



Staten Island Advance

Foreclosures rose 7 percent on Staten Island, firm says

Borough also was first to experience housing downturn, according to NYU center

Thursday, March 12, 2009

By **KAREN O'SHEA**

ADVANCE STAFF WRITER

STATEN ISLAND, N.Y. -- Foreclosures on Staten Island jumped 7 percent in February, to 174, according to the data firm RealtyTrac, but the number was down 33 percent from the same month last year.

Meanwhile, a report released yesterday by the Furman Center of Real Estate and Urban Policy at New York University found that Staten Island was the first borough to feel the housing downturn when prices peaked in 2005, flat-lined in 2006 and fell in 2007.

Neither measure, though, predicts when things might turn around. And just because Staten Island was the first to falter doesn't mean it will lead the way out of the doldrums.

"The report doesn't tell us how long this downturn will last or which neighborhoods are going to be hardest-hit, and I wouldn't want to make a prediction about when Staten Island prices will turn around," Amy Armstrong, who worked on the Furman Center's State of New York City's Housing and Neighborhoods report, said in an e-mail.

"But we do find that there is little correlation between performance in one (real estate) downturn and performance in the next downturn, so simply looking at past performance -- something many speculators are likely to do -- is not a good predictor of future performance. We also find that New York City has a tremendous resilience -- the value gained in the booms has always far outweighed the losses of the busts," she added.

The Furman Center report used three decades' worth of sales data to track how the five boroughs fared during the last four housing cycles.

In the last boom, which ran from 1996 to 2006, prices in the city grew by 124.2 percent, according to the Furman Center. On Staten Island, that number was 99 percent.

But in the last downturn, a period described in the report as 1989 to 1996, Staten Island experienced a 33 percent drop in prices -- the biggest decline citywide.

And the Island was the first to watch prices slide in the current downturn.

"As early as 2006, Staten Island experienced declines in the price of single-family homes," the report said.

That squares with what the Advance found.

The paper first questioned whether a potential housing bubble was about to burst in August 2005. And in September 2006, the Advance reported that the market here was shifting in favor of buyers, with asking prices being cut and jumps in home prices slowing.

According to the Furman report, the median price for a one-family home on the Island in 2007 was \$372,500, down from \$384,738 in 2006.

By comparison, the median price for a one-family home in Brooklyn in 2007 was \$511,000, up from \$488,529 in 2006.

While 2008 figures were not available, the report said it expected building permits and housing prices to

continue to fall.

And despite the borough's relative prosperity and low crime rate, the report found that Staten Island's housing market "fared poorly in comparison to the housing market in other boroughs in recent years."

RealtyTrac, meanwhile, reported yesterday that there were 174 foreclosure filings in the borough last month, up from 163 in January. But that number was down 33 percent from February 2008, when there were 261 foreclosures.

Karen O'Shea is a news reporter for the Advance. She may be reached at oshea@siadvance.com.

©2009 SI Advance

© 2009 SILive.com All Rights Reserved.