Homeownership while black
Examining the devaluation of assets in black neighborhoods
Then how do people get better? Well, from my understanding people get better when they understand that they are valuable.

- Mos Def, *Fear Not of Man*
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December 5, 2018
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Homeownership while black
Examining the devaluation of assets in black neighborhoods
Homes in black neighborhoods are worth less, on average, than homes in <1% black neighborhoods.
Can we explain this difference in value?
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Absolute price difference
Can we explain this difference in value?

Absolute price difference

Structural characteristics

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Can we explain this difference in value?

- **Absolute price difference**
- **Structural characteristics**
- **Neighborhood amenities**
Devaluation

-$48,000  ↓  23%

on average, compared to homes in neighborhoods which are <1% black
Devaluation

$156$ billion in cumulative losses
Devaluation

Comparing home values in majority black neighborhoods with those where less than 1% of residents are black

Devaluation: Comparable homes in majority black neighborhoods are worth less ↓

Greater devaluation

Appreciation: Comparable homes in majority black neighborhoods are worth more ↑

Greater appreciation

Devaluation and appreciation are represented by percent difference between comparable homes. Hover over metro areas for detail on the magnitude of devaluation.
Homes in black neighborhoods are significantly devalued in many metro areas

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Valuation of homes in black neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example areas with negative valuation of homes in black neighborhoods</td>
<td></td>
</tr>
<tr>
<td>Lynchburg, VA</td>
<td>-81%</td>
</tr>
<tr>
<td>Rochester, NY</td>
<td>-65%</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>-47%</td>
</tr>
<tr>
<td>Detroit-Warren-Dearborn, MI</td>
<td>-37%</td>
</tr>
<tr>
<td>Pittsburgh, PA</td>
<td>-12%</td>
</tr>
<tr>
<td>Example areas with positive valuation of homes in black neighborhoods</td>
<td></td>
</tr>
<tr>
<td>Nashville-Davidson-Murfreesboro-Franklin, TN</td>
<td>+10%</td>
</tr>
<tr>
<td>Wichita Falls, TX</td>
<td>+16%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>+23%</td>
</tr>
<tr>
<td>Champaign-Urbana, IL</td>
<td>+25%</td>
</tr>
<tr>
<td>Hilton Head Island-Bluffton-Beaufort, SC</td>
<td>+58%</td>
</tr>
</tbody>
</table>
Devaluation

$156 billion
in cumulative losses
What is $156$ billion?
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$4.4$ million black-owned businesses

Source: Stanford Institute for Economic Policy Research
What is $156$ billion?

- 4.4 million black-owned businesses
  
  Source: Stanford Institute for Economic Policy Research

- 8.1 million four-year degrees
  
  Source: National Center for Education Statistics
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- Replace pipes in Flint, MI nearly **3,000** times
  
  Source: American Water Works Association
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- Replace pipes in Flint, MI nearly **3,000** times
  
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- **97%** of the damage of Hurricane Katrina
  
  Source: National Oceanic and Atmospheric Administration
There is nothing wrong with Black people that ending racism can’t solve.
Know Your Price
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