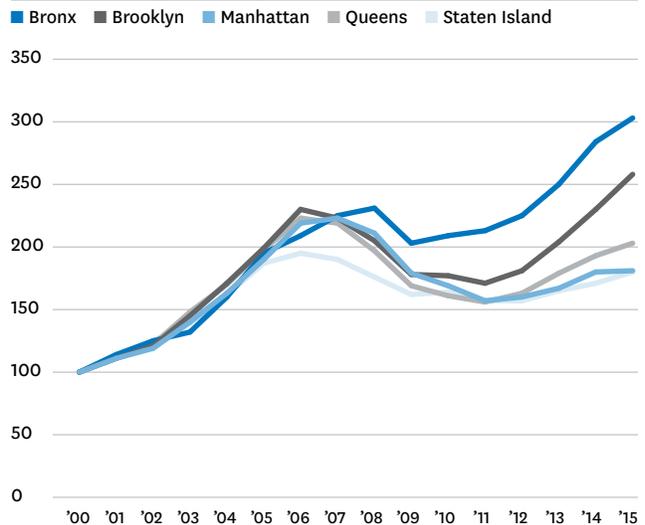
Sources: United States Census (2000), American Community Survey (2014), NYU Furman Center

**HOME SALES
FINDING #3**

In 2015, home prices were up in all of New York City's boroughs.

All of New York City's boroughs saw an increase in home prices between 2014 and 2015, though the magnitude of the price growth varied significantly across boroughs, as shown in Figure 3. As measured using our index of housing price appreciation, prices grew the most in Brooklyn, with a 12 percent increase since the previous year; followed by Manhattan with a seven percent increase; Queens and Staten Island with five percent increases; and, finally, the Bronx with a one percent increase. By 2015, only Brooklyn and Manhattan had exceeded their pre-recession peaks (which occurred in 2006 for Brooklyn and 2008 for Manhattan), with indexed housing price values growing 15 and 35 percent, respectively, since 2007. Home prices in the Bronx were 19 percent lower in 2015 than they were in 2007 at that borough's peak. While housing prices appreciated at relatively similar rates across boroughs between 2000 and 2005, since then appreciation rates have diverged. Between 2000 and 2005, the average residential property in Staten Island appreciated by 87 percent, while the average residential property in Manhattan appreciated by 95 percent. Between 2005 and 2015, however, properties in Staten Island depreciated by an average of four percent, while properties in Manhattan appreciated by 56 percent.

Figure 3: Index of Housing Price Appreciation for All Residential Property Types (Except Cooperatives) by Borough (Index = 100 in 2000)



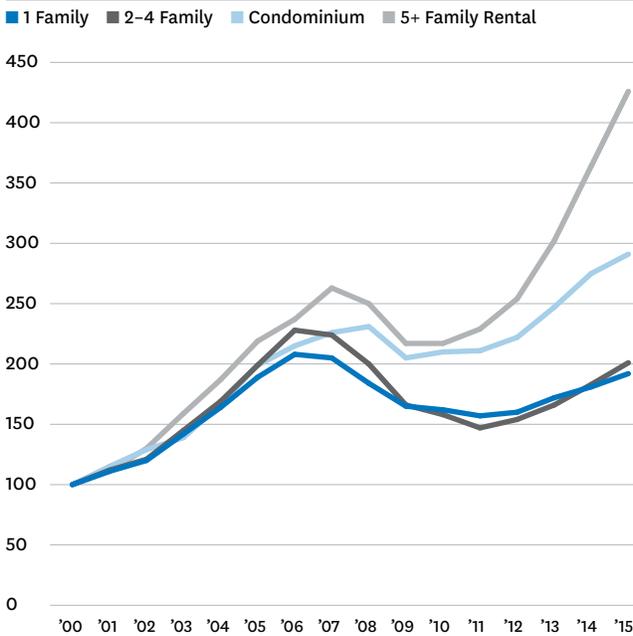
Sources: New York City Department of Finance, NYU Furman Center

HOME SALES
FINDING #4

In 2015, for the fourth year in a row, sales prices rose for all property types in New York City compared to the previous year.

Sales prices rose across all property types in New York City between 2014 and 2015, as Figure 4 shows. Sales prices for condominiums and rental buildings with five or more units both exceeded their peak during the housing boom by a substantial amount (condo prices were up 26% from their peak in 2008; in rental building with five or more units prices were up 62% from their peak in 2007). The increase in prices for multifamily rental buildings in recent years has been dramatic; between 2012 and 2015, prices for these buildings increased by 68 percent.

Figure 4: Index of Housing Price Appreciation by Property Type, New York City (Index = 100 in 2000)



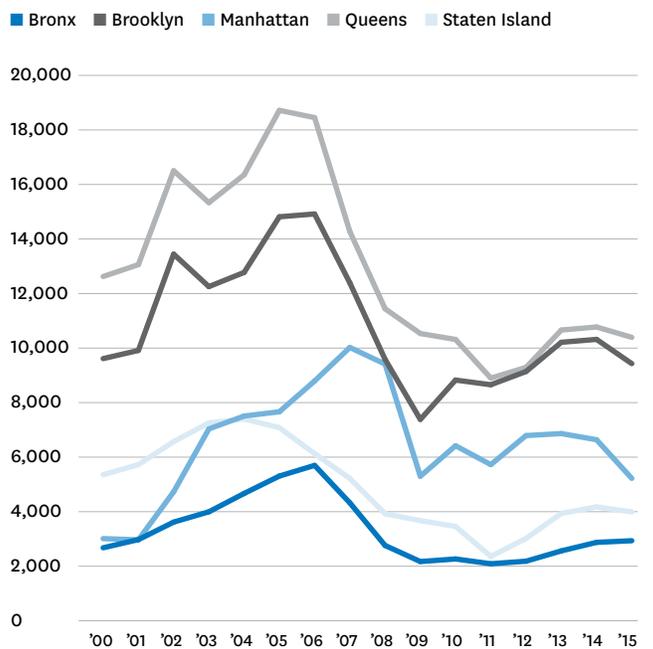
Sources: New York City Department of Finance, NYU Furman Center

HOME SALES
FINDING #5

In every borough except the Bronx, the total number of property sales fell in 2015, compared to the previous year.

Between 2014 and 2015, the total number of property sales fell in all boroughs except the Bronx, where 60 more sales occurred in 2015 than in 2014 (an increase of 2.1%), as shown in Figure 5. This is a change from 2014, when all boroughs except Manhattan saw an increase in the number of property sales compared to the previous year. The drop in sales volume in 2015 was most pronounced in Manhattan, where sales dropped by 21.4 percent; the declines in the other boroughs were smaller (Brooklyn: -8.6%; Queens: -3.5%; Staten Island: -4.3%).

Figure 5: Property Sales Volume by Borough



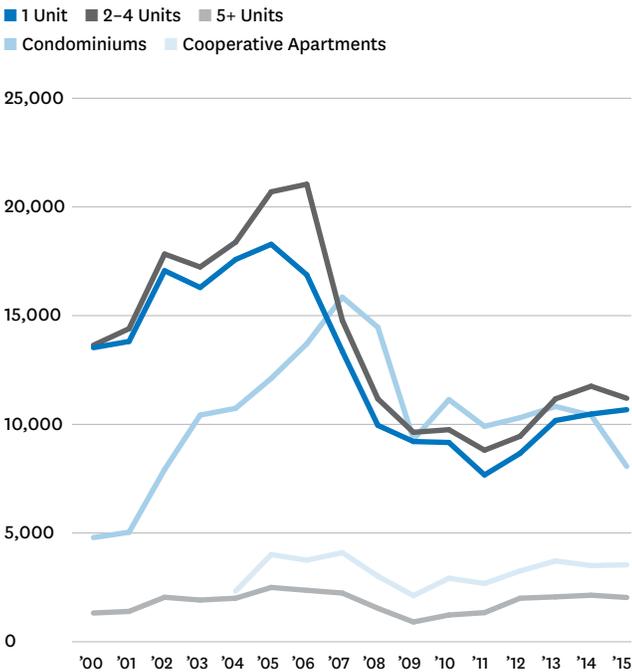
Sources: New York City Department of Finance, NYU Furman Center
Note: Borough totals do not include sales of cooperative apartments.

**HOME SALES
FINDING #6**

In 2015, the overall decline in sales volume compared to the previous year was driven by a large decline in condominium sales.

The number of sales of condominium units decreased by 23 percent between 2014 and 2015, and two- to four-unit buildings and buildings with five or more units each saw five percent fewer sales. Property sales volume was up in 2015 for one-unit properties by two percent and for cooperative apartments by one percent, as Figure 6 shows.

Figure 6: Property Sales Volume by Property Type, New York City



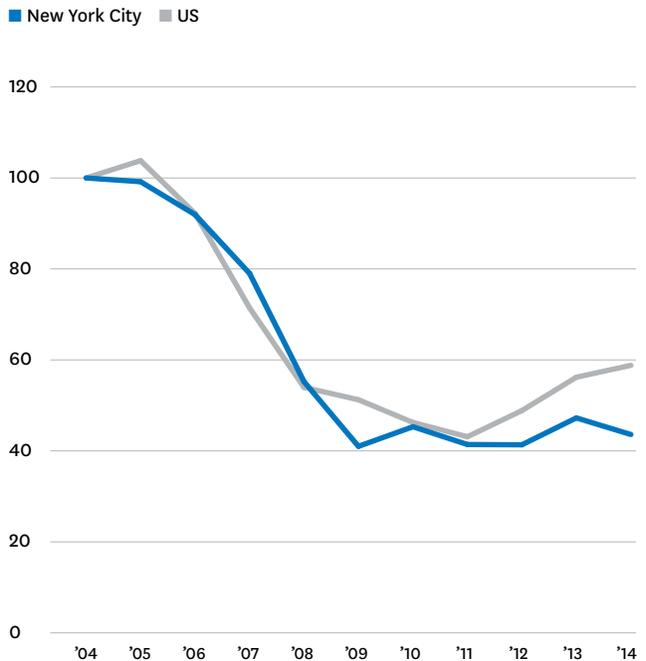
Sources: New York City Department of Finance, NYU Furman Center

**HOME PURCHASE LENDING
FINDING #7**

Home purchase lending in New York City fell in 2014 compared to the previous year.

While the total number of home purchase loans made in the United States rose from 2013 to 2014 by 4.6 percent, the number fell in New York City by 7.7 percent, as shown in Figure 7. Lending levels for home purchase loans remained far below their levels in 2004 in the United States and New York City.

Figure 7: Index of Home Purchase Loan Originations (Index = 100 in 2004), 2004-2014

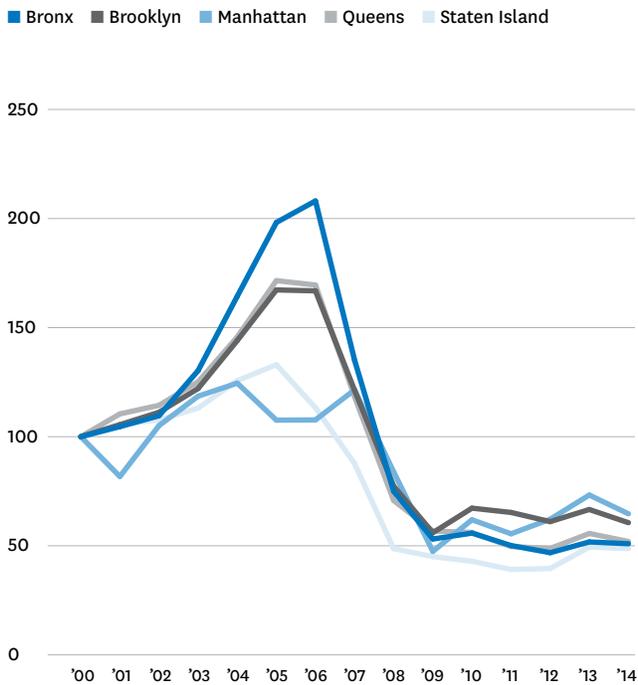


Sources: Home Mortgage Disclosure Act, NYU Furman Center
Note: Includes first-lien home purchase loans issued to owner-occupants of one- to four-family homes, condominiums, and cooperative apartments

HOME PURCHASE LENDING
FINDING #8**Home purchase lending in 2014 fell slightly in all five boroughs compared to the previous year.**

Figure 8 shows that home purchase lending in all five of New York City's boroughs fell between 2013 and 2014; the largest drops were in Manhattan (-11.7%) and Brooklyn (-9.1%). Home purchase lending remained well below year-2000 levels.

Figure 8: Index of Home Purchase Loan Originations by Borough, All Mortgage Liens (Index=100 in 2000)

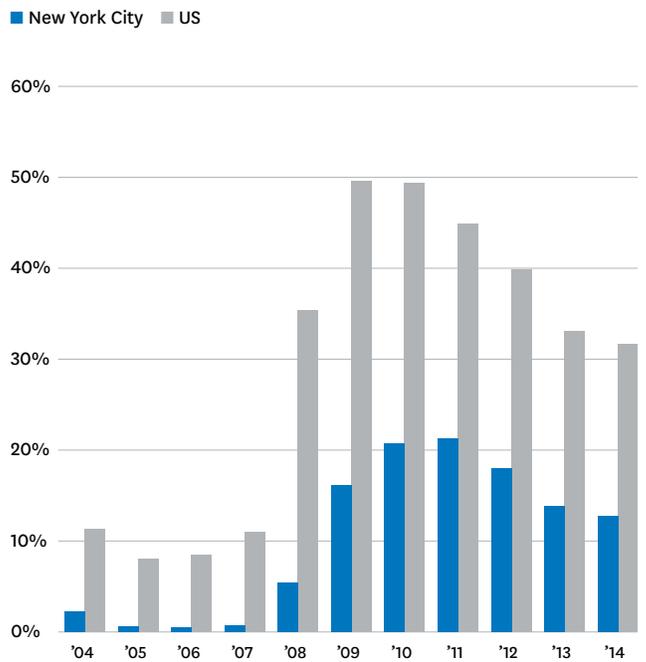


Sources: Home Mortgage Disclosure Act, NYU Furman Center
Note: Includes home purchase loans issued to owner-occupants of one- to four-family homes, condominiums, and cooperative apartments

HOME PURCHASE LENDING
FINDING #9**FHA/VA loans continued to make up a much larger share of both New York City and U.S. home-purchase mortgage originations than they did before the housing crisis.**

In 2014, in both the United States and New York City, FHA/VA home purchase lending remained relatively stable, as shown in Figure 9. Citywide and nationally, FHA/VA loan originations made up a much smaller share of loan originations in 2014 than they did during the years immediately following the foreclosure crisis, but such loans represented a much larger share of total mortgage originations in 2014 than they did in the early 2000s.

Figure 9: FHA/VA Share of Home Purchase Mortgage Originations

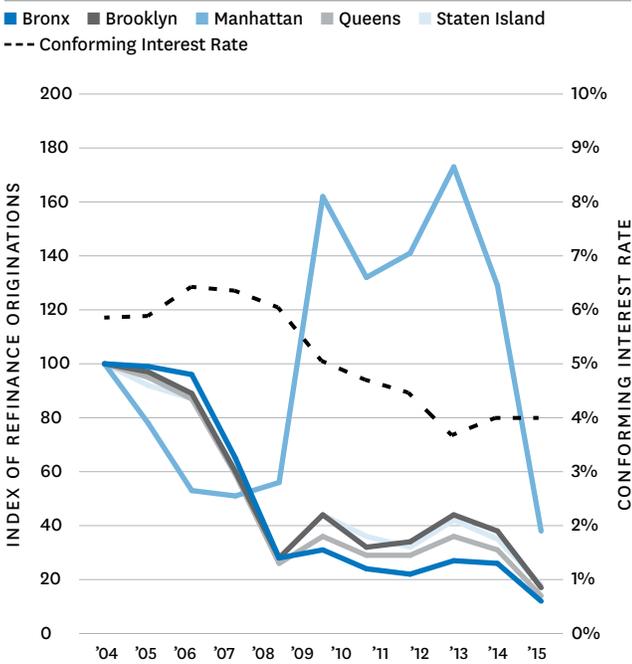


Sources: Home Mortgage Disclosure Act, NYU Furman Center
Note: Includes first-lien home purchase loans issued to owner-occupants of one- to four-unit homes and condominiums, and cooperative apartments

Despite relatively low interest rates, the number of refinance loans made in New York City dropped in 2014, compared to the previous year.

All New York City boroughs saw a large drop in refinance lending between 2013 and 2014, as shown in Figure 10, with the biggest decline in Manhattan (-70.9%) followed by Brooklyn (-56.3%), Queens (-55.8%), the Bronx (-52.6%), and Staten Island (-49.1%). In four of the five boroughs, the number of refinance loans originated in 2014 was less than a fifth of the number originated in 2004, despite the fact that the conforming interest rate in 2014 was almost two percentage points below the 2004 level.

Figure 10: Index of Refinance Originations by Borough (Index=100 in 2004)

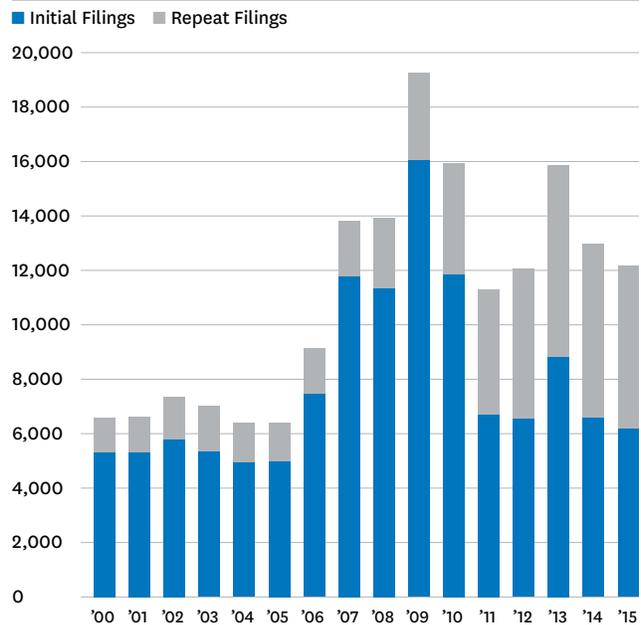


Sources: Home Mortgage Disclosure Act, Freddie Mac Primary Mortgage Market Survey, NYU Furman Center

The number of foreclosure filings in New York City fell slightly in 2015 compared to 2014, but remained almost double the number filed in 2000.

While foreclosure filings in New York City have fallen from their peak in 2009, Figure 11 shows that in 2015 they still remained elevated far above the number of yearly filings prior to the foreclosure crisis. However, the share of filings that were repeat filings (properties with a prior foreclosure filing within the past six years and no change of ownership during that time) grew dramatically (from 19.5% in 2000 to 49.3% in 2015), suggesting that a greater share of foreclosure notices were issued to borrowers experiencing prolonged distress. The number of initial foreclosure filings in 2015 was the lowest it had been since 2005.

Figure 11: Foreclosure Filings on One- to Four-Unit Buildings and Condominiums by Repeat Status, New York City



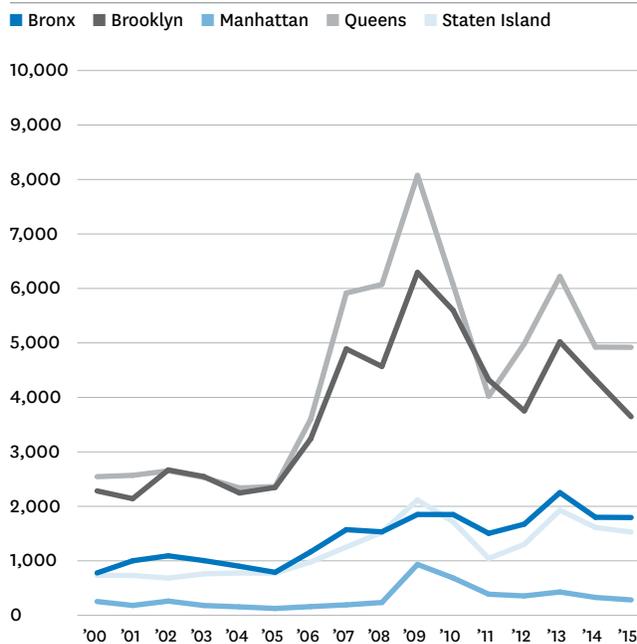
Sources: Public Data Corporation, New York City Department of Finance, NYU Furman Center

FORECLOSURES
FINDING #12

The number of foreclosure filings on one- to four-unit buildings and condominiums fell in every borough in 2015, compared to the previous year, though the drops in Queens and the Bronx were very small.

The number of foreclosure filings on one- to four-unit buildings and condominiums fell across the city between 2014 and 2015, as Figure 12 shows. The drops in Queens and the Bronx were very small (four fewer filings each), but the number of filings dropped by 15.7 percent in Brooklyn; 13.7 percent in Manhattan; and 5.3 percent in Staten Island. Despite the declines, in 2015 there were more than twice as many foreclosure filings in the Bronx and Staten Island, and 93 percent more in Queens, than there were in 2000.

Figure 12: Foreclosure Filings on One- to Four-Unit Buildings and Condominiums by Borough



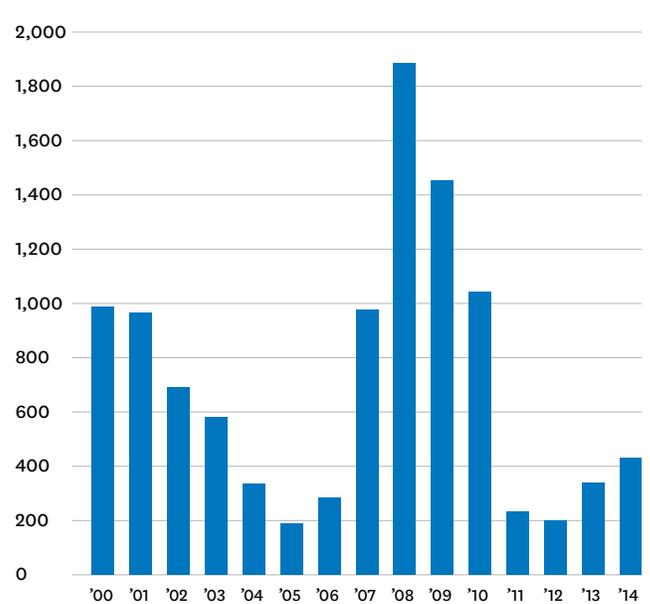
Sources: Public Data Corporation, New York City Department of Finance, NYU Furman Center

FORECLOSURES
FINDING #13

The number of properties entering bank ownership after a completed foreclosure remained low in 2014.

In 2014, 429 one- to four-unit properties in New York City were transferred to the foreclosing lender following a completed foreclosure (called real estate owned or REO; this happens when the property fails to sell for a price acceptable to the foreclosing lender after a completed foreclosure). This is the second year that the number of REOs has risen slightly after a multi-year drop, likely reflecting an increase in the number of completed foreclosures following the glut of cases filed during the foreclosure crisis. This was 56 percent lower than the number of properties entering REO in 2000, and 77 percent lower than the number entering REO in 2008, as shown in Figure 13.

Figure 13: One- to Four-Unit Properties Entering REO, New York City



Sources: Public Data Corporation, New York City Department of Finance, NYU Furman Center

The number of pre-foreclosure notices issued to one- to four-unit properties and condominiums in 2015 fell from the previous year.

Pre-foreclosure notices for one- to four-unit properties and condominiums, which lenders must send to delinquent borrowers at least 90 days prior to filing a foreclosure case, dropped by 23 percent between 2014 and 2015 citywide, with all boroughs experiencing significant reductions, as shown in Figure 14. Citywide, pre-foreclosure notices declined over 55 percent since 2011. Along with the indicators on repeat foreclosure filings, this indicates that the number of borrowers entering new bouts of distress has gone down considerably since the Great Recession, although many borrowers who fell into financial difficulties during the recession may remain distressed.

Table 1: Pre-Foreclosure Notices Issued to One- to Four-Unit Properties and Condominiums

	2011	2012	2013	2014	2015	Percent Change 2014-15
Bronx	8,770	8,956	8,456	5,459	4,324	-21%
Brooklyn	21,351	21,768	19,745	12,530	9,185	-27%
Manhattan	1,142	1,154	1,213	733	608	-17%
Queens	29,307	28,721	25,712	16,007	12,563	-22%
Staten Island	10,319	10,274	9,163	6,222	4,983	-20%
New York City	70,889	70,873	64,289	40,951	31,663	-23%

Sources: New York State Department of Financial Services, NYU Furman Center

The State of Renters & Their Homes

New York City continued to face a shortage of affordable housing. Rents rose all over the city, with particularly large increases in some neighborhoods. Consequently, rental housing was increasingly out of reach for a large swath of residents. New York City residents continued to face heavy rent burdens. In 2014, 55 percent of all renter households were rent burdened, with housing costs equal to at least 30 percent of their income.