

http://www.tulsaworld.com/business/realestate/report-african-american-home-ownership-lagging-behind-white-counterparts/article_401fb72a-38ae-5f79-a056-c64e1d335add.html

Report: African-American home ownership lagging behind white counterparts

By Rhett Morgan Tulsa World Jul 22, 2017



[Buy Now](#)

Brandon and Lauren Oldham plan to move into a three-bedroom, two-bathroom house in Ogans Circle, a 14-home development at East Virgin Street between North Lansing Avenue and the Osage Prairie Trail by early fall. CORY YOUNG/Tulsa World

Lauren and Brandon Oldham didn't want to leap blindly into homeownership.

So they took a series of baby steps over several years, contemplating how best to prepare themselves for the biggest financial commitment of their lives.

“Even before we got married, we talked about snowballing and getting our debt down and things like that to improve our credit and debt-to-income ratio,” says Lauren, 27, an attorney who wed Brandon in 2016. “Being able to do that so early on was really, really great and put us in a position now to purchase our home. ...

“One thing that seems common sense but I didn’t realize was the down payment and what a big hurdle that would be. That was something we talked about pretty quickly as far as saving up the money. Once we had that part finalized, we kind of moved forward.”

By early fall, the Oldhams plan to move into a three-bedroom, two-bathroom house in Ogans Circle, a 14-home development at East Virgin Street between North Lansing Avenue and the Osage Prairie Trail. It is an area where Brandon was born and reared and is eager to return.

“It was definitely taking the advice and mentorship of those around us to really hone in and focus on these things,” Brandon, an aide in the Tulsa Mayor’s Office, says of his and his wife’s ability to buy a home. “It was learning from what people shared were their mistakes and making sure to not make those same ones based on their advice. ...

“The idea of homeownership is something that everyone should be able to experience, and I’m really glad that this development was able to come around, not only for us but for Tulsa in general, especially in north Tulsa.”

For black couples like the Oldhams, that idea remains elusive.

The nation’s home ownership rate has steadied since the 2008 recession that sacked millions of jobs and burst the housing bubble, according to a recently released report by Harvard University’s Joint Center for Housing Studies issued this month.

But the report noted that while other minority groups saw gains in purchasing homes, African-Americans aren’t sharing in the rebound. In fact, African-American home ownership recently fell to below the 1994 level (42.2 percent), declining swiftly since 2004. The gap between white and African-American home ownership is at its largest since the 1940s (29.7 percentage points).

The Associated Press analyzed U.S. Census Bureau American Community Survey (ACS) 1-year data from 2005, 2010 and 2015 for metropolitan statistical areas (MSAs) to identify trends in African-American home ownership over time.

In the Tulsa MSA in 2015, the disparity between white (69.3) and African-American (40) home ownership was nearly 30 percentage points, data indicates. In 2005, those percentages were 73.4 and 42.1, records show.

Brandon Jackson, who founded Tara Homes in 2000, says the discrepancies are due to “a gumbo of reasons,” one of which is workforce development.

“Tulsa is a technology, medicine, aerospace and oil and gas place,” he says. “I think you have a lot of liberal arts, bachelor’s degree people who are underemployed. That generates a lower median income.”

Multi-family developers, too, are offering an increasing number of amenities that are attracting millennials, cutting further into the home ownership pie, Jackson said. Also, ways to save on mortgages are going under-reported, he said.

“Pre-judging one’s credit, banks aren’t loaning money, 20 percent down payments ... people hear this stuff, but that’s not the case,” said Jackson, former president of the Home Builders Association of Greater Tulsa and past chairman of the Tulsa Metropolitan Planning Commission. “With the cutbacks from FHA (Federal Housing Administration) and HUD (U.S. Department of Housing and Urban Development), which are Fannie Mae (The Federal National Mortgage Association) products, you don’t have that big push for home ownership showing a 3½ percent down payment.

“Nobody’s talking about the 184B Loan, the Native American Loan. You also have a lot of veterans’ who aren’t taking advantage of veterans’ benefits.”

David Charney owns Capital Homes, which has built more than 1,000 homes in the Tulsa area. He says barriers to home ownership for African-Americans reach back generations.

“It was more difficult historically for black families to access the credit markets,” Charney says. “Historically, there were restrictive covenants that prevented black ownership in certain neighborhoods. Those were two things that may have led to an inability to enter the home-buying process.

“In most folks that we see, the home is the chief source of equity on an individual’s financial statement. So it had begun to perpetuate itself, making it more and more difficult for black Americans to qualify for mortgages because it was tougher to get in the game.”

Capital Homes is the developer for Ogans Circle, a partnership between Capital and the Tulsa Development Authority, which sold the previously vacant land to the private enterprise. Thus far, nine of the 14 lots have been purchased.

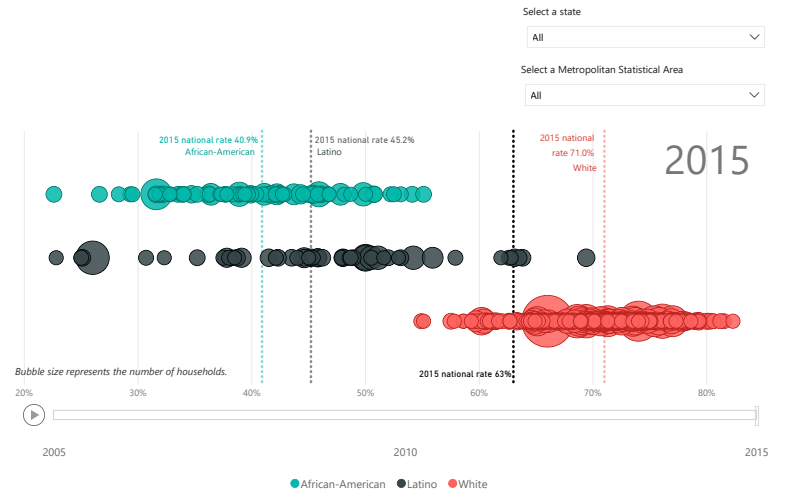
“If there are mechanisms to help provide down-payment assistance, assuming there is owner occupancy, society is ahead in my judgment if we let them earn and burn off that down-payment assistance maybe over a 5- or 10-year period, as long as they remain in the home and keep it in good repair,” Charney says. “Then, two things happen. They begin to amass equity, and we have restored homeownership to neighborhoods that have largely become rental neighborhoods and don’t receive the same degree of care that they do from homeowners.

“Across other sectors of society, there is a need to help people with credit repair. Most new home builders don’t care to focus on that. They prefer to focus on the low-hanging fruit of people who are easily qualifiable.”

In Ogans Circle, up to \$4,000 in closing-cost assistance is provided by Capital Homes, with \$4,000 in down-payment assistance available from the TDA as a no-interest loan.

“To transform a neighborhood, it takes a partnership approach, and it takes people who care,” Charney says. “The private sector can’t do that lifting alone. The numbers simply won’t work.”

Estimated homeownership by race/ethnicity for Metropolitan Statistical Areas



Microsoft Power BI

