



## In one Ga. county, a stark racial gap in housing's recovery

### HOUSING FROM A1

predominantly African American neighborhoods have been the least likely to recover. Across the 300 largest U.S. metropolitan areas, homes in 4 out of 10 Zip codes where blacks are the largest population group are worth less than they were in 2004. That's twice the rate for mostly white Zip codes across the country. Across metropolitan Atlanta, nearly 9 in 10 largely black Zip codes still have home values below that point 12 years ago.

And in South DeKalb, the collapse has been even worse. In some Zip codes, home values are still 25 percent below what they were then. Families here, who've lost their wealth and had their life plans scrambled, see neighborhoods in the very same county — mostly white neighborhoods — thriving.

"I don't think it's anything local residents did that caused that to happen," Early says. "I think it's all outside forces that did this."

The region reflects the complex ways that housing and race have long been intertwined in America. Across the country, blacks are less likely to own homes; those who did were more likely during the housing bust to slip underwater; and as a result, a larger share of black wealth has been destroyed in the years since then.

These disparities, though, are not simply about income, about higher poverty levels among blacks, or lower-quality homes where they live, according to economists who have studied the region. The disparities exist in places, like neighborhoods in South DeKalb County, where black families make six-figure incomes.

In the middle- and upper-class subdivisions where Early was driving one winter day, there's little visible blight. But there also isn't a for-sale sign in sight. People who would like to sell well-kept homes don't believe they'll be able to, which, in a market struggling to recover, means that other people won't be able to sell, either.

Touring the neighborhood, Early pulls into Southland, a subdivision popular with black professionals before the bust, and parks in front of a five-bedroom home in whitewashed brick that backs onto a golf course. In 2005, it sold for \$440,900. Most recently, last June, it sold for \$290,000.

He pulls up to another home — \$70,000 in wealth lost. And another — \$100,000 just vanished.

He parks in the driveway of a spacious red-brick home with blue shutters and two maple trees out front. David Sands and his family paid \$269,000 for it in 2005. The last time he tried to



**FROM TOP:** Bruce and Mae Hayes walk in the River Vista Estates subdivision in DeKalb County. A brick entrance wall marks the border of an Ellenwood, Ga., subdivision that was never built. Darryl Josey jogs in River Vista Estates at dusk in February. Across metropolitan Atlanta, nearly 9 in 10 largely black Zip codes still have home values below where they were 12 years ago.

refinance it, he was told it was worth \$189,000.

"It just does not make sense," says Sands, a retired Air Force information manager with two grown children, sitting in his living room with Early. The two men co-chair a housing commit-

tee for the local community improvement association that is researching what's wrong with housing values. "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," Sands says. "We're not talking about people who got fraudulent loans, who didn't have jobs to pay for them."

There's something fundamentally unfair about that, he and



### ABOUT THE SERIES

A bubble sent home values soaring in many U.S. cities. Their crash pulled the country into recession. Today, what kinds of neighborhoods are better off, or worse? These stories map the uneven housing recovery, based on a Washington Post analysis of 12 years of home price data in 19,000 Zip codes.

**More online:** See how your neighborhood fared at [wapo.st/housing](http://wapo.st/housing).

**Next:** The uneven recovery in Charlotte neighborhoods illustrates how rising income inequality has fed higher wealth inequality.

Early believe, about all the African Americans here who got the education, to get the job, to buy the home, to create the wealth, to sustain their families — only to fall behind anyway.

"Some people are going to have issues," Sands says. They

miss the good interest rates, or have the misfortune of living near a foreclosed home, or they bear the brunt of a change in lending policy. Of his black neighbors, Sands says: "We are always 'some people.'"

### 'The facts are clear'

In the catalogue of ways African Americans have been hurt by the housing market, going back through history, Early says this feels like the newest affront: While home values are rising elsewhere in the recovery, something appears to be holding them back here.

"We can all guess exactly why it's race, and we can have theories, but the facts are clear," says John O'Callaghan, president of the Atlanta Neighborhood Development Partnership. "Values in South Metro Atlanta, particularly in African American neighborhoods, are coming back very, very slowly. And it's going to be a long time before we get these neighborhoods back to where they were."

The explanation isn't simply about race itself — a house isn't worth less because a black family owns it — but also about all the inequities that have been correlated with race over time. Black homeowners and predominantly black communities who had been barred from earlier generations of lending — victims of discrimination and government policy — were particularly likely to be targeted for predatory loans during the bubble, according to both academic research and federal lawsuits that the Justice Department brought against banks.

Even well-off African Americans, like the ones in some South DeKalb subdivisions, were more likely to be given subprime loans when they should have qualified for better ones. Nationwide, black families earning around \$230,000 a year, according to research by sociologist Jacob Faber, were more likely at the height of the bubble in 2006 to be given a subprime loan than white families making about \$32,000. The problem, Faber argued, wasn't that professional blacks didn't understand that they qualified for better loans; they were targeted for bad loans. Subprime lenders viewed them, Faber argued, as particularly profitable targets.

Longtime homeowners in South DeKalb say they are now being punished for their Zip codes. All these recent problems — the predatory lending, the foreclosures, the abandoned development — occurred around them. And that past still tugs at their property values, no matter how much work they do to maintain their homes.

The Stonecrest shopping mall that was supposed to galvanize development in South DeKalb