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NYU FURMAN CENTER QUARTERLY HOUSING REPORT REVEALS HOME SALES ARE SLOW, BUT PRICES HOLDING STEADY

*New Report Finds Home Sales Down 40 Percent Compared to the Second Quarter of 2010;
Early Signs of New Construction Returning*

August 18, 2011—According to the New York City Quarterly Housing Update (Q2 2011) released by NYU's Furman Center for Real Estate and Urban Policy, home sales volume declined 20 percent from the first to the second quarter of 2011, and is down 40 percent compared to March through June of 2010.

Despite the decline in volume, home prices increased citywide by about six percent from the first quarter to the second quarter of 2011, although they remain 21 percent below their peak in the fourth quarter of 2006. Home prices increased nearly eight percent in the Bronx and Brooklyn in the last quarter, but are still 29 percent and 24 percent lower than their respective peaks. Manhattan homes, which appreciated roughly four percent in the last quarter, are now only seven percent below their peak values.

However, the report finds that new construction is slowly starting to return. "While we are far from the boom times of the mid-2000s, there were nearly as many units authorized for new construction in the first half of 2011 as there were in all of 2010," noted Vicki Been, faculty director of the Furman Center for Real Estate and Urban Policy. There were 1,556 units authorized by new residential building permits between January and June 2010, compared to 1,703 units authorized in all of 2010.

The report also finds that foreclosure rates have remained steady in 2011. "We saw fewer foreclosure notices in this quarter than we did in the same quarter of 2010," said Ingrid Gould Ellen, faculty co-director of the Furman Center. "Yet, nearly 7,000 households were newly-affected by a foreclosure notice in the second quarter of 2011 and nearly 3,100 of those households were in Brooklyn." Fifty-two percent of new foreclosure notices in the last quarter were issued to two-to-four family homes, mostly concentrated in Brooklyn and Queens.

The Quarterly Housing 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 the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development. The Furman Center is 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>