Nov 8
2023

Home ownership by Blacks in Buffalo has flatlined

Whites are twice as likely as Blacks to own their own home in the city and there's been little growth among African-Americans over the past four decades. Income disparities are a major reason for the inertia. So, too, are concerns about schools and crime, as Black home buyers are increasingly turning to the suburbs.

By I'Jaz Ja'ciel

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Despite a plethora of programs encouraging Blacks to purchase their own homes, the ownership rate for African-Americans in Buffalo has barely budged over the past four decades.

Where there has been growth lately, it's come in the suburbs, according to Census data and federal mortgage loan reports.

Concerns about redlining in the city persist, but Black incomes in Buffalo — pegged at about three-fifths that of whites — are largely blamed for the stagnation.

"Overall, we can attribute the lower Black homeownership rate to the racial wealth gap," said Buffalo State University associate professor Jason Knight, coordinator of the school's Urban and Regional Planning program.

"If you're a median-income Black household in the City of Buffalo, and you're making on the order of $34,000 a year, it's really hard to qualify for a mortgage at an income of that level, especially given increasing housing prices," he said.

Concern over crime and schools is what's driving some Black residents with the financial means to the suburbs, said Rosalind Burgin, co-founder of real estate firm Mootry, Murphy and Burgin, and the first African-American to serve as president of the Buffalo Niagara Association of Realtors.

“Buffalo has kind of a reputation — ‘I don’t want to live in Buffalo,’ or ‘I have kids and I don’t want them in the Buffalo school system any longer,’ ” she said.

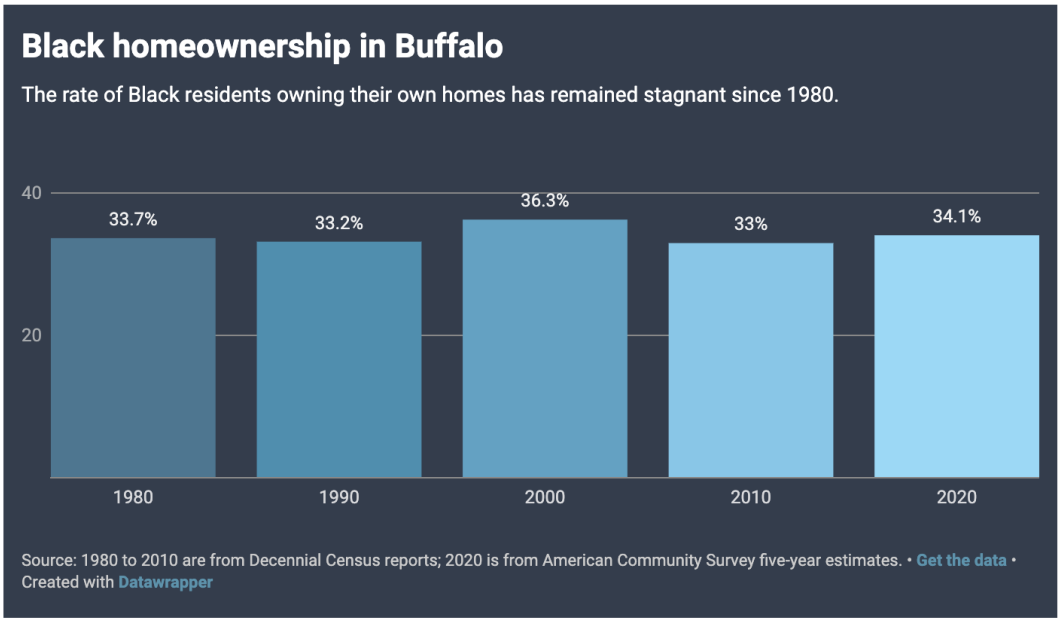
“I have two daughters and both of them live outside the city just because of that same stereotype of the City of Buffalo.”

Donations up to $1,000 made by Dec. 31 will be matched

Another issue in the city is that many potential homebuyers are finding there are just not enough available properties.

“The last couple of years, we have had an inventory shortage, so there are fewer houses out there,” Burgin said.
Housing experts say that between soaring interest rates and a slew of out-of-town investors with cash offers that often go well over asking price, many potential buyers are being priced out of homes in the city.

“I do get a lot of calls where they’ll say, ‘I’m losing out on these offers because people are coming in with cash and I’m passionate. I’m losing out on my dream home. What can I do?’ And, I don’t know,” said Terri Gayles, housing specialist for the University District Community Development Association.



Housing experts say banks have a mixed record helping boost Black homeownership in the region. Some are making strides, collaborating with neighborhood housing organizations or establishing first-time homebuyer programs. Others are criticized for not expanding their demographic reach, or for not establishing programs for moderate-income households.

A 2021 probe by the state Department of Financial Services looked into home mortgage lending practices in the Buffalo metropolitan area as an inquiry on redlining.

“One statistic that leaps from the data is that, market-wide, loans made to minorities in the Buffalo MSA comprise only 9.74% of the total loans made in Buffalo — less than half of what would be expected given that minorities make up roughly 20% of the MSA’s population,” the report said.

There is help from the government, with both the city and state offering homebuyer programs, but there are some caveats to eligibility, and observers say the programs aren’t advertised or targeted as well as they could be.

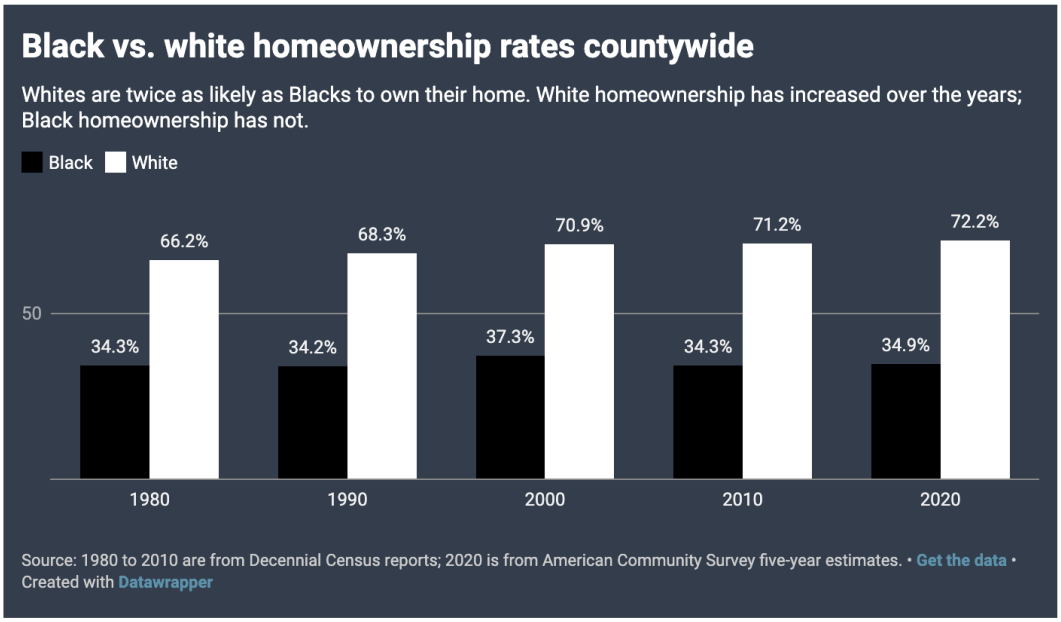
Other types of programs would be impossible to run today because the market has become too competitive, according to Jennifer Carman, director of housing and community development for Heart of the City Neighborhoods.

About 20 years ago, the organization sought to help increase homeownership in Buffalo by buying and rehabbing vacant houses for resale.

“We're being locked out of the homebuyer process, and one of the reasons we're not able to keep up with those programs is — and I think a lot of nonprofits are seeing this too in the city — is because of the fact that investors are now scooping up properties,” Carman said.

While about half of white households in Buffalo own their homes, the rate drops to closer to a third for African-Americans, according to Census data.

The gap widens when analyzing yearly trends countywide. About 70 percent of white households are homeowners, vs. 35 percent of Black, Census data shows.



It’s pretty much been that way for the past 40 years.

There’s been some progress. More Blacks throughout Erie County are applying for and receiving home mortgage loans today than five years ago, according to federal Home Mortgage Disclosure Act data.

“If the question is, ‘Is Black homeownership increasing?’ the short answer in absolute terms is … slightly,” said Knight, of Buffalo State.

On the whole, though, the numbers aren’t big enough to move the needle in Buffalo or countywide.

Black home loan applications in Erie County — where African-Americans represent 14 percent of the population — inched up from 4.3 percent of all applications in 2018 to 5.5 percent in 2022, the mortgage loan data shows.

Approved loans for Black applicants followed a similar trend, going from 4.4 percent of all loans approved in 2018 to 5.6 percent in 2022. For 2022, that meant of almost 9,400 home loans approved in Erie County, 524 went to Black homeowners.

Mortgage lending in Erie County

Black applicants accounted for five percent of approved mortgages over the past five years.

Year	Total loans approved	Black	Percent Black
2018	9,672	430	4.4%
2019	9,712	467	4.8%
2020	9,631	540	5.6%
2021	10,565	610	5.8%
2022	9,398	524	5.6%
Total	**48,978**	**2,571**	**5.3%**

Source: Home Mortgage Disclosure Act Data Browser • Get the data • Created with Datawrapper

Census data indicates Black incomes in Buffalo barely kept up with inflation between 2000 and 2020, while white incomes exceeded the inflation rate.

The median income of Black households in Buffalo was $30,313 in 2020 compared to $52,289 for white households, according to Census estimates. In Erie County, the median income for Black households was $33,758 compared to $66,934 for white households.

Black homeownership remained generally stagnant in Buffalo during the 2010s, when it began creeping up in the suburbs, according to Census data.

Federal loan data shows more mortgages were approved for Black buyers in the suburbs than the city in the past three years.

Mortgage loans for Black borrowers in Erie County

Over half of approved loans for Black borrowers the past three years were for purchases in the suburbs.

Loan year	Buffalo	Suburban Buffalo
2020	209	331
2021	240	370
2022	246	278
Total	**695**	**979**

Source: Home Mortgage Disclosure Act Data Browser • Get the data • Created with Datawrapper

“Black home ownership is relatively flat, but those with the means are going to the suburbs,” Knight said.

In Cheektowaga, for example, Black homeownership more than doubled between 2000 and 2010, from 500 to almost 1,200. It is now estimated at closer to 2,000, based on Census and loan data.

“I do see an increase in Black homeownership; it does not necessarily show in the percentage in the City of Buffalo,” Burgin said.

Still, about 80 percent of an estimated 20,0000 Black-owned homes in Erie County remain in Buffalo, according to Census data.

“I believe if we could put the numbers together — city and suburbs — completely, we would see a slight increase, but it’s still nowhere where it needs to be,” Burgin said.

Increasing Black homeownership, Burgin and other Realtors said, requires some heavy lifting from banks, community organizations and government overseers, as well as from within the African-American community.

Raising Black incomes would help. But beyond that, because many Blacks have never lived in a house they or their families own, they are not familiar with the culture of homeownership, the realtors said.

“Part of the education process is just getting past the history of homeownership,” Burgin said. “If you were raised in a household where your parents always rented, and your parents’ parents rented — there’s that generation that is going to repeat as opposed to breaking the curse.”

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posted 8 months ago - November 8, 2023