

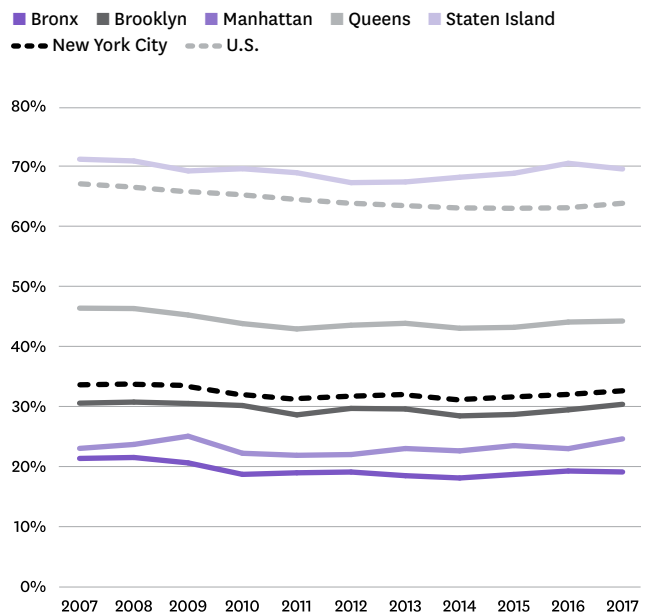
State of Homeowners and Their Homes

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #1

Homeownership in New York City remained stable in 2017 with less than a third of New York City households owning their homes.

In 2017, the homeownership rate in New York City was 32.7 percent, up less than one percentage point from 2016 and still just slightly more than half the nationwide homeownership rate (63.9%). Staten Island has consistently had the highest homeownership rate of the city's boroughs—69.6 percent in 2018. The borough with the lowest homeownership rate in 2018 was the Bronx at 19.2 percent—almost 45 percentage points lower than the national rate and over 50 percentage points lower than Staten Island's rate. Between the two extremes, Queens had a rate of 44.3 percent, Brooklyn 30.4 percent, and Manhattan 24.7 percent.

Figure 1: Homeownership Rate by Borough

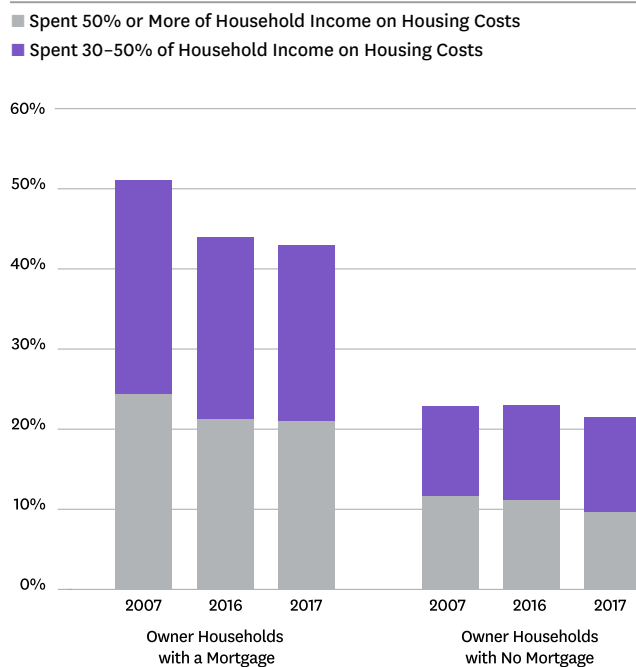


Sources: American Community Survey, NYU Furman Center

The share of homeowners that were housing cost burdened declined between 2007 and 2017.

Between 2007 and 2017, the share of homeowners that were housing cost burdened—spending more than 30 percent of their household income on housing costs—fell by 8.1 percentage points to 43.0 percent for households with a mortgage and fell by 1.4 percentage points to 21.5 percent for households without a mortgage. During this same period, the share of homeowner households that were severely housing cost burdened—spending more than 50 percent of their household income on housing costs—fell by 4.7 percentage points for households with a mortgage and increased by 0.5 percentage points for households without a mortgage. Of the households that are cost burdened, more than half of households, both with and without a mortgage, are spending more than 50 percent of their income on housing costs.

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



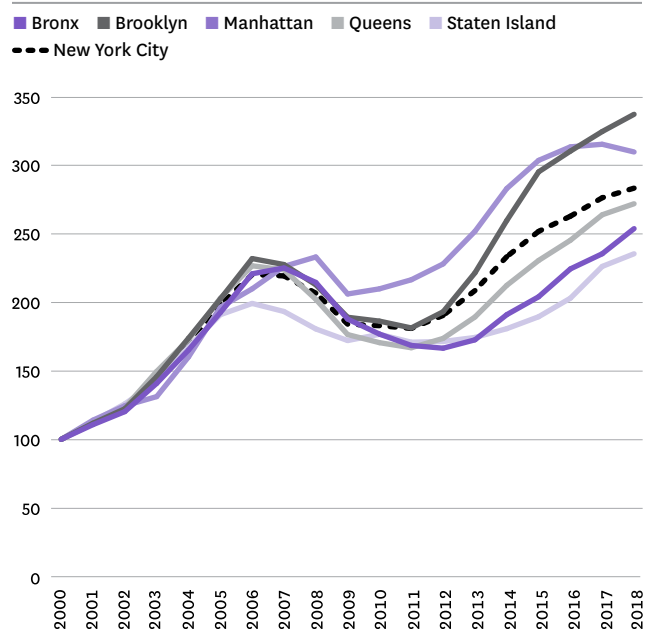
Sources: American Community Survey, NYU Furman Center

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. Housing costs (as defined by the American Community Survey) do not include other maintenance costs.

In 2018, Manhattan was the only borough that experienced a decrease in home prices.

Citywide, home prices rose by 2.5 percent between 2017 and 2018, a little more than half the rate of the previous year (5.1%). The Bronx had the largest year-over-year increase (7.8%), growing at almost twice the rate of the next highest borough. While the rate of housing price increase between 2017 and 2018 was similar in Staten Island (+4.1%), Brooklyn (+3.9%), and Queens (+3.0%), Manhattan experienced the first decrease in housing prices since the Great Recession (-1.0%).

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

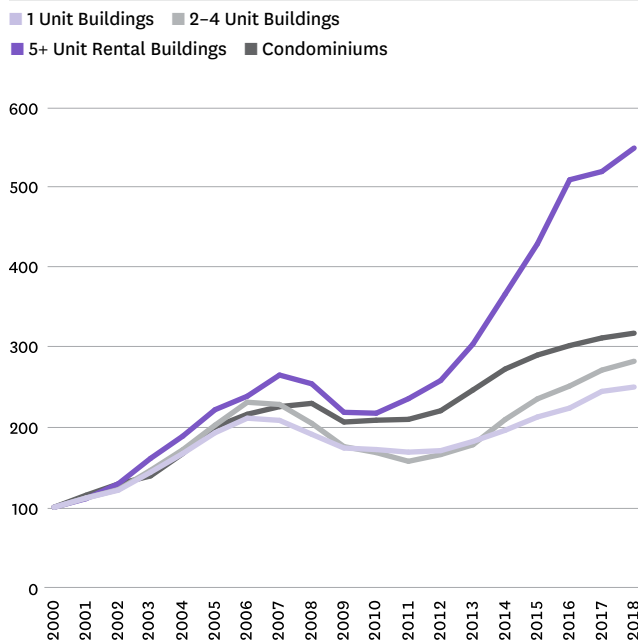


Sources: New York City Department of Finance, NYU Furman Center

Citywide in 2018, properties with five or more units experienced the largest increase in sales prices.

For the seventh year in a row, all property types in New York City experienced an increase in home prices. Properties with five or more units remained the property type with the largest gains in sale prices since 2010 (152.2%) and experienced the greatest year-over-year increase in 2018 (5.7%). Sales prices for two- to four-unit properties increased by 4.1 percent between 2017 and 2018 while sales prices increased by 2.2 percent for single-unit properties and 1.9 percent for condominiums.

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

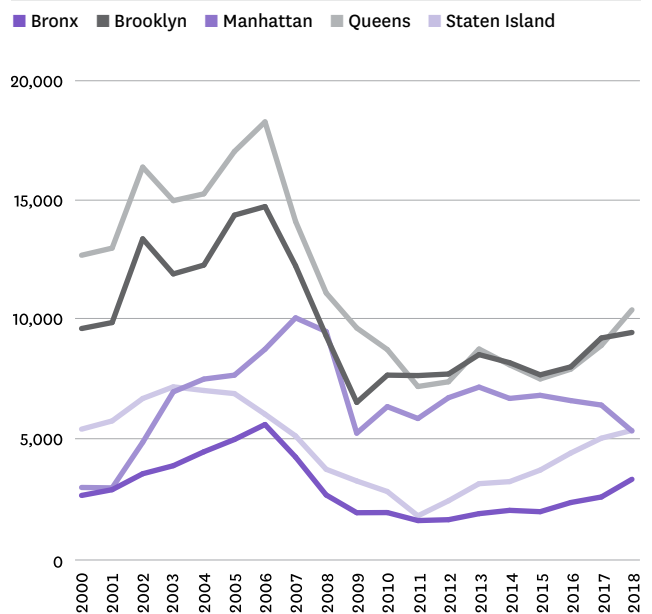


Sources: New York City Department of Finance, NYU Furman Center

In 2018, the number of property sales increased in every borough except Manhattan.

Citywide, 33,996 properties were sold in 2018, up over five percent from 2017. Manhattan, continuing a downward trend, had 16.7 percent fewer sales in 2018 than in 2017. The Bronx and Queens had the largest increases in sales volume over this period (+28.1% and +16.6% respectively), while Brooklyn and Staten Island both had smaller increases (2.5% and 6.5% respectively).

Figure 5: Property Sales Volume by Borough



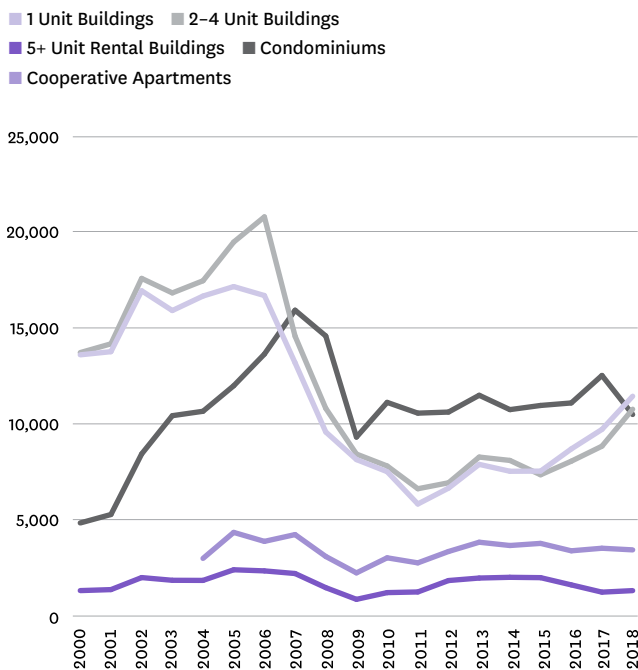
Sources: New York City Department of Finance, NYU Furman Center

Note: Borough totals do not include sales of cooperative apartments. This year, due to changes in the underlying data, values for this indicator differ from what we have published previously. For more information about these changes and the compilation of this indicator see the Methods section in Part 3 of this report.

Sales for smaller buildings increased between 2017 and 2018 and declined for rental buildings with five or more units.

Two- to four-unit buildings experienced the largest year-over-year increase in the number of sales (21.8%), followed by single-unit buildings (17.8%). After an increase of 12.9 percent in the previous year, there was a 16.2 percent decrease in the number of sales of rental buildings with five or more units between 2017 and 2018. The volume of sales for condominiums and cooperative apartments stayed relatively stable (-2.4% and +6.4%, respectively).

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



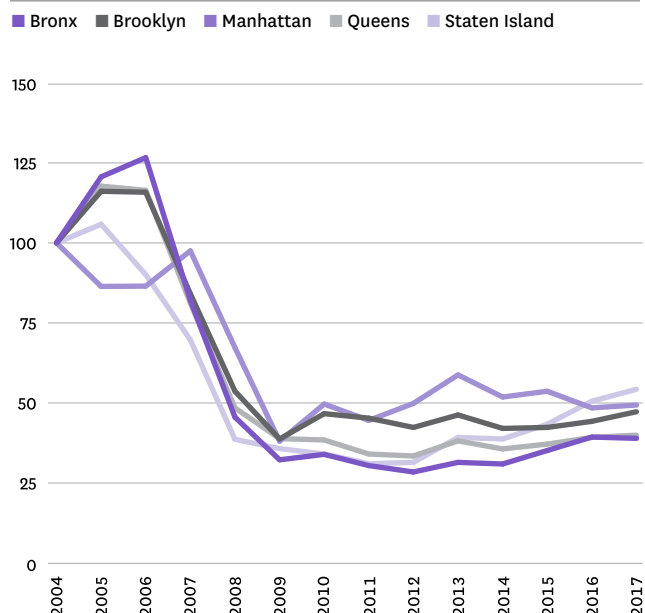
Sources: New York City Department of Finance, NYU Furman Center

Note: This year, due to changes in the underlying data, values for this indicator differ from what we have published previously. For more information about these changes and the compilation of this indicator see the Methods section in Part 3 of this report.

Between 2016 and 2017, home purchase borrowing increased for every borough except the Bronx with large increases in Staten Island and Brooklyn.

Citywide in 2017, there were over 29,000 home purchase originations, up 3.5 percent from 2016 but still far below origination numbers a decade ago (-46.3% from 2007). Staten Island and Brooklyn had the largest increases in home purchase borrowing among the five boroughs at 7.3 percent and 6.8 percent, respectively, followed by Queens (1.9%) and Manhattan (1.8%). The Bronx experienced a slight decrease of 0.9 percent over this same time period.

Figure 7: Index of Home Purchase Originations, All Mortgage Liens, by Borough (Index=100 in 2004)



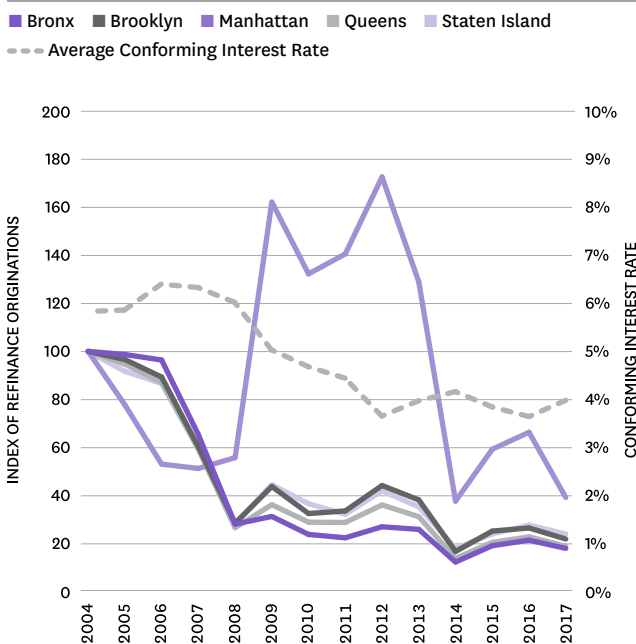
Sources: Home Mortgage Disclosure Act, NYU Furman Center

Notes: Includes home purchase loans issued to owner-occupants of one- to four-unit homes, condominiums, and cooperative apartments.

Citywide in 2017, refinance borrowing dropped after growing for two consecutive years.

With the average interest rate on conforming mortgages increasing for the first time since 2014, refinance borrowing decreased across the boroughs and citywide between 2016 and 2017. Manhattan had the largest decrease in refinance origination at 41.0 percent, over twice the rate of decline as the next highest borough. Queens followed with a decrease of 17.4 percent, then Brooklyn (-17.2%), the Bronx (-15.8%), and Staten Island (-13.4%).

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

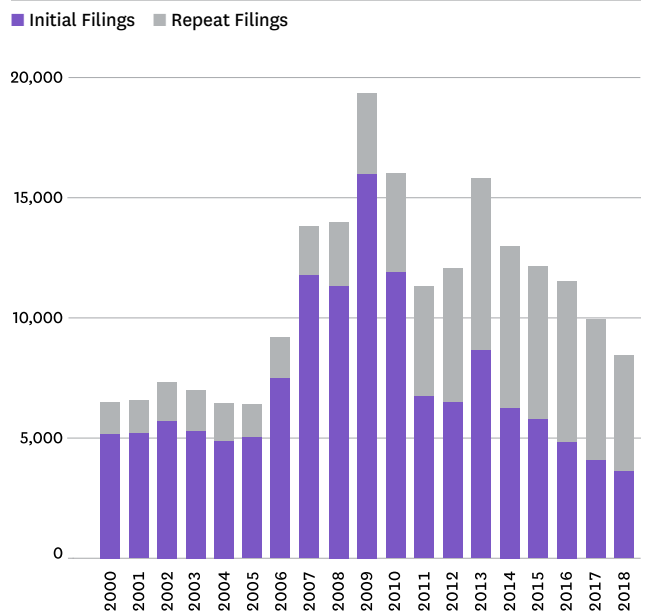


Sources: Home Mortgage Disclosure Act, Freddie Mac Primary Mortgage Market Survey, NYU Furman Center

Initial foreclosure filings on one- to four-unit properties continued to fall in 2018 as did the share of filings that were repeat filings.

In 2018, there were 8,467 foreclosure filings on one- to four-unit buildings and condominiums, down nearly 15% from 2017. Of all filings in 2018, 57.5% were repeat filings, down from 59.0% in 2017. Total filings were the lowest they have been since 2005 and repeat filings continue to be a much larger share of all filings than before the recession.

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



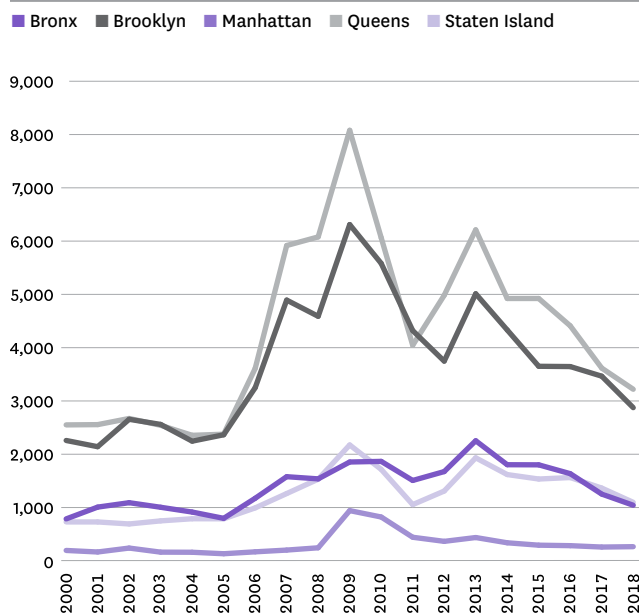
Sources: New York City Department of Finance, Public Data Corporation, NYU Furman Center

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. This year, due to changes in residential sales data, the classification of lis pendens as either initial or repeat has changed for 2001 and later. For a more detailed description of our lis pendens methodology, please refer to the Methods section in Part 3 of this report.

The number of foreclosure filings on one- to four-unit buildings and condominiums decreased in every borough except Manhattan between 2017 and 2018.

The citywide decrease in foreclosure filings between 2017 and 2018 was reflected in all of the boroughs except Manhattan. The largest decrease was in Staten Island (-19.7%), followed by Brooklyn (-17.1%), the Bronx (-16.9%), and Queens (-11.0%). Manhattan had a slight increase (7 more filings, or a 2.8% rise), but remains the borough with the fewest filings.

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.

Between 2017 and 2018, the number of pre-foreclosure notices issued to one- to four-unit properties decreased in every borough except Manhattan.

After rising for two years in a row, the number of pre-foreclosure notices issued to one- to four-unit properties decreased by 2.5 percent citywide between 2017 and 2018 to around 53,000 notices. Only Manhattan had an increase in the number of pre-foreclosure notices issued (3.9%), though it remains the borough with the fewest issued. Staten Island had the largest decrease in pre-foreclosure notices between 2017 and 2018 (-6.0%), followed by Queens (-2.9%), Brooklyn (-2.2%), and the Bronx (-0.8%). Queens remains the borough with the most notices, making up almost 40 percent of the total notices issued.

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

	2013	2014	2015	2016	2017	2018	Percent Change 2017-18
Bronx	9,054	5,786	4,976	5,140	6,936	6,833	-1.5%
Brooklyn	21,021	13,198	10,585	11,390	14,774	14,431	-2.3%
Manhattan	2,434	1,240	1,150	1,317	1,444	1,495	3.5%
Queens	27,499	16,498	14,210	15,050	19,263	18,653	-3.2%
Staten Is.	9,832	6,560	5,768	5,897	7,599	7,141	-6.0%
NYC	69,840	43,282	36,689	38,794	50,016	48,553	-2.9%

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. Due to improved data cleaning procedures implemented this year, additional pre-foreclosure filings have been included, so values for this indicator will differ from what has been published previously.