

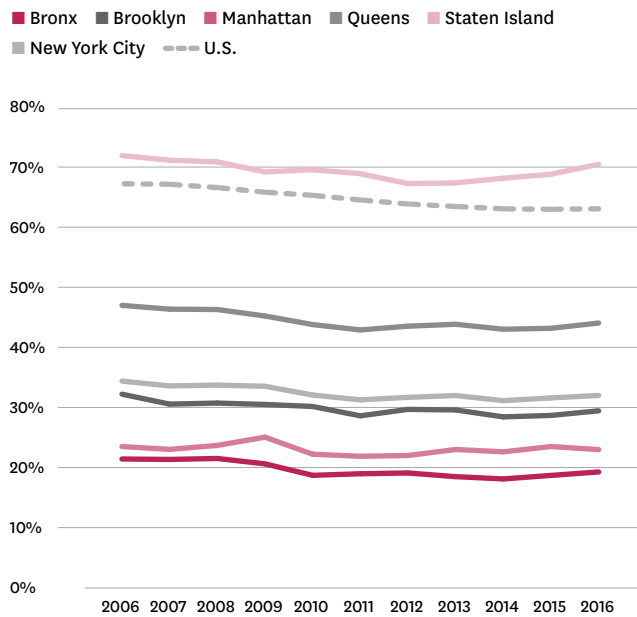
State of Homeowners and Their Homes

STATE OF HOMEOWNERS AND THEIR HOMES FINDING #1

Homeownership in New York City remained stable in 2016, with less than a third of New York City households owning their homes.

In 2016, the homeownership rate in New York City was 32.0 percent, slightly higher than the citywide rate in the previous year but just over half the national rate (63.1%). Staten Island had the highest homeownership rate in 2016 (70.5%), followed by Queens (44.1%), Brooklyn (29.5%), and Manhattan (23.0%). The Bronx had the lowest homeownership rate in 2016 (19.3%).

Figure 1: Homeownership Rate

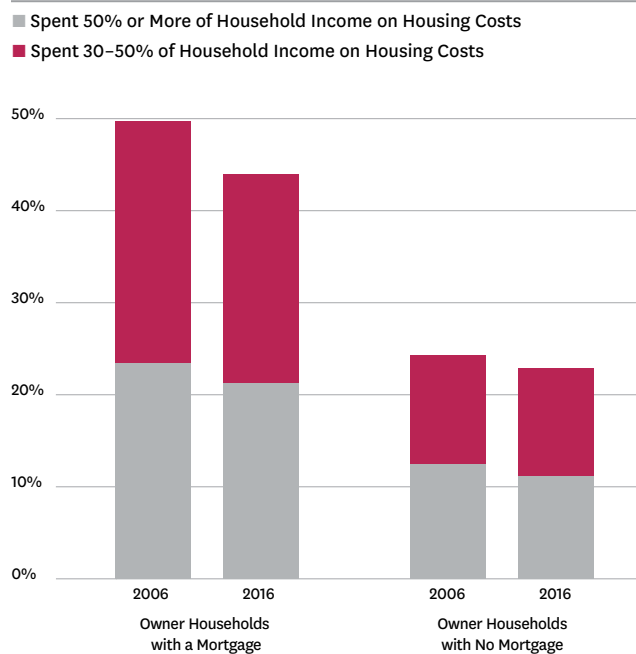


Sources: American Community Survey, NYU Furman Center

The share of homeowners that were housing cost burdened declined between 2006 and 2016.

In 2016, 44 percent of owner-occupied households with a mortgage spent more than 30 percent of household income on housing costs (they were “housing cost burdened”), down from nearly 50 percent in 2006. Severely housing cost burdened households—households spending more than 50 percent of income on housing costs—made up 22.7 percent of owner households with a mortgage in 2016. Among owner households without a mortgage, less than a quarter were housing cost burdened, and that share fell slightly between 2006 and 2016 (24.3% to 22.9%). About 12 percent of owner households without a mortgage were severely housing cost burdened in 2016.

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



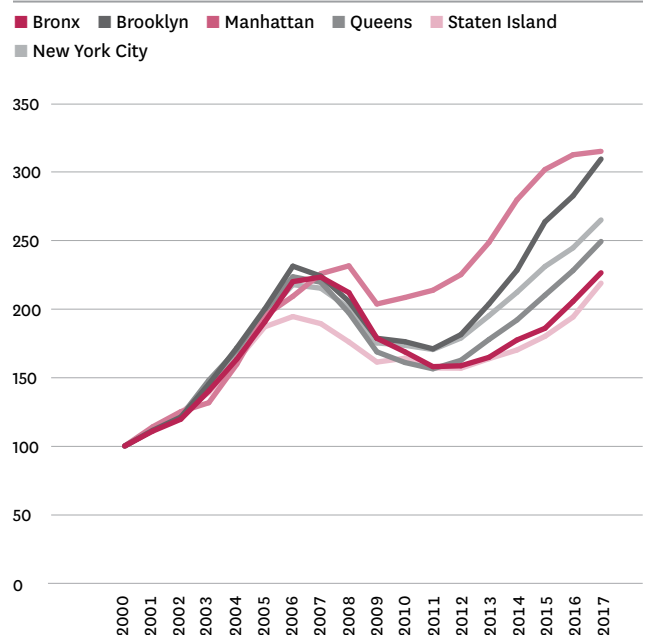
Sources: American Community Survey, NYU Furman Center

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.

Staten Island and the Bronx experienced the largest gains in home prices between 2016 and 2017.

Between 2016 and 2017, home prices in New York City rose by 8.3%, higher than previous year-over-year increase (+5.9% between 2015 and 2016). Staten Island had the largest increase in home sales prices between 2016 and 2017 at 12.7 percent, followed by the Bronx (+10.2%), Brooklyn (+9.5%), and Queens (+9.3%). Home sale prices in Manhattan increased slightly by 0.8 percent between 2016 and 2017.

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

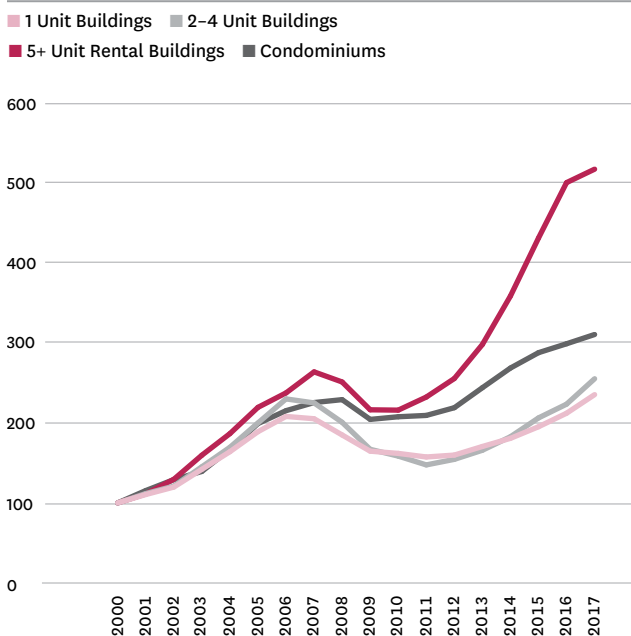


Sources: New York City Department of Finance, NYU Furman Center

In 2017, one- to four-unit buildings in New York City experienced the largest year-over-year increase in sales prices.

For the sixth year in a row, all property types in New York City experienced an increase in sales prices between 2016 and 2017. Over that time period, sales prices increased by 11.0 percent for single-unit properties and by 14.2 percent for two to four unit properties. Rental properties with five or more units experienced a 3.4 percent increase in sales prices between 2016 and 2017, the lowest year-over-year increase since 2010. Sales prices for condominiums steadily grew by 3.9 percent between 2016 and 2017.

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

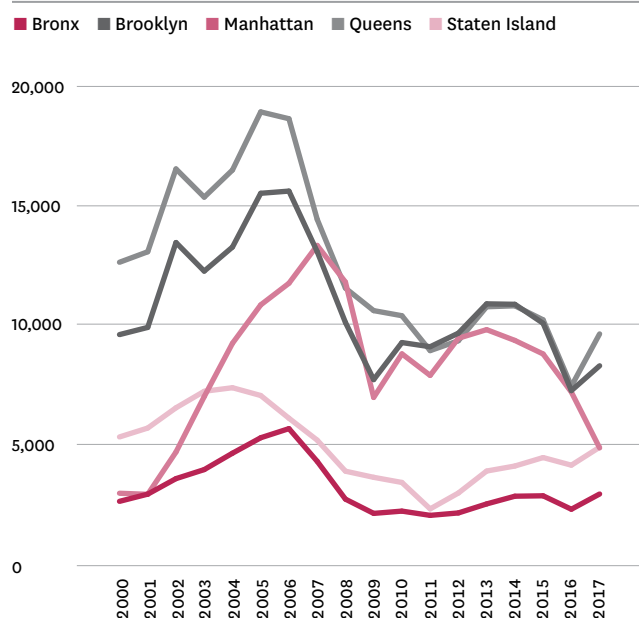


Sources: New York City Department of Finance, NYU Furman Center

Between 2016 and 2017, the number of property sales increased in every borough except Manhattan.

The largest increase in the number of property sales between 2016 and 2017 was in Queens (+29.1%), followed by the Bronx (+27.0%), Staten Island (+17.9%), and Brooklyn (+14.2%). This year-over-year increase in sales volume was a change in direction for Queens, the Bronx, Staten Island, and Brooklyn – each of these boroughs experienced a drop in sales volume between 2015 and 2016. In 2017, for the fourth year in a row, Manhattan experienced a year-over-year decline in the number of property sales (-32.0%).

Figure 5: Property Sales Volume by Borough



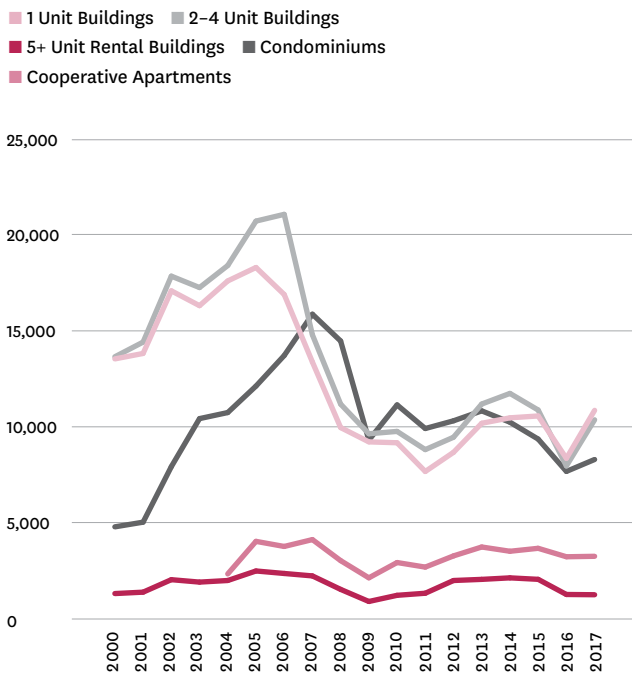
Sources: New York City Department of Finance, NYU Furman Center
 Note: Borough totals do not include sales of cooperative apartments.

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #6

Sales for smaller buildings, condominiums, and co-ops increased between 2016 and 2017.

Two- to four-unit buildings experienced the largest increase in sales between 2016 and 2017 (+30.2%), followed by one-unit buildings (+29.9%), and condominiums (+8.1%). Sales of cooperative apartments increased by less than one percent— or 24 sales—between 2016 and 2017. In 2017, there were 1,262 sales of five plus unit rental buildings—a year-over-year decrease of one percent.

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



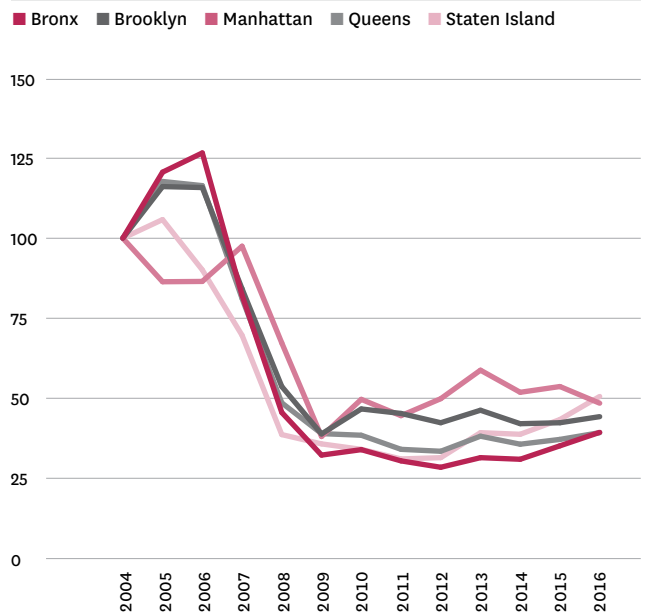
Sources: New York City Department of Finance, NYU Furman Center

STATE OF HOMEOWNERS AND THEIR HOMES
FINDING #7

Home purchase borrowing increased between 2015 and 2016 for every borough except Manhattan, with large increases in the Bronx and Staten Island.

In 2016, there were about 28,000 home purchase originations citywide, a year-over-year increase of 3.2 percent. Home purchase borrowing, however, was still well below levels in the mid 2000s prior to the Great Recession. The Bronx and Staten Island saw the largest gains between 2015 and 2016 (increases of 11.8% and 16.6%, respectively). Brooklyn and Queens experienced more modest increases (4.5% and 5.4%, respectively), while Manhattan experienced a nearly 10 percent decline in home purchase originations between 2015 and 2016.

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



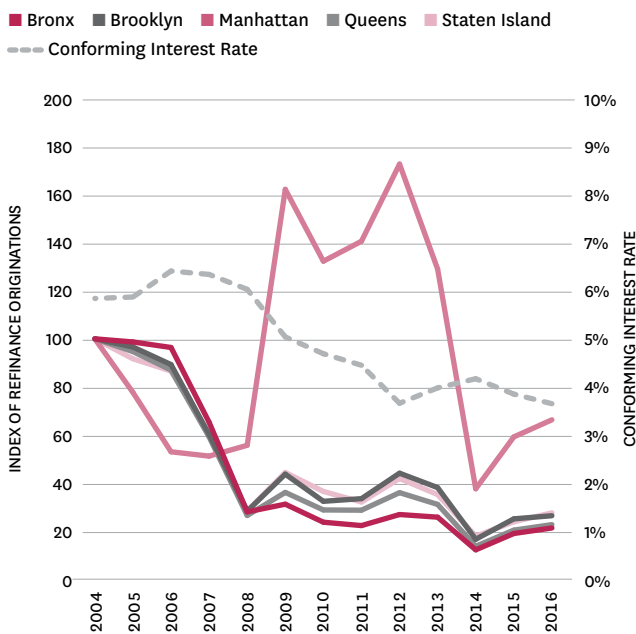
Sources: Home Mortgage Disclosure Act, NYU Furman Center

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

Refinance borrowing continued to grow in New York City in 2016, for the second consecutive year.

Refinance borrowing continued to grow across all boroughs in 2016 as the interest rate on conforming mortgages continued to fall. The largest increase in refinance originations was in Staten Island, with a 15.8 percent increase over the previous year, followed by the Bronx (12.2%), Manhattan (11.9%), and Queens (11.1%). The lowest increase was in Brooklyn, with a five percent increase over 2015 levels. Despite these increases in refinance borrowing, the number of refinance loan originations in 2016 was well below the levels seen in the early 2000s.

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

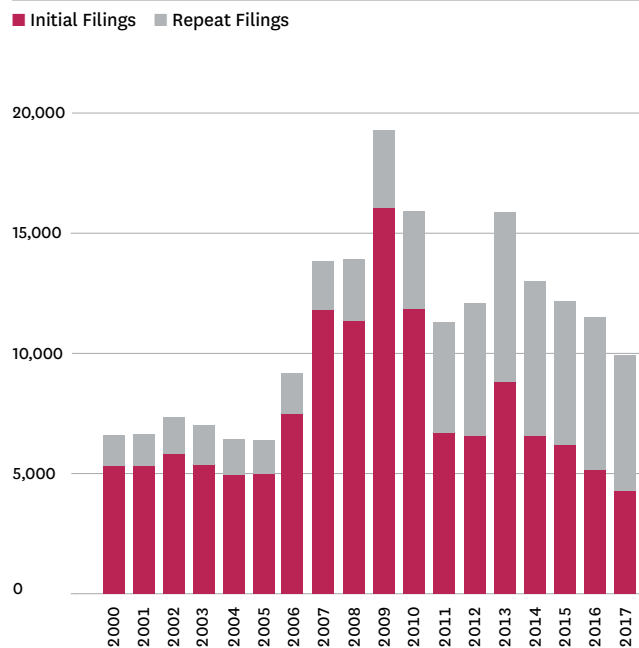


Sources: Home Mortgage Disclosure Act, Freddie Mac Primary Mortgage Market Survey, NYU Furman Center

In 2017, initial foreclosure filings on one- to four-unit properties citywide fell to its lowest level in over a decade.

There were fewer than 10,000 initial and repeat foreclosure filings citywide in 2017, the lowest level since 2006. There were 4,271 initial foreclosure filings citywide in 2017, a 17.2 percent year-over-year decrease and a 63.8 percent decrease since 2007. Repeat foreclosure filing decreased 11.2 percent between 2016 and 2017, but repeat filings were still three times higher in 2017 than in the early 2000s.

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



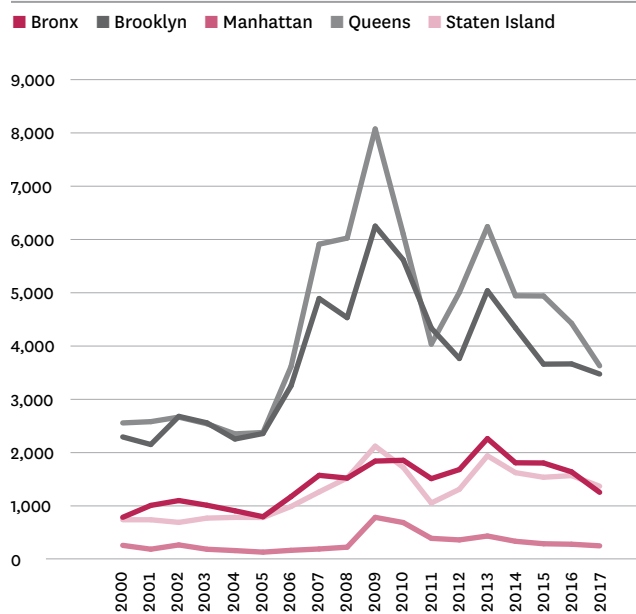
Sources: New York City Department of Finance, Public Data Corporation, NYU Furman Center

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.

The number of foreclosure filings on one- to four-unit buildings and condominiums decreased in every borough between 2016 and 2017.

Foreclosure filings continued to decline citywide, falling every year since 2013, but foreclosure filings remain high relative to pre-recession levels in all boroughs except for Manhattan. The largest decreases in the number of foreclosure filings between 2016 and 2017 were in the Bronx (-23.5%) and Queens (-18.0%), followed by more modest decreases in Staten Island (-12.8%), and Manhattan (30 fewer filings, or a 10.9% decline). While foreclosure filings also decreased in Brooklyn between 2016 and 2017, the rate was much lower—5.2 percent.

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.

Pre-foreclosure notices issued to one- to four-unit properties rose in every borough for the second year in a row in 2017.

While foreclosure filings were down in 2016, pre-foreclosure notices—the first step in the foreclosure process—were up. There were nearly 50,000 pre-foreclosure notices issued to one- to four-unit properties and condominiums in New York City in 2017, a year-over-year increase of 28.7 percent. The Bronx experienced the largest increase in pre-foreclosure notices between 2016 and 2017 (+34.8%), followed by Brooklyn (+29.5%), Staten Island (+28.6%), Queens (+27.8%), and Manhattan (+10.4%).

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

	2012	2013	2014	2015	2016	2017	Percent Change 2016-17
Bronx	9,655	9,049	5,774	4,545	5,133	6,921	34.8%
Brooklyn	23,301	21,021	13,176	9,649	11,375	14,730	29.5%
Manhattan	2,694	2,438	1,243	1,032	1,321	1,459	10.4%
Queens	9,668	26,554	16,439	12,893	15,047	19,223	27.8%
Staten Is.	10,984	9,818	6,550	5,247	5,895	7,581	28.6%
NYC	76,302	68,880	43,182	33,366	38,771	49,914	28.7%

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.