

Home Flipping Reduces Housing Affordability in NYC's Neighborhoods of Color

New York City's scarce affordable homes and neighborhoods are targeted by professional investors to make a quick profit. From 2019-2023, 11,688 homes were flipped—re-sold less than two years after purchase—mostly in neighborhoods of color with median home values lower than citywide.

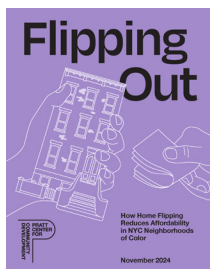
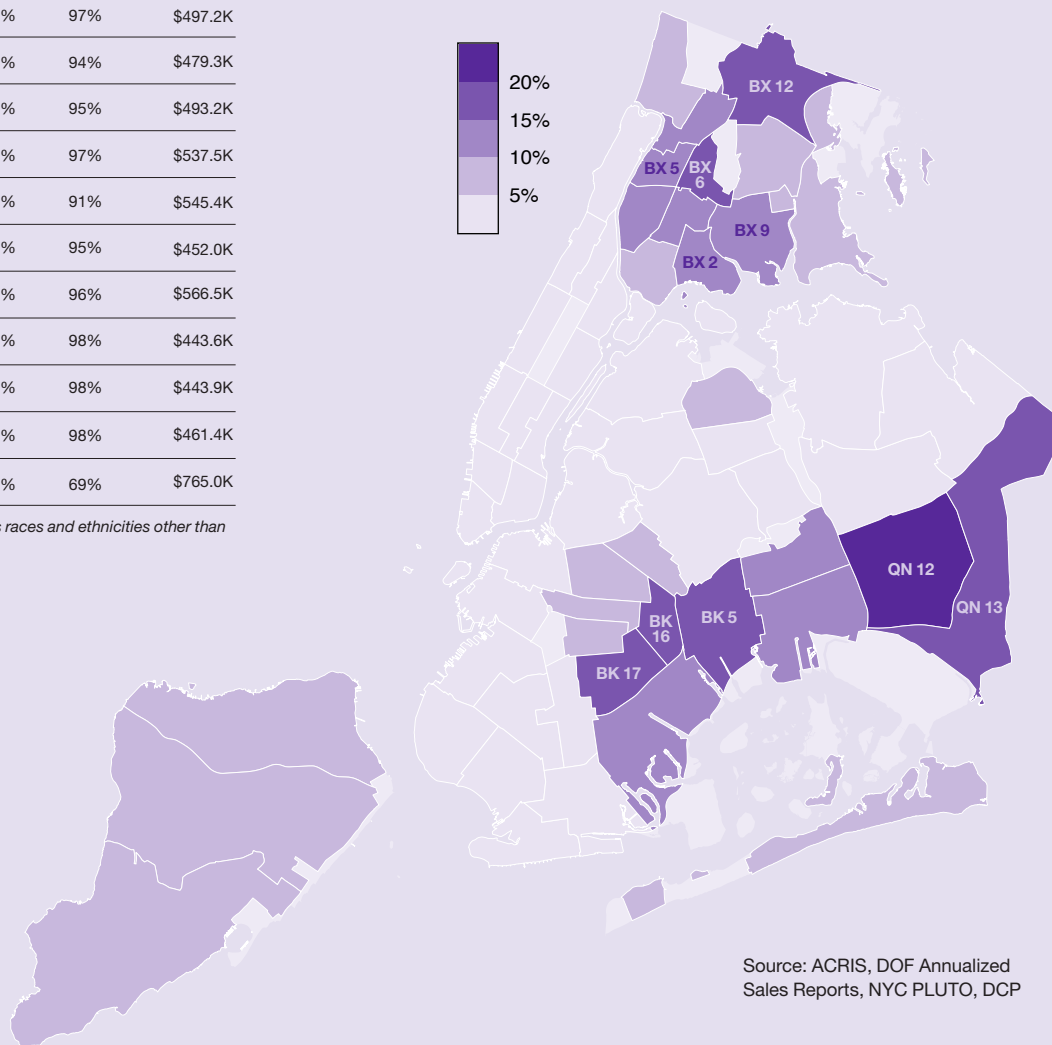
Community Districts with Highest Rates of Flipping

Community District	Flip Rate	POC* Pop.	Median Home Value, 2021
QN 12 - Jamaica/Hollis	23%	97%	\$497.2K
BX 12 - Williamsbridge/Baychester	19%	94%	\$479.3K
BK 16 - Brownsville	18%	95%	\$493.2K
BK 05 - East New York/Cypress Hills	18%	97%	\$537.5K
QN 13 - Queens Village	17%	91%	\$545.4K
BX 06 - Belmont/East Tremont	15%	95%	\$452.0K
BK 17 - East Flatbush	15%	96%	\$566.5K
BX 05 - Fordham/University Heights	15%	98%	\$443.6K
BX 02 - Hunts Point/Longwood	14%	98%	\$443.9K
BX 09 - Parkchester/Soundview	12%	98%	\$461.4K
Citywide	7%	69%	\$765.0K

Source: ACS 2022

*People identifying as races and ethnicities other than white non-Hispanic.

Rate of Flipping by Community District



Flipping Out: How Home Flipping Reduces Affordability in NYC Neighborhoods of Color analyzes home flipping in New York City over the five-year period from 2019-2023 and its racial, housing market, and displacement risk impacts. It also identifies policy recommendations to address speculation on small homes.



Access the full report at prattcenter.net/flippingout

Key Findings

- 1. Home flipping is most prevalent in communities of color.**
Community Districts with the top ten rates were more than 90% people of color and more than half were majority-Black.
- 2. Flippers target scarce affordable homes and neighborhoods.**
NYC flippers primarily purchase homes at the low-end of the market. In 2021, the median price paid by flippers was nearly 50% less than citywide median home value. Rates of flipping are highest in districts where home values are below the citywide average.
- 3. Home flipping is linked to displacement.**
From 2019-2023, the eviction rate among flipped homes was 6 times higher than among non-flips. Community Districts with high rates of home-flipping tend to have higher foreclosure rates.

Recommendations

- 1. Disincentivize home flipping with a transaction tax.**
New York's **End Toxic Home Flipping Act** would establish a tax on the gains from a 1-3-unit home sold in NYC less than two years after purchase, with the goal of throwing a wrench in the flipping industry.
- 2. Exempt low- and moderate-income buyers from mortgage recording taxes.**
Many flippers use all-cash offers to incentivize homeowners to sell. This also allows them to evade City or State Mortgage Recording Tax—an advantage over buyers who require a mortgage.
- 3. Protect homeowners from speculators' predatory tactics.**
The City and State should expand Cease and Desist zones, enforce against deed schemes, increase investment in foreclosure prevention programs, strengthen LLC transparency laws, and expand tenant protections in small homes.
- 4. Invest in collective ownership and deeply affordable home ownership programs.**
The City and State should expand collective ownership models like Community Land Trusts (CLTs), which curb speculation, and can help struggling homeowners preserve their homes.

