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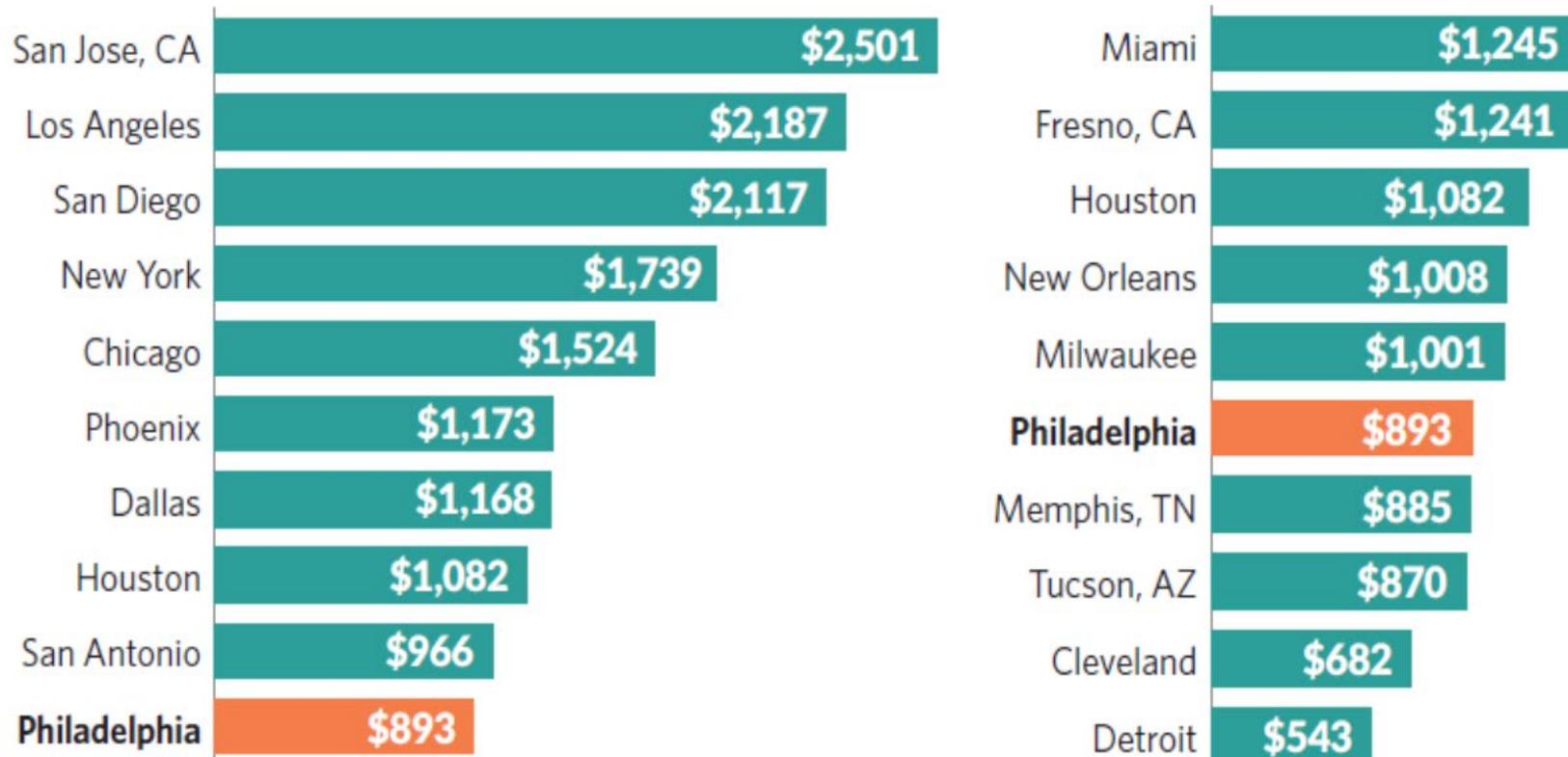
Black-White Homeownership Disparities: The Role of Affordability and Tangled Titles

March 23, 2022

[pewtrusts.org](https://www.pewtrusts.org)

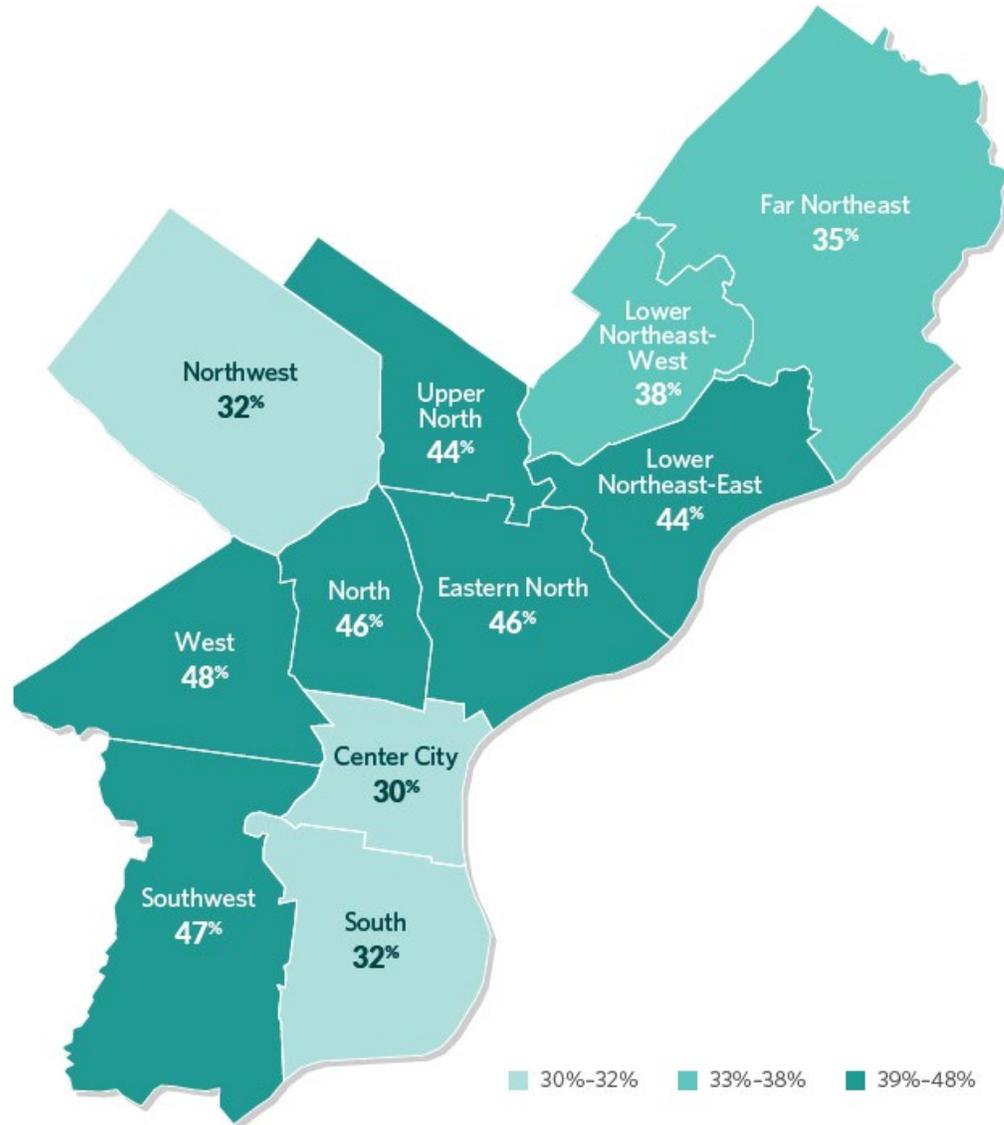
Black-White Homeownership Disparities

Philadelphia Homeowner Costs



Black-White Homeownership Disparities

Housing Cost Burden

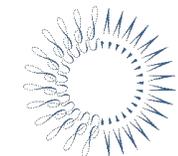
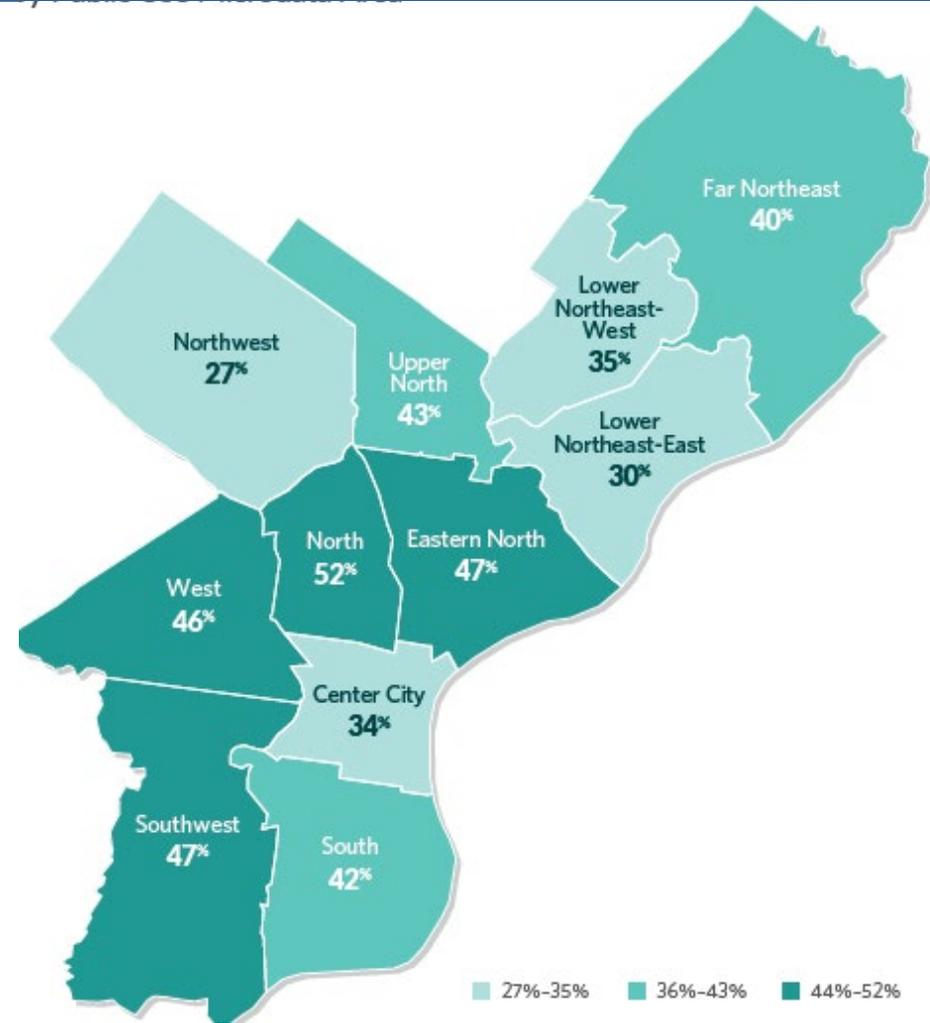


- Cost burden rates are highest in north, west and southwest Philadelphia.
- 46% of black households are cost burdened
- Cost burden rates are lower for residents who own their own homes.

Black-White Homeownership Disparities

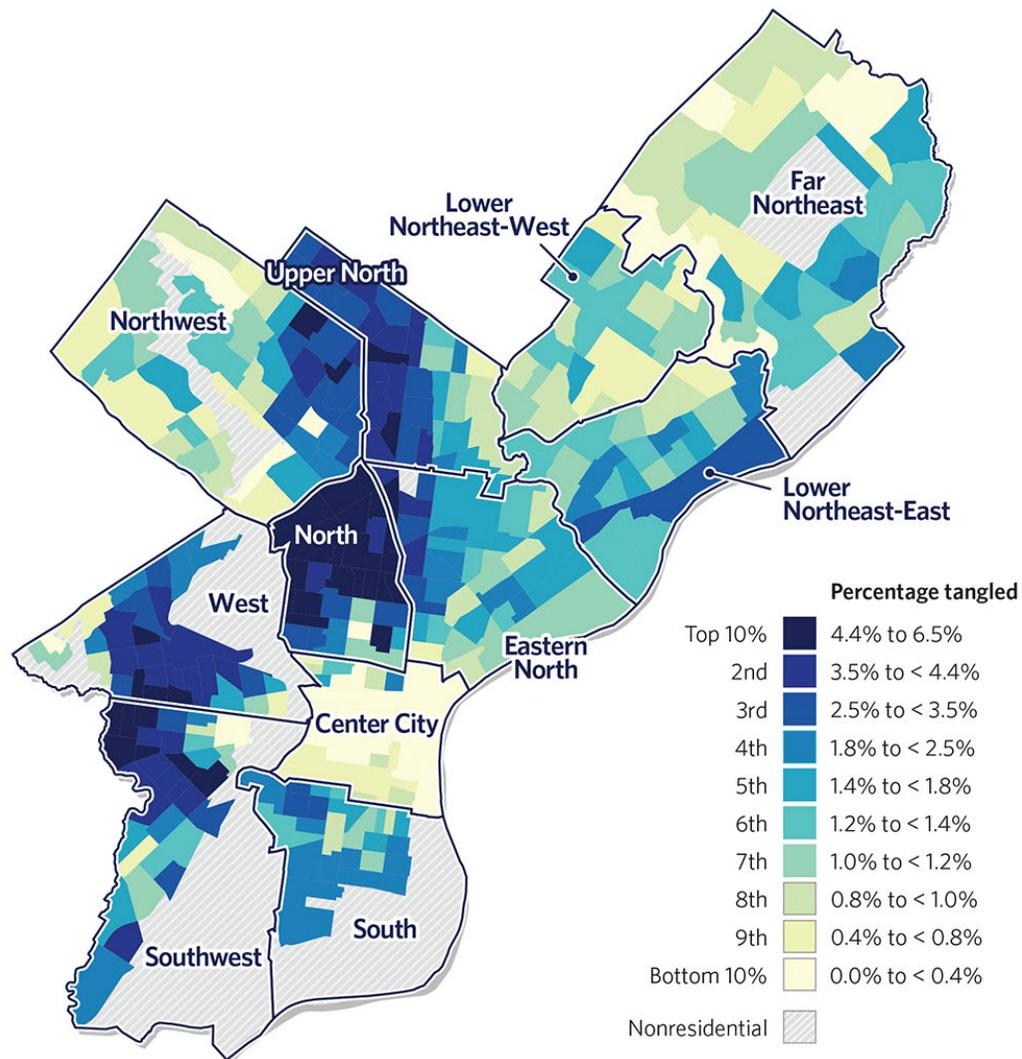
Free and Clear Homeowners

- In north, west and southwest Philadelphia, nearly half of all owner-occupied homes are owned free and clear.
- Roughly 48,000 of these free and clear homes are owned by households with incomes below \$30,000—many are seniors.
- Median cost for free and clear homes is \$448, yet 22% of mortgage-free owners were cost burdened in 2018



Black-White Homeownership Disparities

The extent of tangled titles in Philadelphia



Philadelphia has at least 10,407 tangled titles, collectively valued at over \$1.1 billion.

Across the City, an average of 2 percent of residential properties are affected.

In the most affected areas, tangled titles comprise as much as 6.5 percent of residential properties.

Black-White Homeownership Disparities

Number one way to tangle a title

- The necessary steps are not taken after the owner of record dies
- Approximately 75% of tangled title cases that Philadelphia VIP referred to pro bono attorneys between 2013 and 2020
- Nationally, among people over age 50, only 20% of Black residents have valid wills, compared with 63% of White residents

“My mother passed away, and I had the house, but I never put the house in my name. I was her only heir. I was thinking it automatically went to me.”

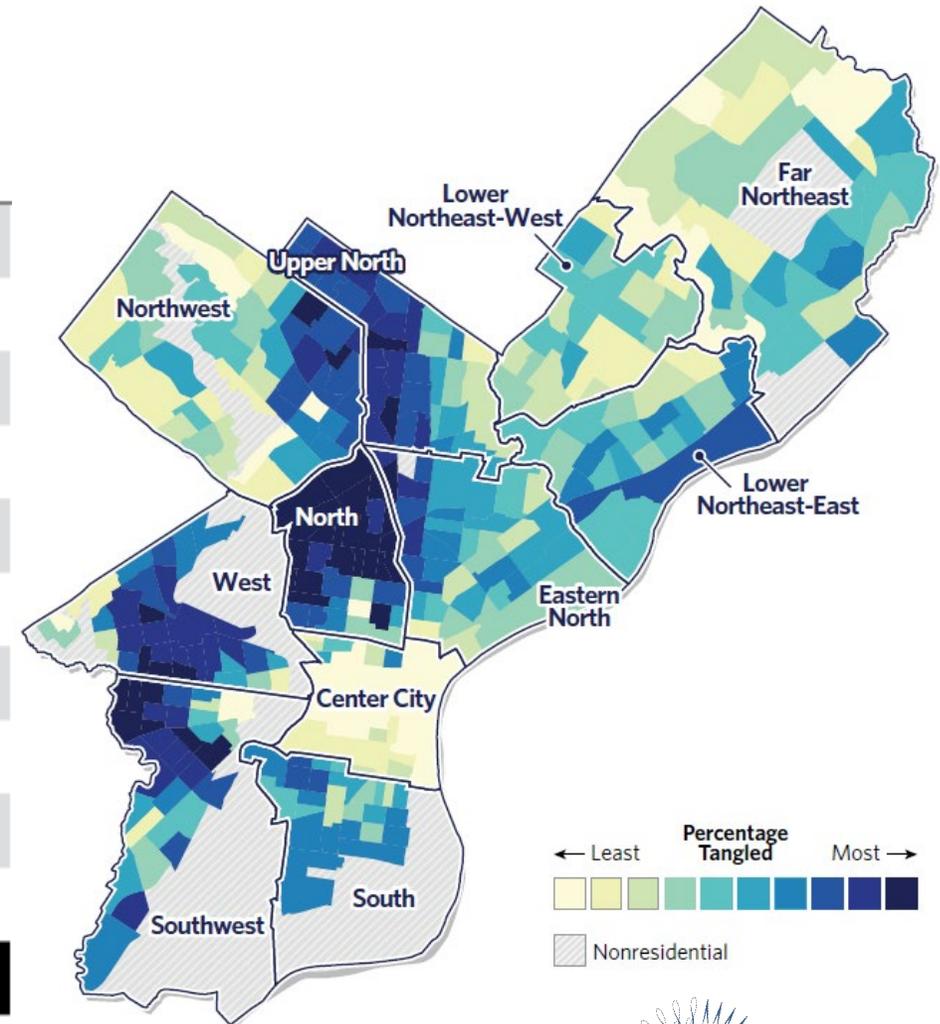
- Monique Spicer, 48, North Philadelphia

Black-White Homeownership Disparities

The extent of tangled titles: neighborhood characteristics II

Race and Ethnicity in Census Tracts With Tangled Titles

		Percentage tangled	Population	White	Black	Hispanic	Asian	Other/ two or more
	Top 10%	4.4% to 6.5%	129,084	5%	87%	4%	2%	3%
	2nd	3.5% to < 4.4%	162,464	4%	84%	9%	1%	2%
	3rd	2.5% to < 3.5%	148,701	9%	73%	13%	3%	2%
	4th	1.8% to < 2.5%	156,013	40%	31%	20%	6%	2%
	5th	1.4% to < 1.8%	163,153	41%	30%	21%	6%	2%
	6th	1.2% to < 1.4%	167,118	41%	28%	20%	8%	3%
	7th	1.0% to < 1.2%	178,225	44%	27%	16%	10%	3%
	8th	0.8% to < 1.0%	183,511	45%	23%	19%	10%	3%
	9th	0.4% to < 0.8%	162,943	52%	21%	13%	11%	4%
	Bottom 10%	0.0% to < 0.4%	114,009	62%	13%	7%	14%	3%
	Philadelphia	0.0% to 6.5%	1,579,075	34%	41%	15%	7%	3%

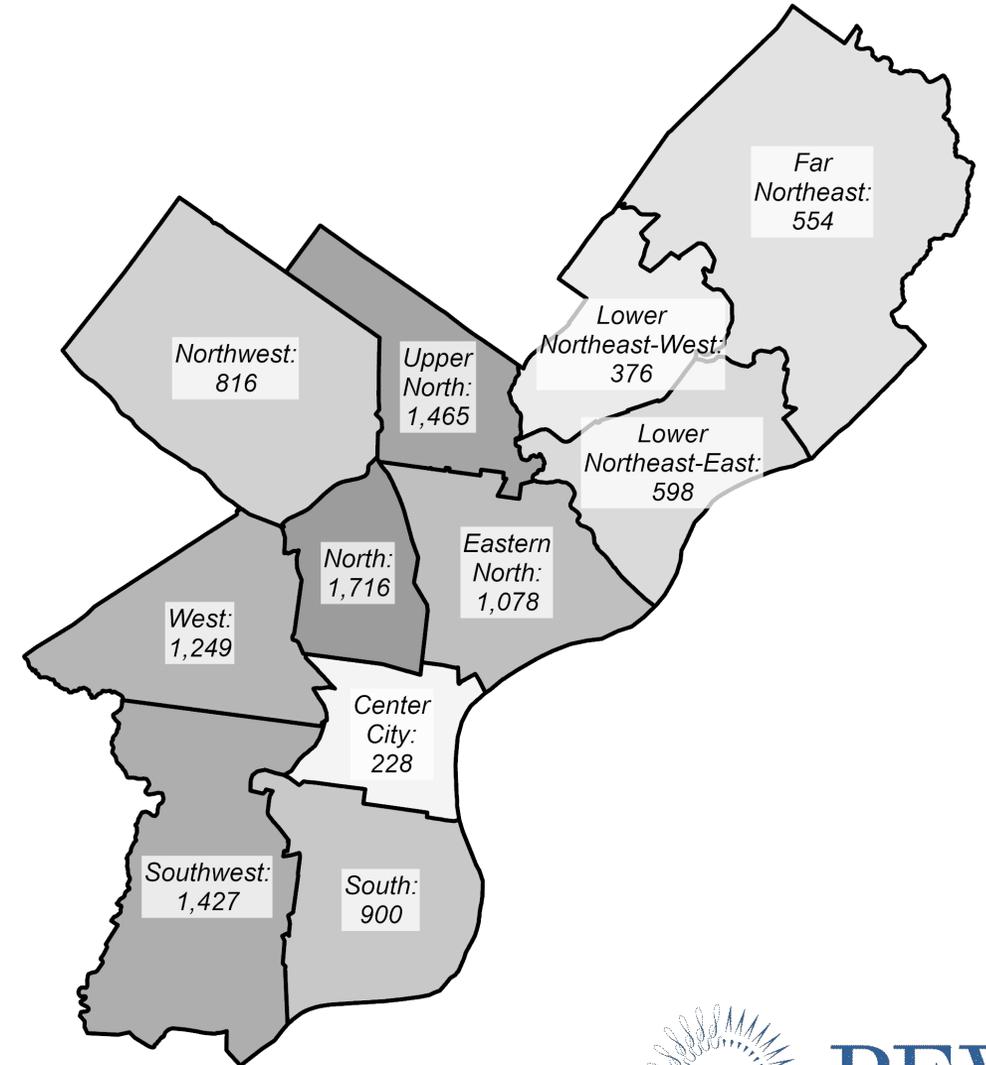


Black-White Homeownership Disparities

The extent of tangled titles: property characteristics

Tangled Title Properties in Philadelphia

Census Public Use Microdata Area	Number of tangled title properties	Median assessed value of tangled property	Aggregate assessed value of tangled properties
North	1,716	\$40,100	\$84,682,000
Upper North	1,465	\$107,100	\$158,545,700
Southwest	1,427	\$72,600	\$118,947,100
West	1,249	\$68,000	\$100,416,100
Eastern North	1,078	\$47,200	\$78,789,700
South	900	\$155,300	\$145,437,300
Northwest	816	\$122,050	\$120,112,000
Lower Northeast-East	598	\$114,000	\$68,819,300
Far Northeast	554	\$206,000	\$114,884,500
Lower Northeast-West	376	\$163,400	\$61,076,200
Center City	228	\$348,300	\$93,881,800
Philadelphia	10,407	\$88,800	\$1,145,591,700



Black-White Homeownership Disparities

How tangled titles put owners and the community at risk

Risk to wealth building

Cannot borrow against the property or pass on to heirs

Risk of deterioration

Cannot participate in city home repair programs or get homeowners insurance

Risk to neighborhood quality & stability

Potential for abandonment, building collapse

Risk of foreclosure

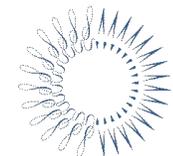
Obstacles to entering payment agreements with city or water department

Risk of deed theft

Deceased records owners are more vulnerable to property theft

“Just recently, the main sewer line broke, and I thought I was going to have to pay over \$2,500 to fix it, which I can’t afford because I live off Social Security. I didn’t qualify for repair programs, since I’m not on the deed of the property.”

- Gina Miller, 60, West Philadelphia

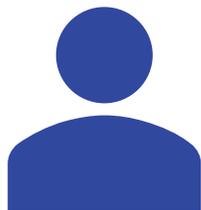


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Black-White Homeownership Disparities

The cost of probate in a simple case

Scenario



Sole heir is adult child of deceased



Estate has no debt



Only asset is home valued at \$88,800

Total Cost

Item	Cost
Attorney's fee'	\$4,440
Inheritance tax	\$3,508
Advertising cost	\$518
Probate fee	\$475
Deed recording fee	\$257
Total	\$9,198