

"All of Harlem is hot, but some of it is scorching"

Willie Kathryn Suggs, real estate broker

is a mixed blessing

Though some are glowing in the heat of the red-hot housing market, others are getting burned.

Beginning today and running through Friday, *Your Money* will explore the effects on real people's lives of a meteoric rise in the value of homes.

TODAY, we'll focus on Harlem, where residents are grappling with the good and the bad of rising prices. Some homeowners are unlocking huge gains in the value of their homes, while renters suddenly can't afford to live on blocks they had occupied for 20 years.

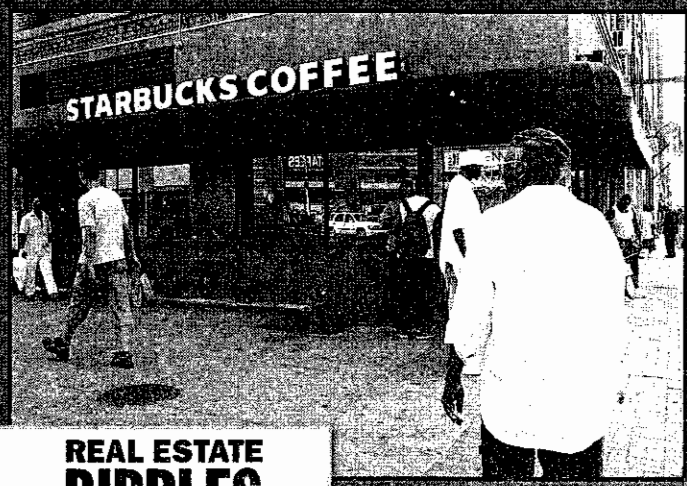
TOMORROW, we'll chronicle the Mitchell-Lama affordable housing program. With many developers looking to boost profits, residents are feeling anxious about their abilities — even with some financial help — to afford places they've called home for more than 25 years.

WEDNESDAY, we'll take readers out to Sunset Park, Brooklyn, where residents are trying to put the brakes on construction they fear could cut into their property values and alter the neighborhood.

THURSDAY, we'll set our sights on Crown Heights, a previously overlooked neighborhood that's largely benefited from the increasing property values.

FRIDAY, we'll assess what Mayor Bloomberg has done for affordable housing during his administration.

As always, we welcome your feedback at: yourmoney@nydailynews.com.



REAL ESTATE RIPPLES

Chronicle the effects the housing bubble is having on people's lives.

FIRST OF FIVE PARTS

Affordability a key concern

L AQUITA HENRY REALLY MAY NOT be able to go home again to Harlem.

Henry, a self-employed consultant, had lived in Harlem for 20 years in a duplex on Hamilton Terrace before moving to a studio on the upper West Side in 2000.

After searching for the last six months for a place to live near where she used to call home, she has severe sticker shock.

Brokers have shown her a fifth-floor, one-bedroom walk-up for \$1,700 and a studio she says is "teeny, teeny, teeny" for \$1,200.

"It's extremely frustrating," she said.

Jennifer Blanco, a 28-year-old medical assistant with two children, pays \$711 a month for her two-bedroom on 135th St., but wants a three-bedroom. With a monthly income of \$1,160, she has found nothing she can afford.

With central and west Harlem now among the city's hottest neighborhoods, "affordability is a crisis," said Sheena Wright, president and CEO of the Abyssinian Development Corporation, a Harlem nonprofit housing development group.

"When you are paying 50% of your income to housing, and you live on a low income, your choice is groceries or rent," she said.

Wright's 15-year-old group, affiliated with the Abyssinian Baptist Church, works on "displacement prevention" — building new homes, renovating older buildings and offering 600 first-time home buyers a year of classes in financial literacy.

"So far, most of the development in Harlem has been in vacant buildings or lots," Wright explained. With much of it now gone and intense interest in the big profits, developers and investors can turn "thousands and thousands" of long-term residents of subsidized hous-

ing out of their homes, she noted.

Owners of the many Harlem buildings constructed with city tax breaks in return for providing low-income housing can soon turn them into market-rate condos, potentially displacing 18,000 low-income families in central Harlem, she said.

Those who have enjoyed city-sponsored co-op ownership bought their apartments for \$250 and some are now worth \$250,000. But many of those will also soon lose the hard-won value they've put into their homes, because the poorly managed buildings owe back taxes, need costly repairs and have code violations.

Once the city reclaims them, the residents could lose whatever value they've built up in their homes, and could find themselves competing for dwindling stocks of affordable housing.

Also, Donald Notice, executive director of West Harlem Group Assistance, a 34-year-old community-based development corporation, said some homeowners fear gentrification could uproot them from their residences.

While escalating housing prices have created hardship for many, they've also presented opportunity of riches for others.

In 1989, Humphrey Stephenson, a muscular, soft-spoken, 56-year-old printer, bought a brownstone on W. 119th St. for \$65,000. It was a block plagued by

murders.

Today he's refusing multiple offers for it, most recently \$1.8 million. He wants \$2 million, since the house across the street sold for that.

"I worked very hard on this place. In the '80s, no one wanted to live in Harlem," he said. Today, his neighbors are doctors and lawyers, most of them white.

"All of Harlem is hot, but some of it is scorching," said veteran broker Willie Kathryn Suggs.

Hamilton Heights (from 135th St. to 155th St., between Riverside Drive and St. Nicholas) and Mt. Morris Park (116th St. to 125th, between Fifth Ave. and Eighth Ave.) are drawing black, white and foreign buyers hungry for big, historic houses with easy subway access to downtown, said Spencer Means, a vice president with Corcoran Realty.

While savvy owners like Stephenson are looking to cash in on the boom, some banks are claiming unwary victims through predatory lending.

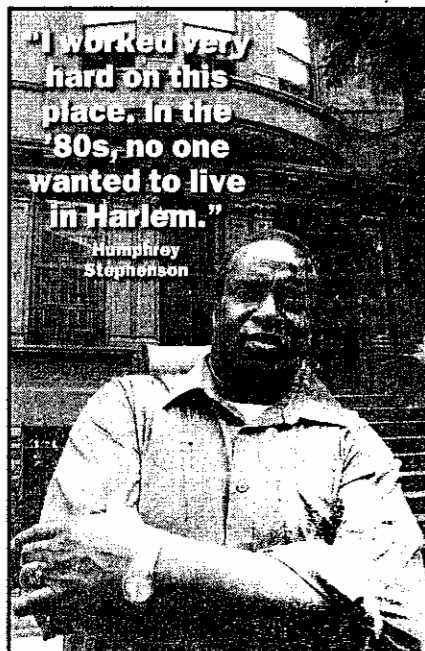
Sam Kwofie, a retired 65-year-old, has lived in his two-bedroom Harlem apartment since 1988.

He recently refinanced his mortgage with a new loan that required no income verification. The bank verbally assured him his payments would be lower, but Kwofie and his

wife, with a combined annual of income of \$44,000, are struggling to pay 50% more per month than before — and at a considerably higher interest rate.

Kwofie said his new and lower retirement income and the higher payments make an impossible combination. "I was worried I would be turned out into the street."

Instead, he was able to arrange a reverse mortgage, which is a complex type of financing that allows older homeowners to take money out of their home, but that could take the home away from him, or his estate, when he moves or dies.



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