



2020 STATE OF HOUSING IN BLACK AMERICA

Challenges Facing Black Homeowners & Homebuyers During
The COVID19 Pandemic & An Agenda for Public Policy

*AUTHORED BY Vanessa Gail Perry, Ph.D. &
Michelle Ronowitz, Jung Choi, Edward Golding, Morgan Green, Richard Green,
Maurice Jourdain-Earl, Ashlyn A. Nelson, Lisa Rice, Lauren Rhue*

EXECUTIVE SUMMARY



COMMISSIONED BY THE

National Association of Real Estate
Brokers

**2020 STATE OF HOMEOWNERSHIP IN BLACK AMERICA: CHALLENGES
FACING BLACK HOMEOWNERS AND HOMEBUYERS DURING THE
COVID-19 PANDEMIC AND AN AGENDA FOR PUBLIC POLICY**

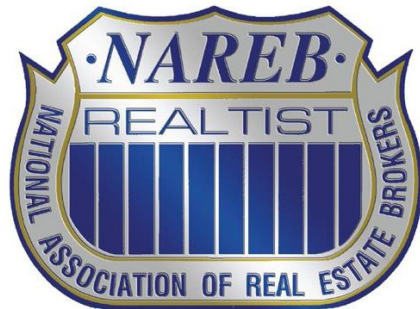
VANESSA GAIL PERRY

WITH

MICHELLE ARONOWITZ, JUNG CHOI, EDWARD GOLDING, MORGAN GREEN
RICHARD GREEN, MAURICE JOURDAIN-EARL, ASHLYN A. NELSON
LISA RICE, LAUREN RHUE

With Message by

Donnell Williams, President, National Association of Real Estate Brokers
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ABOUT THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS

NAREB was founded in Tampa, Florida, in 1947 as an equal opportunity and civil rights advocacy organization for African American real estate professionals, consumers, and communities in the United States. Our purpose remains the same today, but we are more focused on economic opportunity than civil rights. Although composed principally of African Americans, the REALTIST® organization embraces all qualified real estate practitioners who are committed to achieving our vision, which is “Democracy in Housing.”

ABOUT THE AUTHOR

Vanessa Gail Perry, MBA, Ph.D. is a Professor of Marketing, Strategic Management and Public Policy at the George Washington University School of Business.

Disclaimers

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MESSAGE from the PRESIDENT

On behalf of the National Association of Real Estate Brokers, Inc. (NAREB), I am honored to present the 2020 edition of the State of Housing in Black America (SHIBA) report. Since the first issue published in 2013, NAREB has remained committed to documenting the disparities, to analyzing the results, and to recommending solutions that support the growth of Black homeownership.

It is NAREB's position that opportunities for homeownership exist despite ongoing challenges to the process. This 2020 report offers a comprehensive look not only at the systemic impediments to Black American dreams of homeownership but also the necessary public policy interventions and intricate mortgage market adjustments needed to build Black wealth through homeownership.

We provide insights into the everyday experiences of a Black homebuyer pursuing wealth through homeownership—from the historical barriers that result in Black mortgage applicants being twice as likely to have their applications rejected, to current credit score practices and piloted models that may skew, or even widen, the gap between Black and non-Hispanic White borrowers.

NAREB remains mindful of the COVID-19 pandemic and its impact on the lives of all Americans. We all have had to pivot and call upon our brand of resourcefulness to sustain our health and our livelihoods with an eye toward a more empowered and enriched future. Our confidence remains strong as Black homeownership rates increased by nearly seven percentage points from the second quarter of 2019 (40.6%) to the close of the second quarter of 2020 (47%). We recognize and always consider the obstacles to Black Americans pursuing ownership; however, our indomitable spirit and collective strength enable us to overcome barriers and deterrents.

You have a vital role to play in this move towards progress. As you read this report, please identify areas where your expertise and interest can be called upon to build Black wealth through homeownership. Additionally, please share this report with your colleagues, friends, or constituents and help share our strategic direction to Educate ...Empower... Mobilize, so that Black homeownership rates can continue to rise.

Sincere thanks are extended to the principal author of NAREB's 2020 edition of the State of Housing in Black America report (SHIBA), Vanessa Gail Perry, PhD., Professor of Marketing, Strategic Management and Public Policy at the George Washington University School of Business. The complexities of the home purchase and mortgage arenas are insightfully presented for a more fulsome understanding of the multiple hurdles that are too often encountered by Black home purchasers. We continue to evolve and communicate the process of laying the groundwork needed to attain Democracy in Housing. Thank you for being part of our journey forward.



Donnell Williams

Donnell Williams

President

National Association of Real Estate Brokers, Inc.

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OWNERSHIP**

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NATIONAL ASSOCIATION OF REAL ESTATE BROKERS (NAREB)
9831 GREENBELT ROAD, SUITE 309
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