

FORECLOSURE CRISIS

New York City Foreclosures Linked to Crime

By Kim Velsey 2/27 10:41am

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A Queens homeowner facing foreclosure. (NY Times)

New York City has, in many ways, been spared the worst ravages of the foreclosure crisis. A city of renters, where single family homes are the exception rather than the norm and co-op and condo boards regularly turn their noses up at perfectly decent financial packages, we have avoided the magnitude of problems suffered by many other American cities.

But foreclosures have still troubled the city—and often indirectly. For example, many renters in overleveraged multi-family properties suffered when landlords

fell behind on payments and ceased to conduct maintenance. And where foreclosures have hit New York, they have also been tied to increases in crime, according to a new report by NYU’s Furman Center for Real Estate & Urban Policy.

That the two should be tied together is not so surprising. Across the country, a combination of falling fortunes and vacant homes, desperation and a place to conduct desperate acts, have produced similar patterns. Marijuana growers and meth labs have both taken advantage of empty abodes and absent neighbors.

But the correlation between foreclosures and crime in New York, even given the city’s active street life, its declining crime rates and its far-from-abandoned neighborhoods, is noteworthy. 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, according to the report. However, significant increases in crime only occurred on blocks where there had been three or more foreclosures. Neighborhoods with the highest concentrations of foreclosures and existing crime rates saw the biggest upticks.

The study suffers from the classic problem of causation versus correlation: the question of whether foreclosures caused crime, or whether they simply happened more often in neighborhoods already beset by poverty, where underground and illegal economies were already thriving, is difficult to say. That empty, unattended properties invite illicit behavior is well-established, but do they actually cause crime, or just harbor it?

The study *did* establish that crime was not simply relocating from adjacent blocks, as might be expected in high-crime neighborhoods where local law breakers would be inclined to seek out new spots suited to their nefarious purposes. However, it was impossible to tell whether or not the crime might have migrated from other, more far-flung areas.

“This research indicates that foreclosures are not just an issue affecting individual

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homeowners; they threaten the stability of the surrounding neighborhood as well,” Furman Center Co-Director and study author Ingrid Gould Ellen said in a release about the study.

Likewise, the study’s finding that properties which resolved their foreclosures before going to auction had less of a negative effect on communities than those that had failed to do so is hard to separate from other factors. Foreclosures resolved before auction would seem to be associated with homeowners who had more resources at their disposal—financial, community, legal—that would also prove helpful in combating crime.

“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,” Ms. Gould added.

Greater financial assistance and community intervention may well help to curb the negative impact of foreclosures and, in connection, crime rates.

A year after the banks reached a settlement over foreclosure abuses, it is easy to imagine that the foreclosure crisis is behind the country. New York in particular, with a giddy trophy market powered by the international elite, can seem above it all. But the reality is that many homeowners, and in particular those spread across the five boroughs, [are still struggling with the problem, which is deeply complicated and in many cases, unresolved by the settlement](#). Dinette Rivera, a 38-year-old single mother in Queens, recently told *The Times* that she was overjoyed to receive a letter from Bank of America telling her that her second mortgage would be forgiven, only to receive another letter, a short time later, also from the Bank of America, telling her that her first mortgage was being foreclosed on and she would need to vacate.

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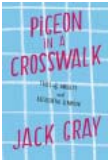
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