

NAREB'S 2024 State of Housing in Black America Report Reveals an Urgent State of Emergency for Black Homeownership

The SHIBA report shows little progress in increasing Black homeownership, as the 45.7% rate remains significantly below the pre-2004 high of nearly 50%.

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/EINPresswire.com/ -- The National Association of Real Estate Brokers (NAREB) [State of Housing in Black America](#) (SHIBA) report reveals a troubling environment for bolstering Black homeownership in the U.S. The two best-performing demographics for African Americans - Black female-headed households and millennials - both declined in home sales in 2023.



The report authors, James H. Carr and Michela Zonta, meticulously present facts, statistics, and analysis, underscoring the persistent barriers that hinder Black homeownership. The homeownership rate among Black households was 45.7% in 2023, a sharp contrast to the 74.3% among White households and a significant drop from its peak of 49% in 2004.



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Dr. Courtney Johnson Rose

On Friday, the SHIBA report will be officially presented at the [NAREB Black Wealth Summit](#) at Clark Atlanta University during an event featuring Acting HUD Secretary Adrienne Todman, Atlanta Mayor Andre Dickens, State Representative Billy Mitchell, State Senator Gail Davenport, local mayors, financial services industry executives,

lenders, and many more. It runs from 8 am to 5 pm at the Junita P Baranco Multipurpose Room in the Student Center.

“The 2024 SHIBA report confirms that we are in a State of Emergency with Black homeownership,” said NAREB President Dr. Courtney Johnson Rose. “The SHIBA report underscores that there has been little progress in increasing Black homeownership. The past two years have been tough, but even before 2021, Black homeownership was either falling or

stagnant and remains far from its pre-2004 high of nearly 50%.”

Dr. Rose said that the fall in Black millennial applications and originations, in particular, is “exceptionally troubling” because those home buyers significantly contribute to the potential for long-term wealth accumulation for Black families. “When millennials slow their home purchases, it curtails opportunities for intergenerational wealth,” she said. “Their success determines the aggregate potential for future Black homeownership increases.”

The SHIBA report found that Black homeownership is hampered by a mortgage finance system that continues to discriminate. Black mortgage applicants are turned down more often than Whites; Blacks are more likely to receive high-cost home loans than their White counterparts on similar properties, and houses in Black neighborhoods are less likely to be appraised at the same values compared to similar homes in White communities.

Further, it’s alarming that while Blacks have a strong presence in the labor market, it is not prompting increases in homeownership or narrowing the wealth gap.

“Improvements in employment prospects or minor wage increases are insufficient to narrow the Black-White racial wealth gap significantly,” said Dr.

Rose. “The rise in the value of assets more significantly impacts the growth in household wealth than wage increases. Given that White households hold more valuable assets and enjoy a



Dr. Courtney Johnson Rose, NAREB President



Acting HUD Secretary Adrienne Todman

broader range of investments than Black households, the disparity in wealth between these two demographics is anticipated to continue to increase for the foreseeable future.”

Moreover, the report found that lower-income Blacks and Whites were more likely to pay the highest rates for mortgages when buying a home. This underscores the urgent need for reforms to reshape the nation’s housing finance system so it can help the families that need it most.

The SHIBA report also found:

- In 2023, the number of applications and approvals for home loans decreased for all racial and ethnic categories, with White applicants experiencing a particularly notable drop. This decline, as revealed by the SHIBA report, has significant implications for the housing market.

- A comparison of loan denial rates reveals that Black applicants in 2023 faced more significant challenges than their White counterparts. Black applicants were denied mortgages at more than double the rate of White applicants, with a 17% denial rate for Blacks compared to 7% for Whites.

- Mortgage applications submitted by Black women decreased. Until 2021, there had been a steady rise in the number of applications from Black women since the Great Recession. In 2022, there was a noteworthy shift, and the number of applications began declining. By 2023, applications submitted by Black women decreased by 24% from 2022.

- In 2020, there was an impressive 28% increase in home loan applications from Black millennials over 2019, signaling hopeful signs for improving Black homeownership rates and longer homeownership. However, the encouraging trend was short-lived. The application numbers from Black millennials have dropped since 2021. From 2022 to 2023, Black Millennial applications and approvals decreased by about 21%.

- Investors purchased 1 in 6 homes (or 16%) sold in the second quarter of 2024, with single-family homes accounting for nearly 70% of purchases. Investors disproportionately buy lower-priced homes, accounting for 45% of investor purchases in the second quarter and almost 25% of all lower-cost homes purchased that quarter.

- 21% of the Black population is highly exposed to hurricanes compared to 11% of the White population. Blacks are also more exposed to coastal and riverine flooding, wildfires, and areas at high risk of heat waves.

“The 2024 NAREB SHIBA report demonstrates that we need all hands on deck to increase Black homeownership,” said Dr. Rose. “This is a Call to Action. There must be a united, multi-sector response that involves public, private, and non-profit entities implementing practices, policies, and regulations that can finally reverse the trend and boost Black homeownership. We need innovative ideas and leadership that can bring about change. Black homeownership must

increase if America is to have fair and equitable communities.”

(For print or broadcast interviews with NAREB President Courtney Johnson Rose, contact Michael Frisby, Mike@frisbyassociates.com/202-625-4328)

[ABOUT THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS](#)

NAREB was formed in 1947 to secure equal housing opportunities regardless of race, creed, or color. NAREB has advocated for legislation and supported or instigated legal challenges that ensure fair housing, sustainable homeownership, and access to credit for Black Americans. Simultaneously, NAREB advocates for and promotes access to business opportunities for Black real estate professionals in each real estate discipline. From the past to the present, NAREB remains an association that is proud of its history, dedicated to its chosen struggle, and unrelenting in its pursuit of the REALTIST®'s mission/vision embedded goal, “Democracy in Housing.”

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