Black neighborhoods fall behind in housing market recovery, study shows

Most economists would agree that we've fully recovered from the recession — the national economy is stable, jobs growth is robust and the majority of homes have regained or exceeded their 2007 pre-recession value.

But different metros have recovered at varying rates, and some have actually fared worse, as evidenced in *The Washington Post's* The Divided American Dream, an in-depth and multi-part feature about the connection between race, class and the ability to build long-term wealth through homeownership.

Four WaPo reporters dove deep into Black Knight Financial Services home value data from 2004-2015, and their findings revealed that single-family homes in wealthier, predominately white neighborhoods have appreciated, on average, by 21 percent.

Meanwhile, single-family homes in predominately black neighborhoods are twice as likely to have homes that are worth less post-recession.

"The findings of The Post's analysis underscore another way in which the economy, despite its improvements over the past several years, continues to deliver better returns for some Americans than others," wrote WaPo reporter Kat Downs.

"In good times, housing converts income into wealth. It turns a paycheck into the next generation's inheritance. But in neighborhoods that haven't weathered the past decade as well, homes have become a source of debt, a physical trap and an obstacle to life's other goals," she added.

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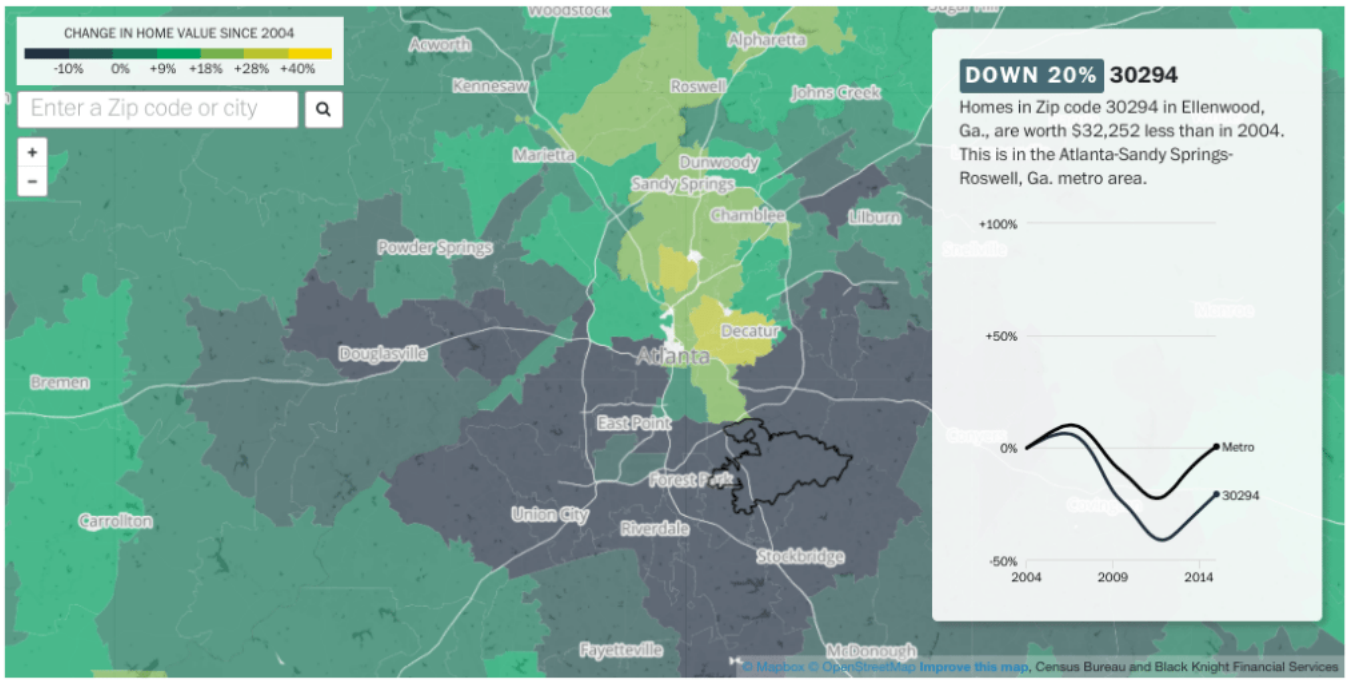
[Source: The Washington Post's 'The Divided American Dream']

Home values along race and class divides

In addition to an interactive infographic, the WaPo team produced four long-form pieces that focused on San Francisco, Atlanta, Charlotte, North Carolina and Washington, D.C., four major metro areas that are experiencing gentrification.



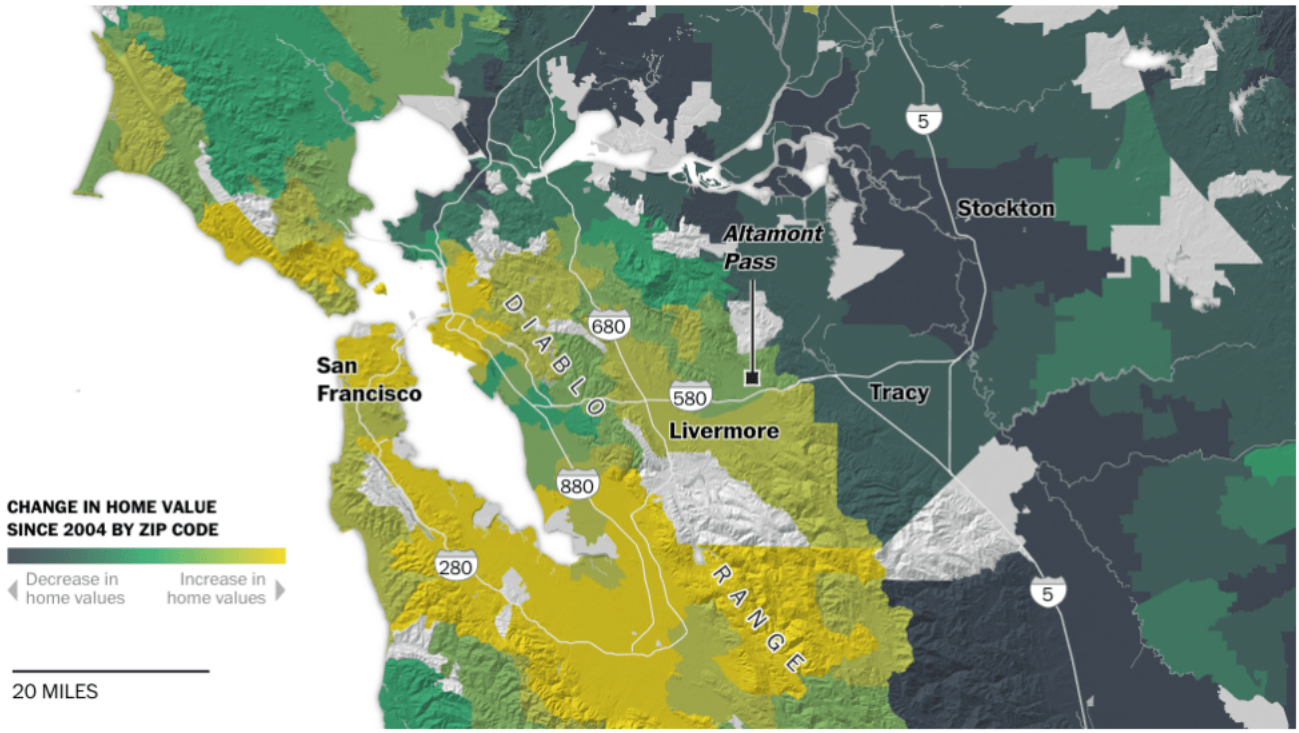
The difference in home values between North and South DeKalb County. [Source: The Washington Post's 'The Divided American Dream']

[In DeKalb County (Atlanta)], the difference in home value appreciation between the predominately white northside and the predominately black southside is stark: Homes in North Dekalb have appreciated by as much as 40 percent while homes in South DeKalb have depreciated by 40 percent.

For example, one homeowner says the home he bought in 2005 for $269,000 was recently valued

at $189,000 when he tried to refinance his mortgage.

“It just does not make sense,” he said. “You’ve got doctors, lawyers, teachers, all kinds of professional people, retired military like myself, who’ve done everything right — everything right — and it never seems to work out in our favor.”



San Francisco vs. Stockton / Source: The Washington Post’s ‘The Divided American Dream’

In the bustling tech metropolis of San Francisco, home values have skyrocketed as much as 96 percent to an average of $2,247,333. Meanwhile, homeowners in Stockton have taken quite the hit: Their homes have depreciated by 21 percent since 2005.

At one point in time, residents in San Francisco and Stockton had similar average incomes and the home value gap was much “narrower,” said Jeff Michael, director of the Center for Business and Policy Research at the University of the Pacific in Stockton.

But, as San Francisco became a tech mecca, its income growth began to outpace the income growth in the Stockton, where the rich agricultural market was waning. Furthermore, Stockton

residents could no longer afford the homes they got with subprime loans during the city's building boom.

That has left most residents with homes that are underwater. It has also left them having to weigh the choice between keeping their home or becoming a renter.

In Washington, D.C. and Charlotte, North Carolina, the stories are the same — gentrification matched with racial and wealth inequality has put minority communities behind the eight ball, while wealthier, white communities continue to thrive.

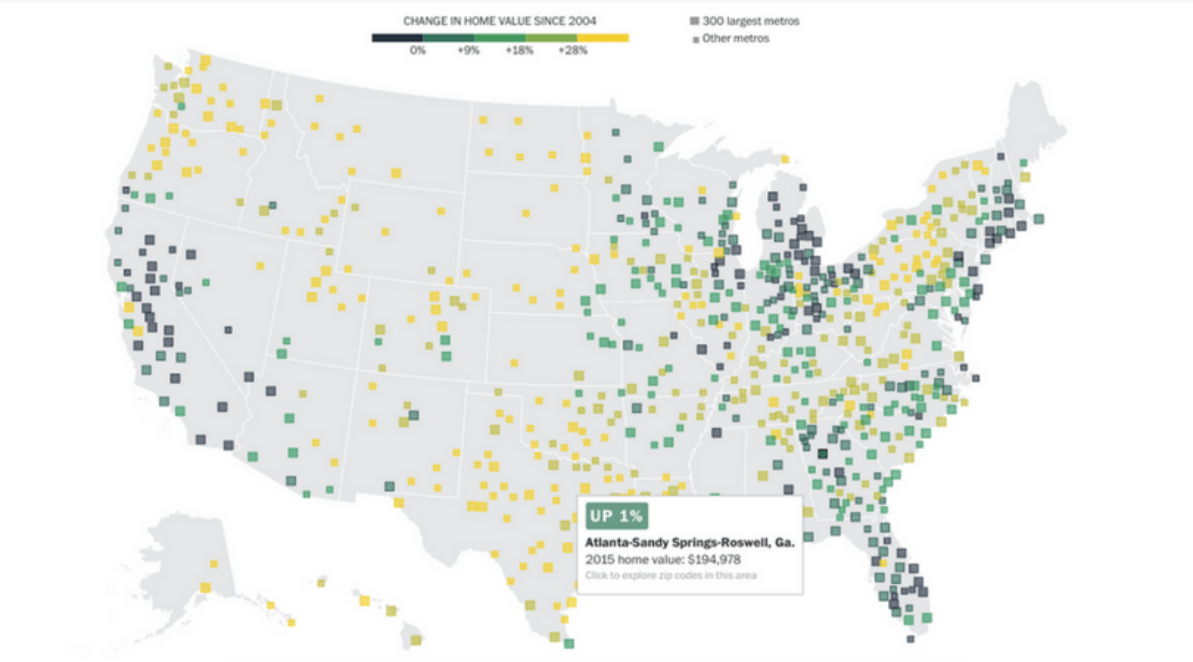
"Many of the disparities reflect existing divisions in America that have been widened by the housing turmoil," Downs concluded. "The bubble was a broadly shared experience — values rose rapidly in communities across the country in the early 2000s — but what happened next was not."

"The result is that this housing cycle — spanning the bubble, bust and recovery — has left vastly different marks on communities across the country. For some families and neighborhoods, the legacy will linger for years. For others, its memory has already faded."

How have home values in your city changed?

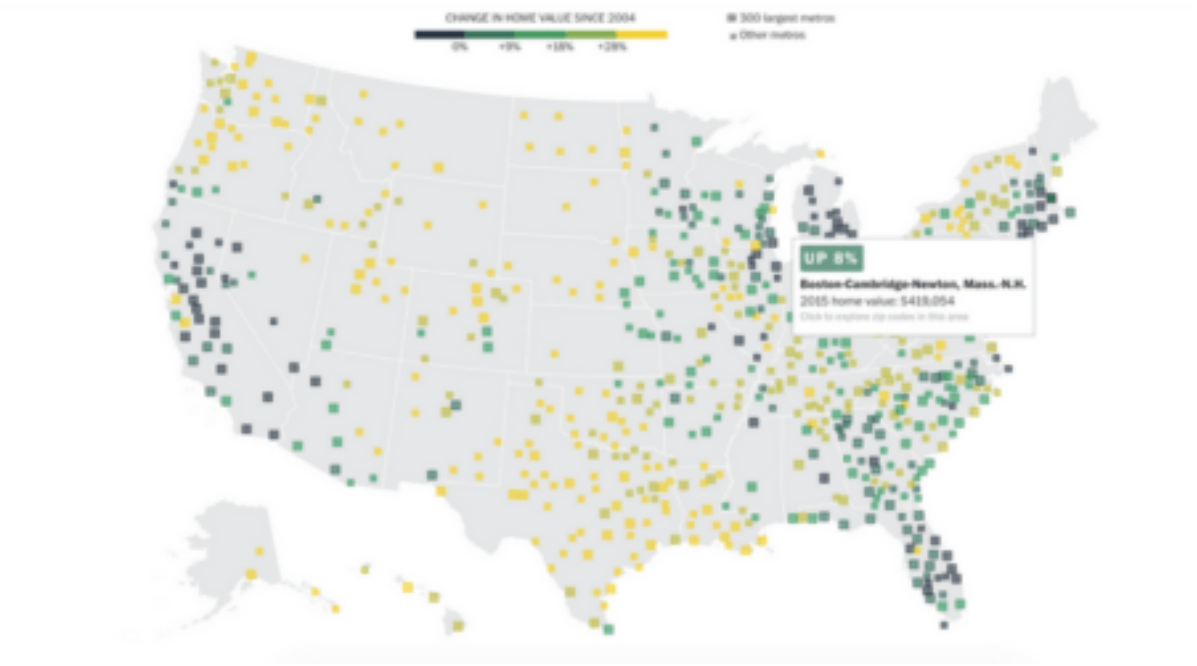
Here are the home value changes in the nation's 50 capitals:

Montgomery, Alabama: -1 percent to $137,478
Juneau, Alaska: +38 percent to $368,986
Phoenix, Arizona: +16 percent to $237,493
Little Rock, Arkansas: +12 percent to $170,524
Sacramento, California: -4 percent to $333,755
Denver, Colorado: +32 percent to $350,694
Hartford, Connecticut: +3 percent to $241,137
Dover, Delaware: +10 percent to $209,527
Tallahassee, Florida: +4 percent to $180,996



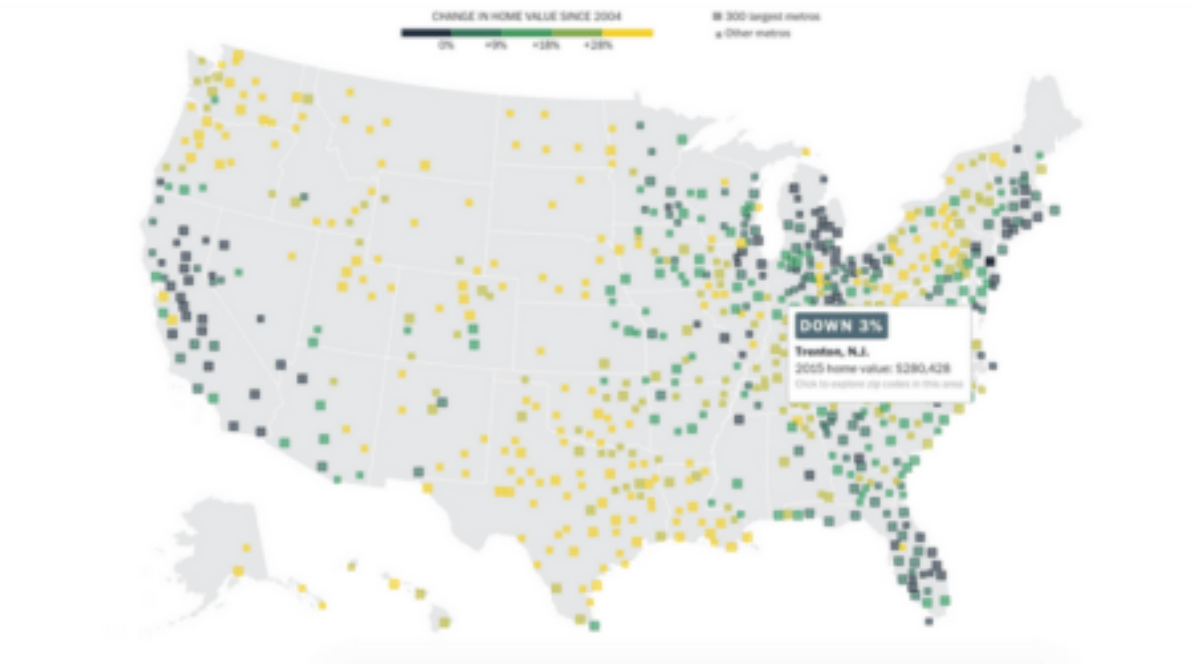
Source: The Washington Post's 'The Divided American Dream'

Atlanta, Georgia: +1 percent to $194,798
Honolulu, Hawaii: +56 percent to $716,727
Boise, Idaho: +23 percent to $207,363
Springfield, Illinois: +16 percent to $171,193
Indianapolis, Indiana: +12 percent to $173,854
Des Moines, Iowa: +13 percent to $185,635
Topeka, Kansas: +13 percent to $142,674
Frankfort, Kentucky: +10 percent to $228,120
Baton Rouge, Louisiana: +32 percent to $190,094
Augusta, Maine: Data not available
Annapolis, Maryland: +12 percent to $507,942



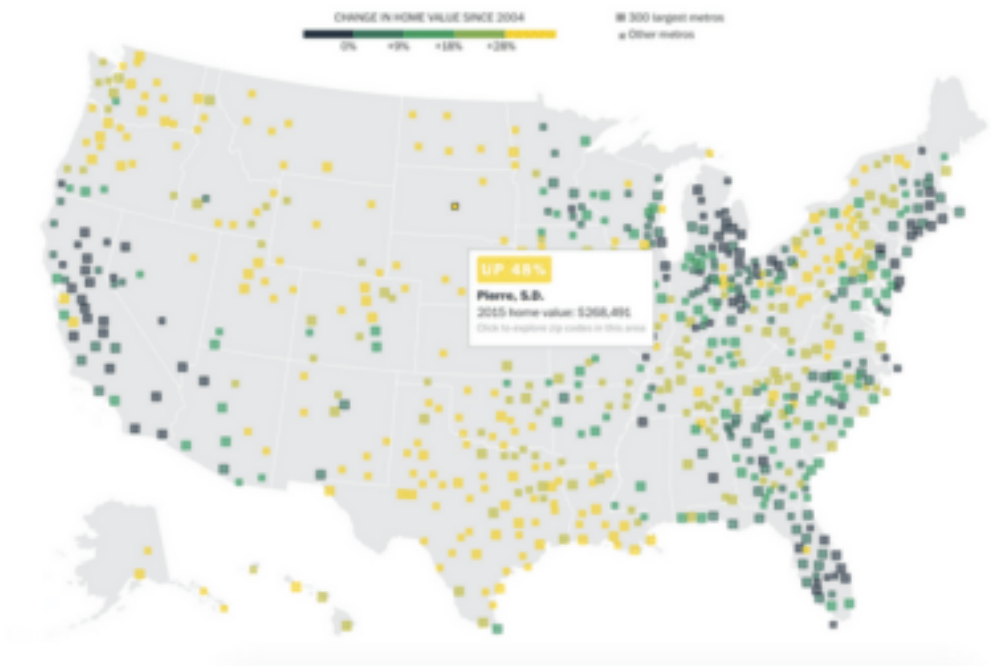
[Source: The Washington Post's 'The Divided American Dream']

Boston, Massachusetts: +18 percent to $419,084
Lansing, Michigan: -8 percent to $145,748
Saint Paul, Minnesota: -19 percent to $140,944
Jackson, Mississippi: +18 percent to $220,747
Jefferson City, Missouri: Data not available
Helena, Montana: +54 percent to $224,201
Lincoln, Nebraska: +16 percent to $164,882
Carson City, Nevada: -2 percent to $240,747
Concord, New Hampshire: unchanged at $228,489



Source: The Washington Post's 'The Divided American Dream'

Trenton, New Jersey: -3 percent to $280,428
Santa Fe, New Mexico: +9 percent to $313,175
Albany, New York: +25 percent to $224,752
Raleigh, North Carolina: +19 percent to $233,566
Bismarck, North Dakota: +91 percent to $284,378
Columbus, Ohio: +10 percent to $186,390
Oklahoma City, Oklahoma: +30 percent to $258,070
Salem, Oregon: +30 percent to $203,627
Harrisburg, Pennsylvania: +19 percent to $190,521
Providence, Rhode Island: -4 percent to $268,761
Columbia, South Carolina: +12 percent to $238,792



Source: The Washington Post's 'The Divided American Dream'

Pierre, South Dakota: +48 percent to $268,491
Nashville, Tennessee: +31 percent to $222,222
Austin, Texas: +53 percent to $283,017
Salt Lake City, Utah: +50 percent to $282,198
Montpelier, Vermont: +43 percent to $249,893
Richmond, Virginia: +17 percent to $232,750
Olympia, Washington: +24 percent to $249,130
Charleston, West Virginia: +22 percent to $142,690
Madison, Wisconsin: +12 percent to $232,243
Cheyenne, Wyoming: +34 percent to $230,629

Want to see the data for your specific ZIP code? View *WaPo's* full study here.

Email Marian McPherson.

Source: click here