

FURMAN CENTER FOR REAL ESTATE & URBAN POLICY

NEW YORK UNIVERSITY SCHOOL OF LAW • WAGNER SCHOOL OF PUBLIC SERVICE

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NYU Furman Center Quarterly Housing Report Finds Home Sales, Price Appreciation Lagging

New Report Finds Transactions Are Down Four Percent from the Third Quarter of 2010

Nov. 28, 2011—According to the New York City Quarterly Housing Update (Q3 2011) released by NYU's Furman Center for Real Estate and Urban Policy, home sales volume remained low in the third quarter of 2011, with the number of properties sold citywide four percent lower than the number sold in the third quarter of 2010. The one year decline in the number of sales transactions was particularly large in Queens, with volume down nine percent from the third quarter of 2010.

"Sales volume continued to lag in the third quarter of 2011, showing little change since last quarter and remaining well below the sales volumes we've seen in the city in the past decade," said Ingrid Gould Ellen, faculty co-director of NYU's Furman Center for Real Estate and Urban Policy. "Sales volume this quarter was nearly 30 percent lower than the average quarterly sales volume we have recorded since 2005."

Property values are also lagging in most of the city. Manhattan is the only borough where properties have appreciated in price over the last year. Home values in Manhattan are only seven percent off from their peak in the second quarter of 2008, while in Queens, home values have depreciated 30 percent from their peak levels in the fourth quarter of 2006.

Foreclosures continued to slow citywide, with 32 percent fewer foreclosure notices issued in the third quarter of 2011 compared to the same quarter last year. Only the Bronx saw an increase in foreclosure rates over the second quarter of 2011, although 73 percent of all foreclosure notices were issued in either Brooklyn or Queens. While throughout the economic downturn the majority of households living in homes facing foreclosures have been renters, households receiving foreclosure notices in the last two quarters are more evenly split between homeowners and tenants.

"Given persistent unemployment and delinquency rates nationally, it remains unclear whether the past four quarters of reductions in foreclosure notices is the result of the slow pace of foreclosure proceedings, or a promising sign that more homeowners are now able to meet their mortgage obligations," said Vicki Been, faculty director of the Furman Center.

The Furman Center's Quarterly Housing Update analyzes six key indicators of housing market performance, based on a variety of administrative data sources. The update is unique among New York City housing reports because it incorporates sales data, residential development indicators, and foreclosures. It also presents a repeat sales index for each borough to capture price appreciation while

controlling for housing quality. This publication is available on a quarterly basis at <http://furmancenter.org/research/publications/c/quarterly-housing-reports/>

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About the Furman Center for Real Estate and Urban Policy

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 at NYU. Since its founding in 1995, the Furman Center has become a leading academic research center dedicated to providing objective academic and empirical research on the legal and public policy issues involving land use, real estate, housing and urban affairs in the United States, with a particular focus on New York City. More information on the Furman Center can be found at: <http://furmancenter.org>