

**For Immediate Release: April 19, 2016**

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## **New Center for NYC Neighborhoods Report Details Impact of Home Flips on Housing Affordability**

*Dramatic increase in profits from property speculation in East New York, Bedford Stuyvesant, Jamaica, and other neighborhoods*

NEW YORK, NY – The Center for NYC Neighborhoods released a report today about the effect of house flipping and property speculation on the affordability of small homes (1-4 family properties). Profits from home flipping have significantly increased, driving up home sales prices and pushing the opportunity to own a home out of reach for many middle- and working-class families, the Center has found. The neighborhoods that saw the most flips in 2015 are East New York and Bedford-Stuyvesant in Brooklyn, and South Jamaica and St. Albans in Queens. In some cases, flipped homes in these communities yielded profits of as much as 300% in 2015. The report and a map of flipping activity can be found at [cnycn.org/flips](http://cnycn.org/flips).

"Home flipping has huge implications for a neighborhood's affordability," said **Christie Peale, Executive Director of the Center for NYC Neighborhoods**. "In many cases, the homes that are being lost to predatory investors are a vital source of affordable housing in the outer boroughs."

Flipping peaked in the years leading up to the 2008 housing crisis, then declined, the Center's analysis shows. Today, flipping is back on the rise with more than 1,800 flips of 1-4 family properties in 2015. House flipping is increasingly common in communities that have long been affordable for middle- and working-class New Yorkers, including central Brooklyn and southeast Queens. Because property speculation involves purchasing a home and rapidly reintroducing it to the market at a much higher price, the homes become unaffordable to local residents who can't compete with deep-pocketed investors. Furthermore, rental units in these homes become more expensive as rents rise to meet the demands of new investor-owners.

In 2015, flipped properties produced a median resale profit of \$215,000, or a 75% gross return on investment. These numbers are significantly higher than the national averages. By comparison, according to a March study by RealtyTrac, 2015 home flips nationwide yielded an average of \$55,000 in resale profits and a 46% gross return on investment.

For more information, visit [cnycn.org/flips](http://cnycn.org/flips).

### **About the Center for NYC Neighborhoods**

The Center for NYC Neighborhoods promotes and protects affordable homeownership in New York so that middle- and working-class families are able to build strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners

throughout New York State by offering free, high quality housing services. Visit [cnycn.org](http://cnycn.org) for more information.