

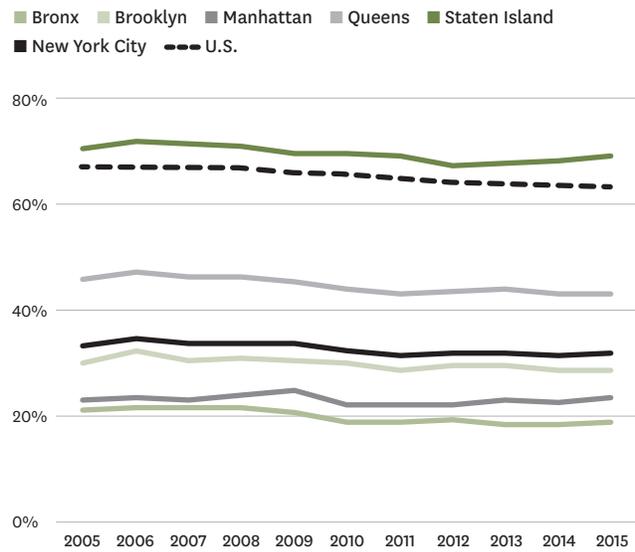
State of Homeowners and Their Homes

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #1

The homeownership rate remained stable in 2015, with less than a third of New York City households owning their homes.

In 2015, the homeownership rate citywide was 31.6 percent—half the national rate of 63.0 percent. Nearly 70 percent of households in Staten Island were owner-occupied—the highest rate among the five boroughs. Queens had the second highest homeownership rate in 2015 (43.2%), followed by Brooklyn (28.7%), Manhattan (23.5%), and the Bronx (18.7%).

Figure 1: Homeownership Rate



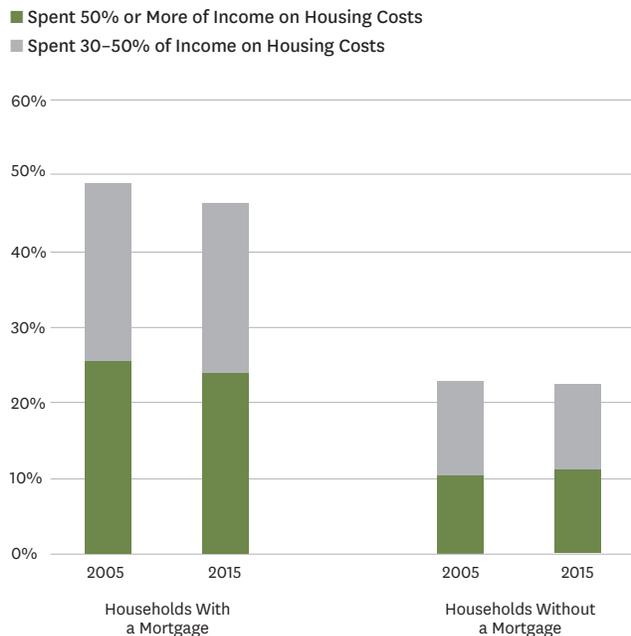
Sources: American Community Survey, NYU Furman Center

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #2

Almost half of New York City homeowners spent more than 30 percent of their income on housing in 2015.

Between 2005 and 2015, the share of New York City owner-occupied households that were housing cost-burdened (spending more than 30 percent of household income on housing costs) decreased slightly but stayed relatively stagnant. Homeowner households with a mortgage were twice as likely as those without a mortgage to be moderately housing cost-burdened (spending 30-50% of household income on housing costs) and nearly two and a half times as likely to be severely housing cost-burdened (spending 50% or more of household income on housing costs).

Figure 2: Share of Owner-Occupied Households by Percentage of Household Income Spent on Housing by Mortgage Status, New York City



Sources: American Community Survey, NYU Furman Center

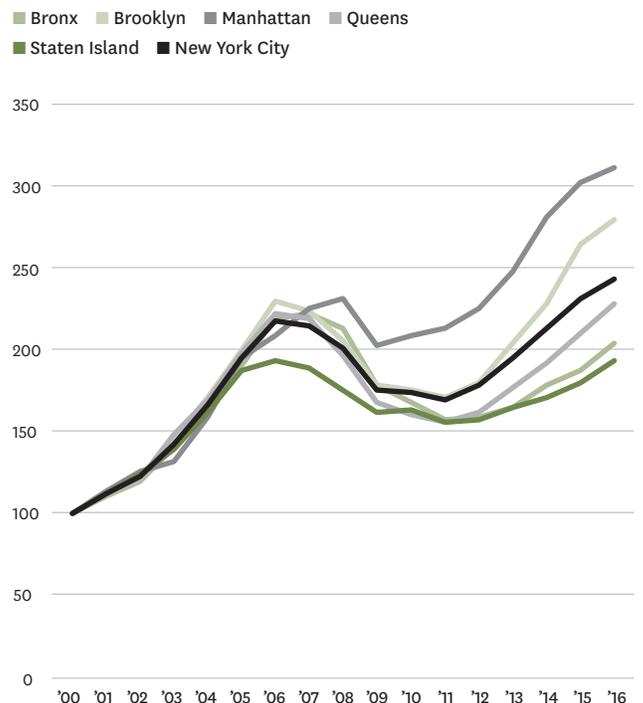
Note: Housing costs include mortgage payments and other costs associated with owning a home, such as taxes, flood insurance, utilities (electricity, gas, and water and sewer), and condominium fees.

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #3

Home prices continued to rise in every borough between 2015 and 2016.

Between 2015 and 2016, home prices rose by just over five percent for New York City. The Bronx had the largest rate of growth between 2015 and 2016 (9.4%), followed by Queens (8.2%), Staten Island (7.9%), and Brooklyn (6.0%). Manhattan experienced more modest growth, with an increase of 2.8 percent in home prices. Though housing prices across all five boroughs appreciated at similar rates between 2000 and 2005, after prices fell in the recession, recovery and growth occurred at different rates in each borough. Between 2005 and 2016, Manhattan home prices increased by 60.0 percent, and Brooklyn home prices increased by 40.6 percent. By contrast, home prices only increased by 3.5 percent in Staten Island during that period.

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

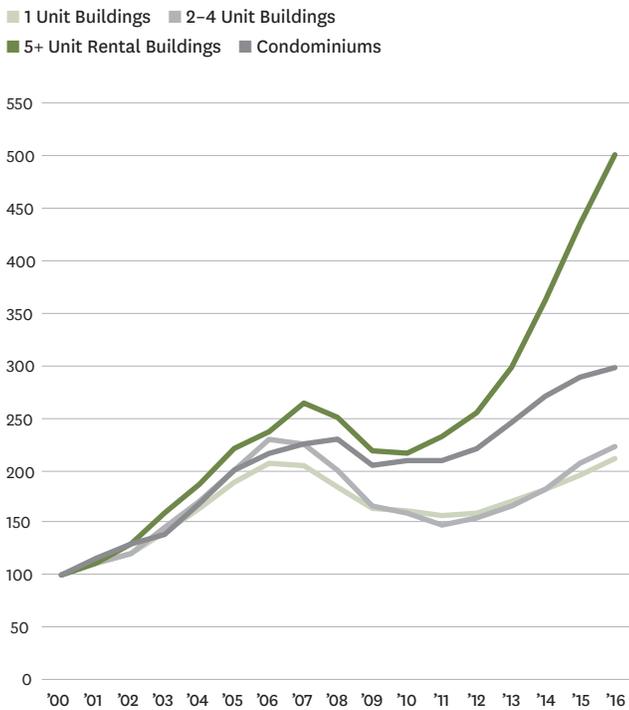


Sources: New York City Department of Finance, NYU Furman Center

In 2016, for the fifth year in a row, home sale prices increased for all property types in New York City.

Home sale prices increased citywide for all property types between 2015 and 2016. Rental buildings with five or more units had the largest price growth over the past year, with a 13.4 percent increase. Single-unit properties and rental buildings with two to four units experienced an 8.3 percent and 6.9 percent growth in sales prices over the past year, respectively. Rental buildings with five or more units experienced the largest price growth between 2010 and 2016, with a 56.8 percent increase in sales price.

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

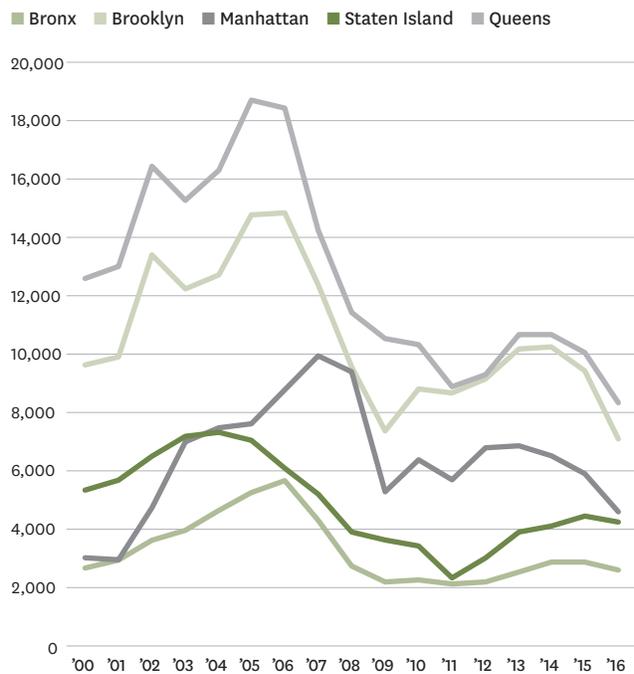


Sources: New York City Department of Finance, NYU Furman Center

In all five boroughs, the total number of property sales fell between 2015 and 2016.

The drop in sales volume was largest in Brooklyn (-25.0%), Manhattan (-21.6%), and Queens (-17.2%). The decline was smaller in the Bronx (-10.4%) and Staten Island (-5.2%). The drop continued a decline since 2013 for Manhattan, but was a change in direction for the Bronx and Staten Island which had seen increased sales volume since 2011.

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.

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #6

Property sales volume declined across all property types in 2016.

The number of sales in 2016 decreased from the previous year for all property types in New York City, but the magnitude of the decline varied across property types. Rental buildings with five or more units experienced the largest decrease in sales between 2015 and 2016 (-37.1%), followed by condominiums (-20.4%). Other property types experienced more modest decreases, including two- to four-unit properties (-17.8%), cooperative apartments (-12.9%), and one-unit properties (-12.4%).

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



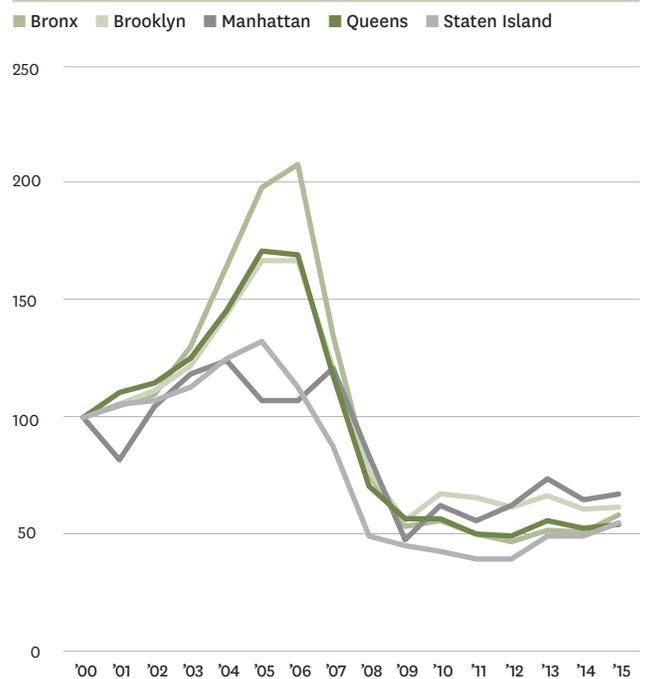
Sources: New York City Department of Finance, NYU Furman Center

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #7

Lending for home purchases rose in 2015 across all five boroughs compared to lending in the prior year.

Between 2014 and 2015, home purchase lending rose in all five of New York City’s boroughs, with the largest gains observed in the Bronx (13.6%) and Staten Island (12.1%). Queens (4.4%) and Manhattan (3.5%) saw modest growth, while Brooklyn (0.8%) remained largely flat. Despite these gains, lending for home purchases remained well below their peaks in the mid-2000s.

Figure 7: Index of Home Purchase Originations, All Mortgage Liens (Index=100 in 2000)

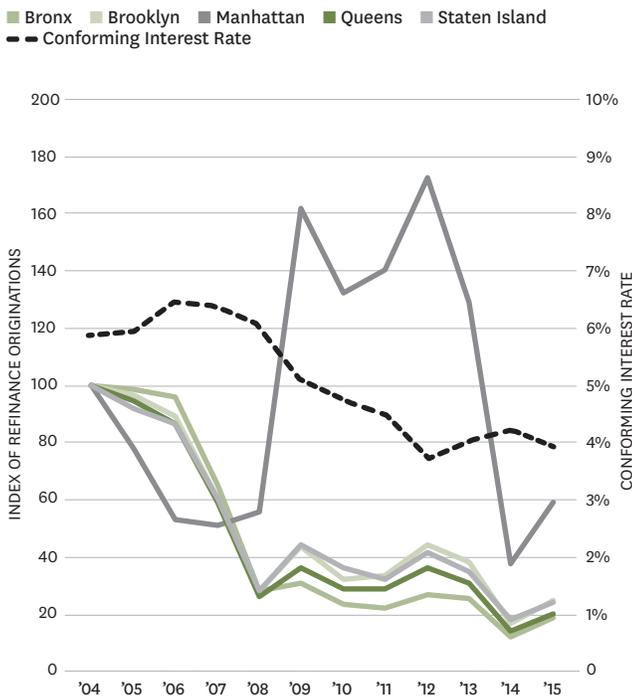


Sources: Home Mortgage Disclosure Act, NYU Furman Center
 Notes: Includes home purchase loans issued to owner-occupants of one- to four-family homes, condominiums, and cooperative apartments.

In 2015, refinance lending grew in New York City for the first time since 2012.

Refinance lending was up in 2015 across all boroughs as the conforming interest rate fell. Manhattan saw the largest increase in refinance lending in 2015, with a 57.7 percent increase over the previous year, followed by the Bronx (55.3%), Brooklyn (50.9%), Queens (48.7%), and Staten Island (33.2%). Nevertheless, the number of refinance loan originations in 2015 remained well below their levels earlier in the 2000s.

Figure 8: Index of Refinance Originations (Index=100 in 2004)

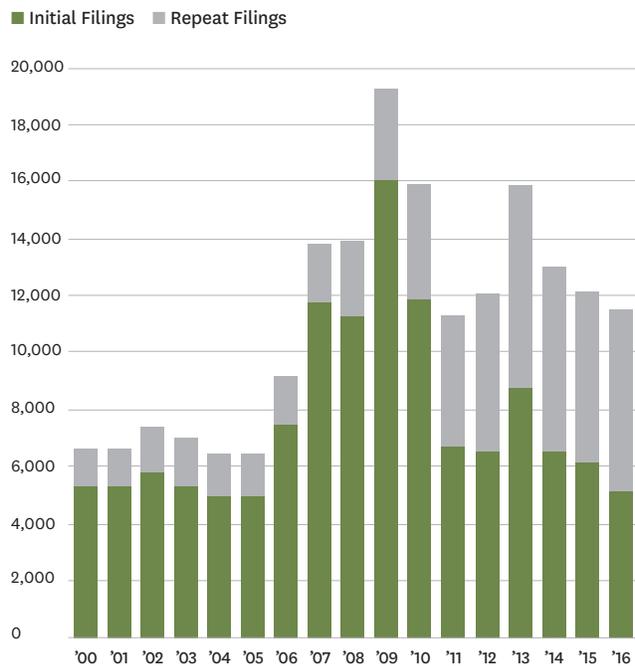


Sources: Home Mortgage Disclosure Act, Freddie Mac Primary Mortgage Market Survey, NYU Furman Center

While the number of initial foreclosure filings fell slightly between 2015 and 2016, repeat filings increased.

Citywide, the number of foreclosure filings in 2016 fell to 11,520—a year-over-year decrease of about five percent. But the 2016 level was still much higher than levels prior to the foreclosure crisis. Repeat foreclosure filings (properties with a prior foreclosure filing within the past six years and no change of ownership during that time)—which made up over half of all foreclosure filings in 2016—increased 6.5 percent between 2015 and 2016.

Figure 9: Foreclosure Filings on One- to Four-Unit Buildings and Condominiums by Repeat Status, New York City

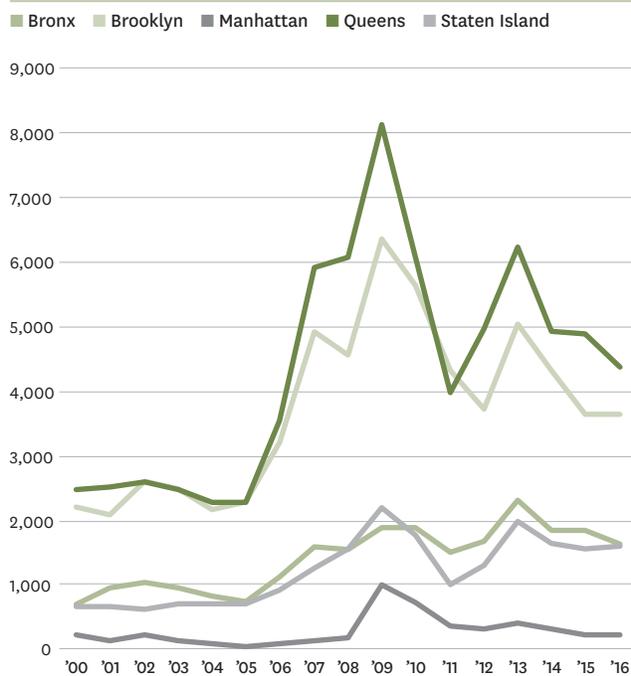


Sources: New York City Department of Finance, Public Data Corporation, NYU Furman Center

Note: In order to initiate a mortgage foreclosure, the foreclosing party must file a legal document, called a lis pendens, in the county clerk's office. We refer to this filing as a "foreclosure filing." In many cases, the filing of a lis pendens does not lead to a completed foreclosure; instead, the borrower and lender work out some other solution to the borrower's default or the borrower sells the property prior to foreclosure. If a property received multiple lis pendens within 90 days of each other, only the first lis pendens is counted here. For a more detailed description of our lis pendens methodology, please refer to the Methods section in Part 3 of this report.

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #10**The number of foreclosure filings on one- to four-unit building and condominiums fell or remained stable in all boroughs between 2015 and 2016.**

The number of foreclosure filings declined by about ten percent in both the Bronx and Queens between 2015 and 2016 and by about three percent in Manhattan over the same time period. In 2016, there were 3,650 foreclosure filings in Brooklyn (4 more filings than 2015) and 1,559 filings in Staten Island (31 more filings than 2015). Despite the declines, the number of foreclosure filings in the Bronx, Brooklyn, Queens, and Staten Island were higher in 2016 than in 2000.

Figure 10: Foreclosure Filings on One- to Four-Unit Buildings and Condominiums by Borough

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

Note: In order to initiate a mortgage foreclosure, the foreclosing party must file a legal document, called a *lis pendens*, in the county clerk's office. We refer to this filing as a "foreclosure filing." In many cases, the filing of a *lis pendens* does not lead to a completed foreclosure; instead, the borrower and lender work out some other solution to the borrower's default or the borrower sells the property prior to foreclosure. If a property received multiple *lis pendens* within 90 days of each other, only the first *lis pendens* is counted here. For a more detailed description of our *lis pendens* methodology, please refer to the Methods section in Part 3 of this report.

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #11**The number of pre-foreclosure notices issued to one- to four-unit properties and condominiums in 2016 rose after three years of decline.**

Pre-foreclosure notices for one- to four-unit properties and condominiums rose by 17 percent between 2015 and 2016 citywide. Despite the recent increase, pre-foreclosure notices have declined over 47 percent citywide since 2011, suggesting that the number of borrowers entering mortgage distress has declined significantly since the Great Recession.

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

	2011	2012	2013	2014	2015	2016	Percent Change 2015-16
Bronx	8,770	8,956	8,456	5,459	4,324	4,904	13%
Brooklyn	21,351	21,768	19,745	12,530	9,185	10,877	18%
Manhattan	1,142	1,154	1,213	733	608	901	48%
Queens	29,307	28,721	25,712	16,007	12,563	14,796	18%
S. Island	10,319	10,274	9,163	6,222	4,983	5,646	13%
NYC	70,889	70,873	64,289	40,951	31,663	37,124	17%

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

Note: New York State law requires mortgage servicers to send a pre-foreclosure notice to a homeowner 90 days prior to starting a foreclosure action.