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## Brooklyn neighborhoods feel housing crunch

Tom Fredrickson

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Three Brooklyn neighborhoods have seen a dramatic slowdown in housing sales because of tighter lending standards.

Sales volume in Bedford Stuyvesant, East New York and Brownsville, areas where subprime loans are prevalent, declined about 50% in a recent six-month period, according to Sam Heskell, founder and executive vice president of HMS Associates, an appraisal firm. Mr. Heskell examined the sales data at the request of *Crain's New York Business*.

"The report is showing clearly the subprime impact in these neighborhoods," Mr. Heskell says.

Bed-Stuy saw sales decline to 203 during the six months ended Sept. 12, compared with 438 for the equivalent period of 2006. Sales in East New York fell to 182 from 416. Brownsville sales dropped to 25 from 49.

During the second quarter, sales volume remained brisk in higher-income areas of Brooklyn, such as Park Slope and Brooklyn Heights, according to Mr. Heskell.

Despite the decline in sales volume in the three neighborhoods, prices increased in the low- to mid-single digits. However, prices are likely to decline in coming months. Homeowners will have to reduce prices to sell property and avoid foreclosure or simply to find qualified buyers.

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