



Keys Unlock Dreams: New Orleans

Housing Finance Policy Center

Photo by Monkey Business Images/Shutterstock

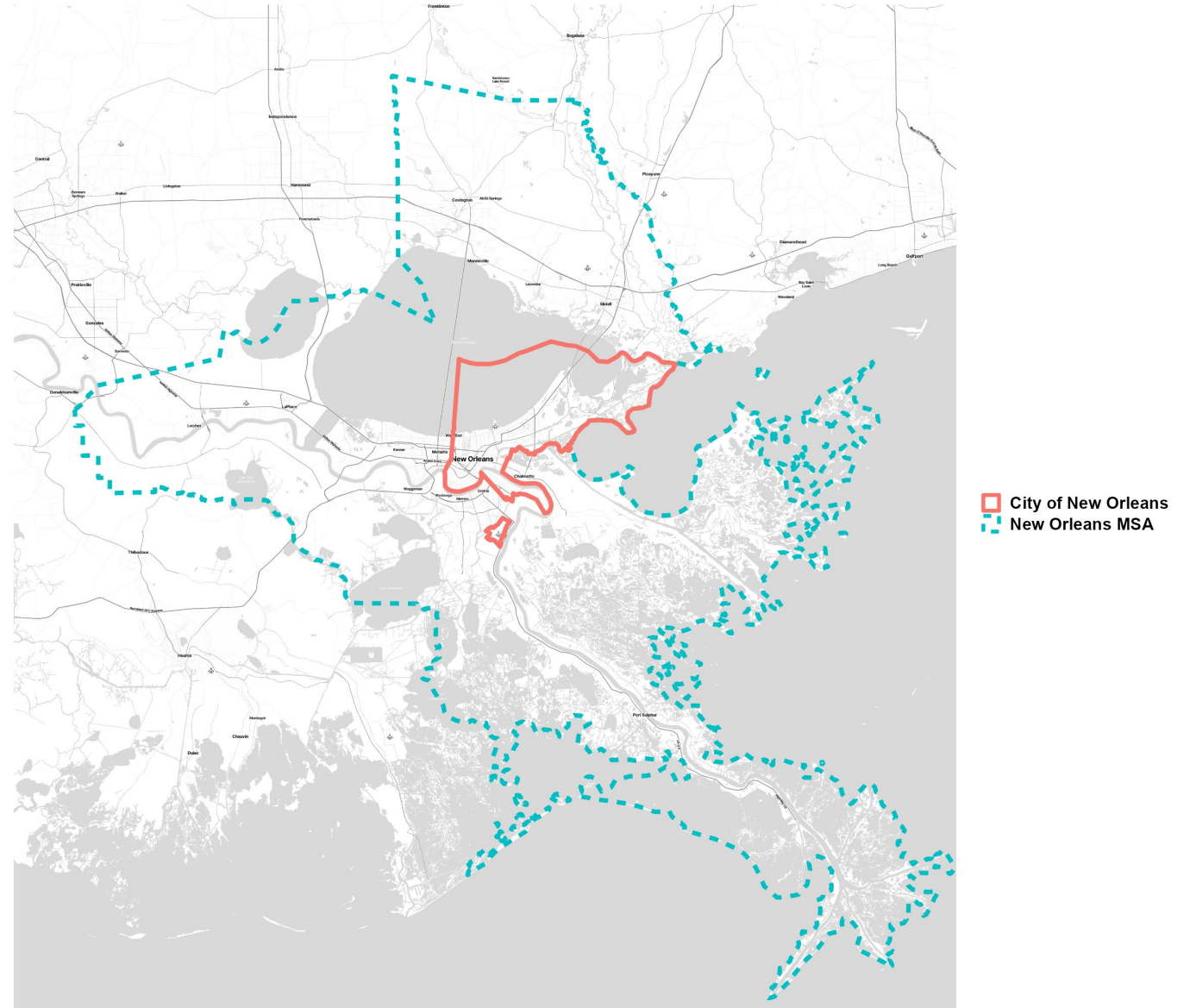
Executive Summary

- The City of New Orleans's homeownership rate is **12.7 percentage points below** the US homeownership rate, while the New Orleans MSA (New Orleans–Metairie Metropolitan Statistical Area) homeownership rate is **equal to** the US homeownership rate. **Black homeownership rates are higher in the city of New Orleans than they are nationally.**
- **Racial homeownership disparities persist.** Between 2019 and 2021, there has been some improvement in BIPOC homeownership nationally. New Orleans experienced a similar trend, but Black homeownership stayed largely the same in the MSA. White homeownership also increased in the City and the MSA, and thus, the racial homeownership gap remains large.
- About **64 percent** of households in the City and about **46.6 percent** in the MSA are nonwhite, substantially higher than the national non-white households share of 35.6 percent. Black households account for 54.8 percent of the City and 32.2 percent of the MSA.
- In both the City and the MSA, **home price growth has outpaced income growth, especially for Black households** who experienced a lower increase in inflation-adjusted income in the past decade.
- **Black households in the City and MSA had the highest mortgage denial rates** among all racial and ethnic groups. In both the City and the MSA, the Debt-to-Income (DTI) ratio was the most frequently mentioned reason for mortgage denial.
- With the rise in interest rates, **purchase originations dropped in the New Orleans MSA but remained steady in the City.** In the City, purchase originations increased very slightly from 1,534 to 1,553 between 2021 and 2022. In the MSA, purchase originations dropped 19.6 percent, from 14,125 to 11,357 from 2021 to 2022. Nationally, purchase originations declined by 19.2 percent during the same period.
- The share of cash buyers in the City and MSA are largely similar to the national share; **the share of mortgages going to investors is higher in the City as compared to the MSA and the nation.**
- In 2023, there are about **124,735** mortgage-ready borrowers, including **33,604** Black borrowers and **14,192** Latino borrowers in the New Orleans MSA.
- Hurricane Katrina had detrimental effects on the population of New Orleans, particularly households of color, resulting in significant displacement. Because of this census samples were restricted in the years 2009-2012 and statistics from this period have larger margins of error.

About New Orleans

- City of New Orleans
 - Population: 376,971
 - Households: 158,827
- New Orleans MSA
 - Population: 1,261,726
 - Households: 507,992

Map of New Orleans

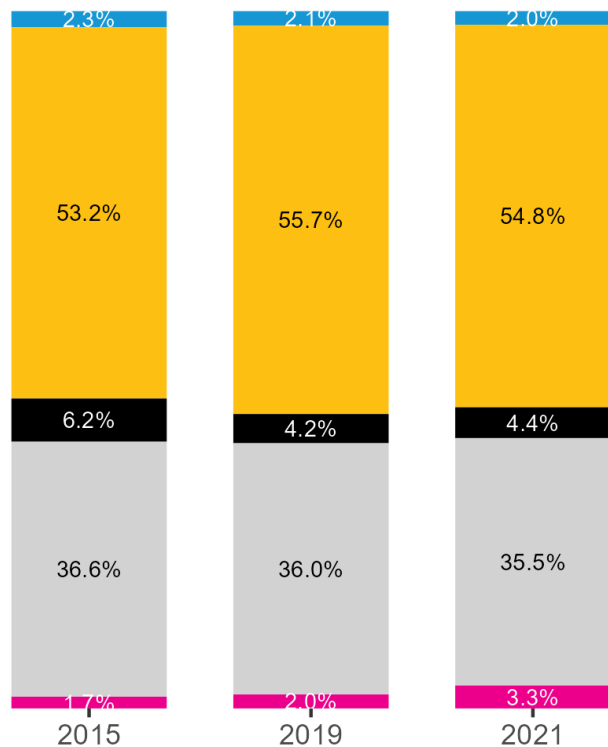


Sources: US Census Bureau and Stamen Map.
Note: MSA = metropolitan statistical area.

Racial Composition, Homeownership Rate, Median House Value: City of New Orleans

New Orleans Racial Composition

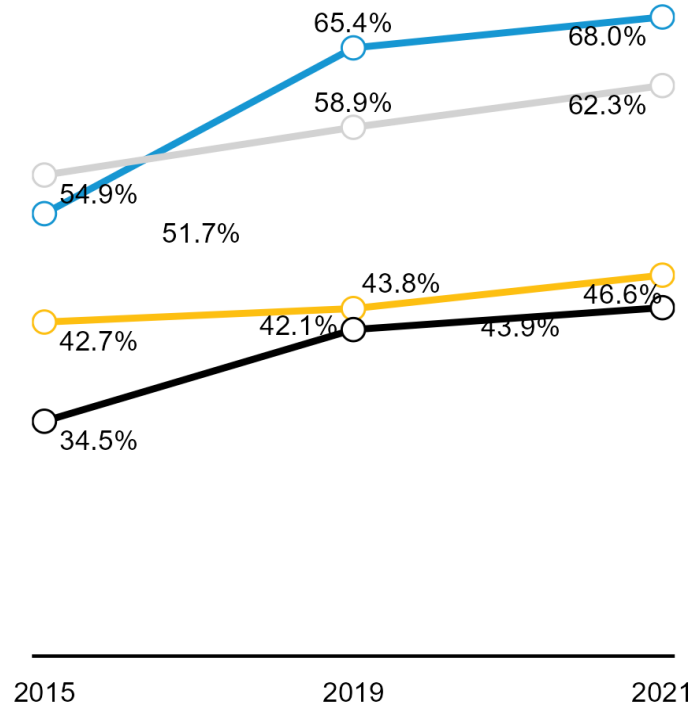
Asian Black Latino White Other



Source: American Community Survey.
Note: Shares are calculated at the household level.

Homeownership Rates (New Orleans, %)

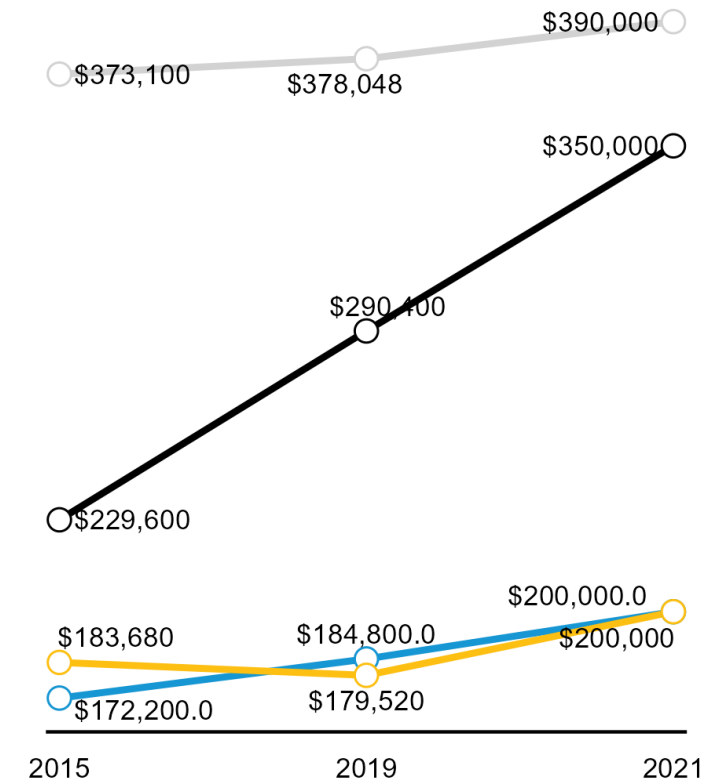
Asian Black Latino White



Source: American Community Survey.

Median House Value (New Orleans, \$)

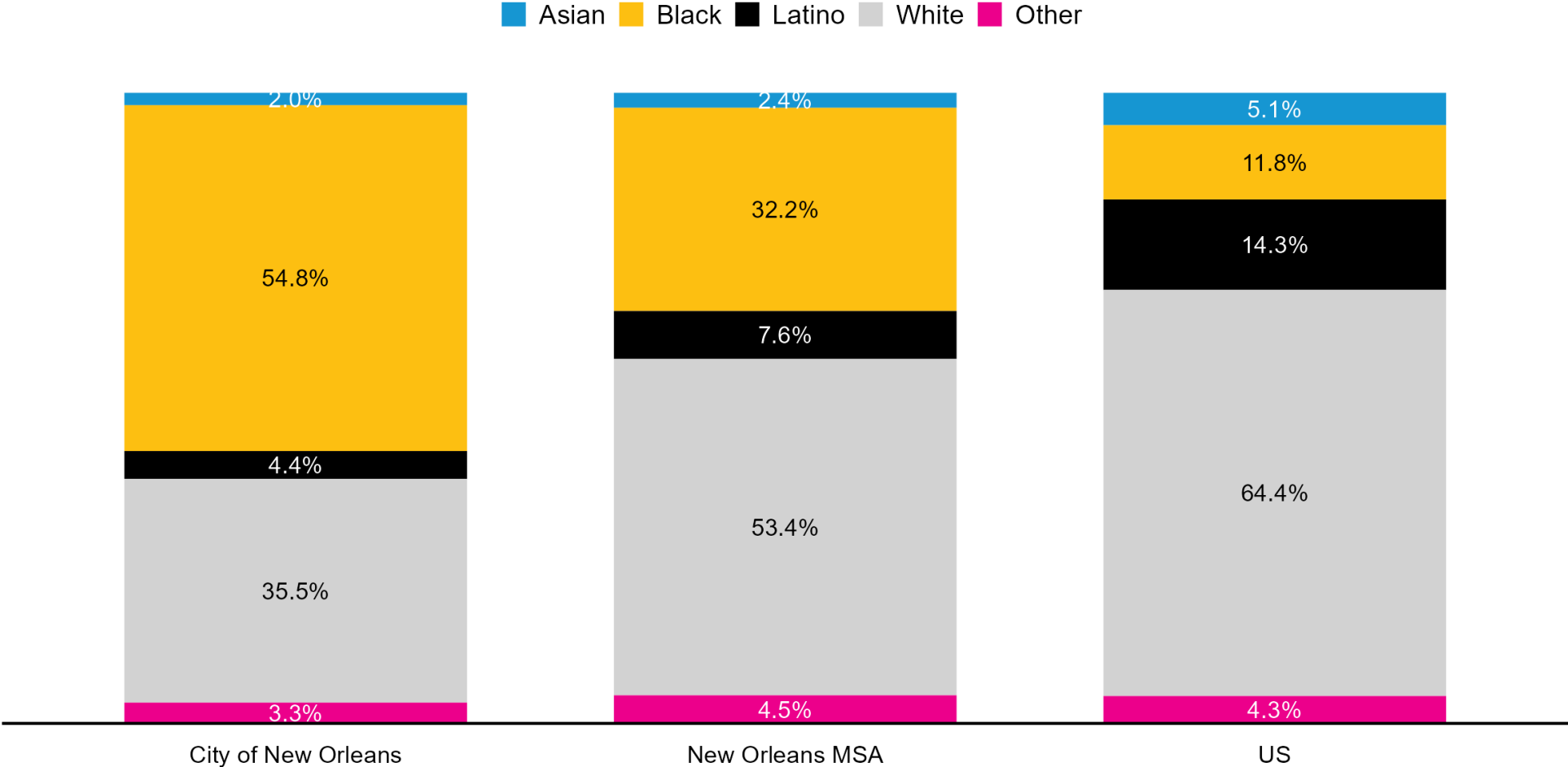
Asian Black Latino White



Source: American Community Survey.

Racial Distribution: Household Level

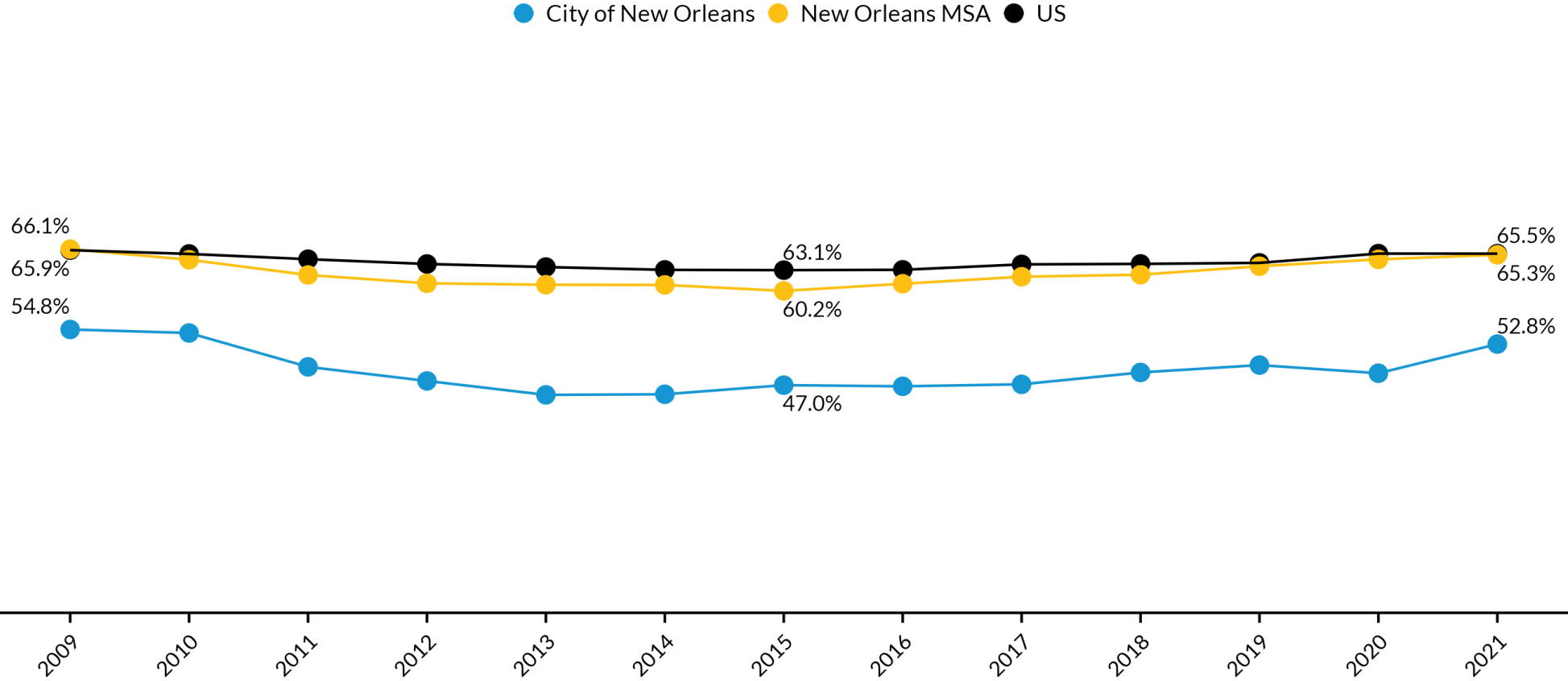
Racial and Ethnic Composition Comparison



Source: 2021 American Community Survey.
Note: Shares are calculated at the household level.

Homeownership Rate

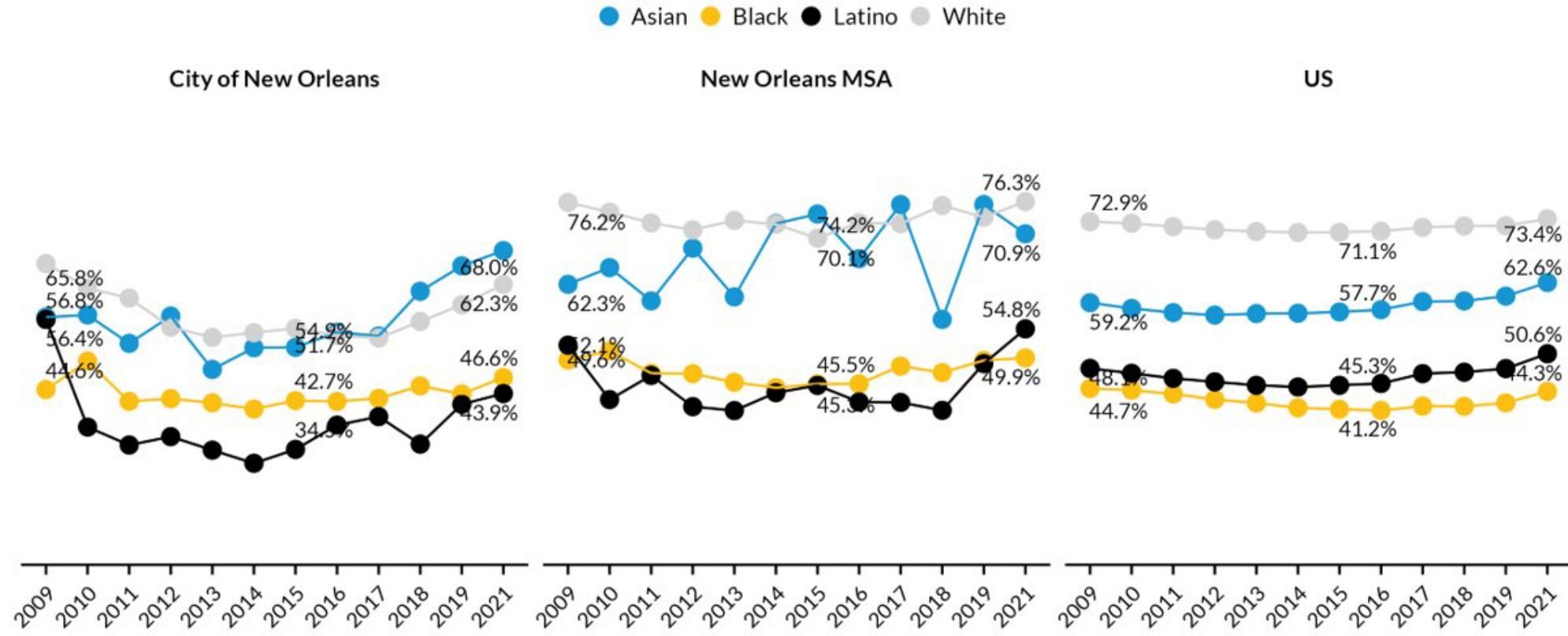
Homeownership Rate Comparison



Source: 2021 American Community Survey.
Notes: Results for 2020 left out because of unreliability due to undersampling. City level data from 2009-2012 may be imprecise due to Census data collection changes in the aftermath of Hurricane Katrina.

Homeownership Rate

Homeownership Rates, by Race or Ethnicity



Source: American Community Survey.
 Notes: Results for 2020 left out because of unreliability due to undersampling. City level data from 2009-2012 may be imprecise due to Census data collection changes in the aftermath of Hurricane Katrina.

Homeownership Goals

- # of Owner and Renter HHs in the City of New Orleans by Race and Ethnicity

	Asian	Black	Latino	White	Other	Total
Owner HHs	2,398	40,049	3,972	34,147	3,760	84,326
Renter HHs	998	39,934	3,818	19,099	2,706	66,555
Total HHs	3,396	79,983	7,790	53,246	6,466	150,881

Source: 2022 American Community Survey

- Homeownership Rate Comparison: City of New Orleans vs. US

	Asian	Black	Latino	White	Other	Total
New Orleans	70.6%	50.1%	51.0%	64.1%	58.2%	55.9%
US	63.3%	44.1%	51.1%	73.0%	58.2%	65.2%

Source: 2022 American Community Survey

Homeownership Goals (Cont.)

- # Homeowners Needed to be Added in the City of New Orleans to Reach US Numbers for Each Race and Ethnicity

Asian	Black	Latino	White	Other
-249	-4,778	5	4,710	6

Source: 2022 American Community Survey

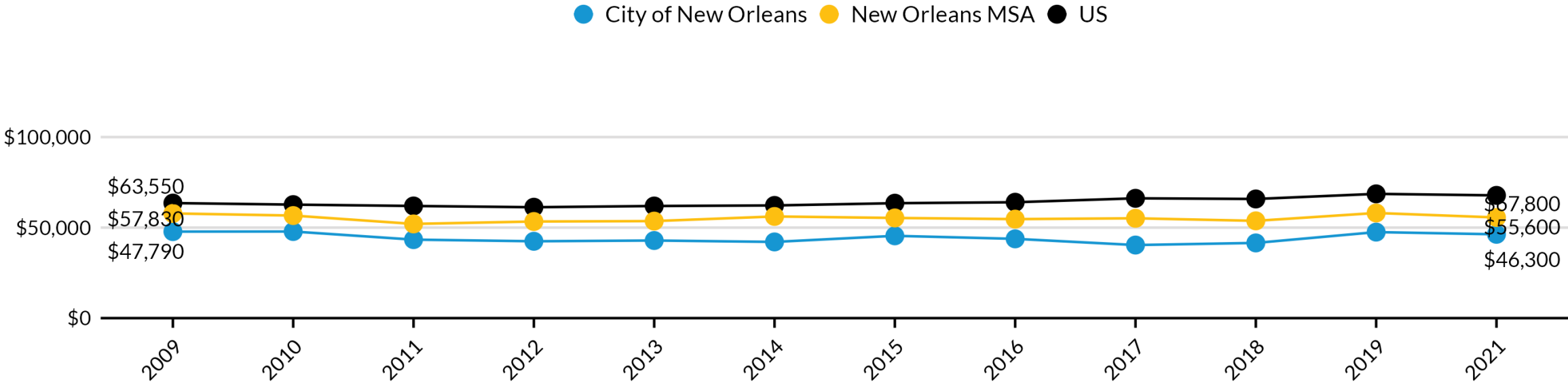
- # of Homeowners Needed to be Added For Each Race and Ethnic Group to Reach the White Homeownership Rate in the City of New Orleans

Asian	Black	Latino	Other
-220	11,245	1,024	387

Source: 2022 American Community Survey

Household Income

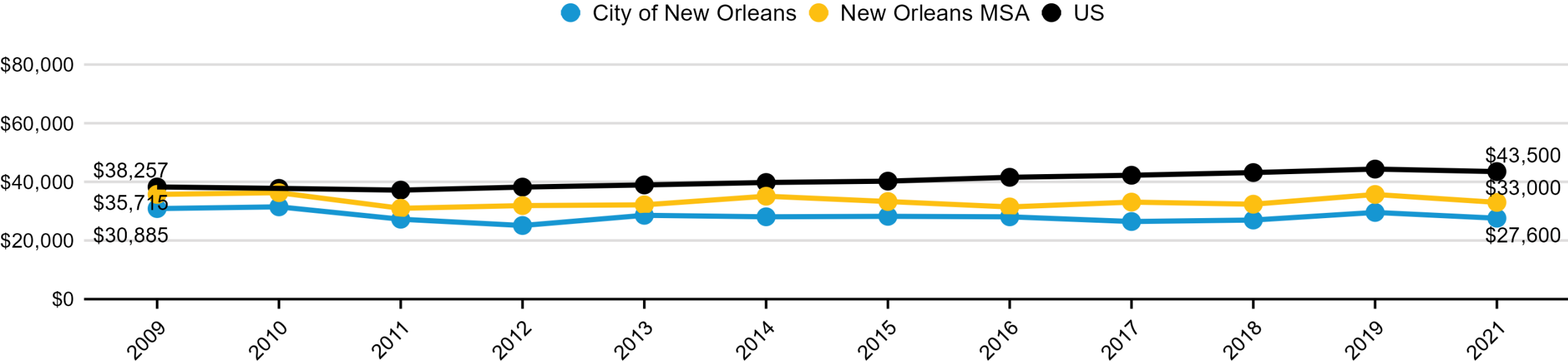
Median Household Income Comparison



Source: American Community Survey.
Notes: Values are in 2021 inflation-adjusted dollars. Results for 2020 left out because of unreliability due to undersampling. City level data from 2009-2012 may be imprecise due to Census data collection changes in

Household Income

Median Renter Household Income Comparison

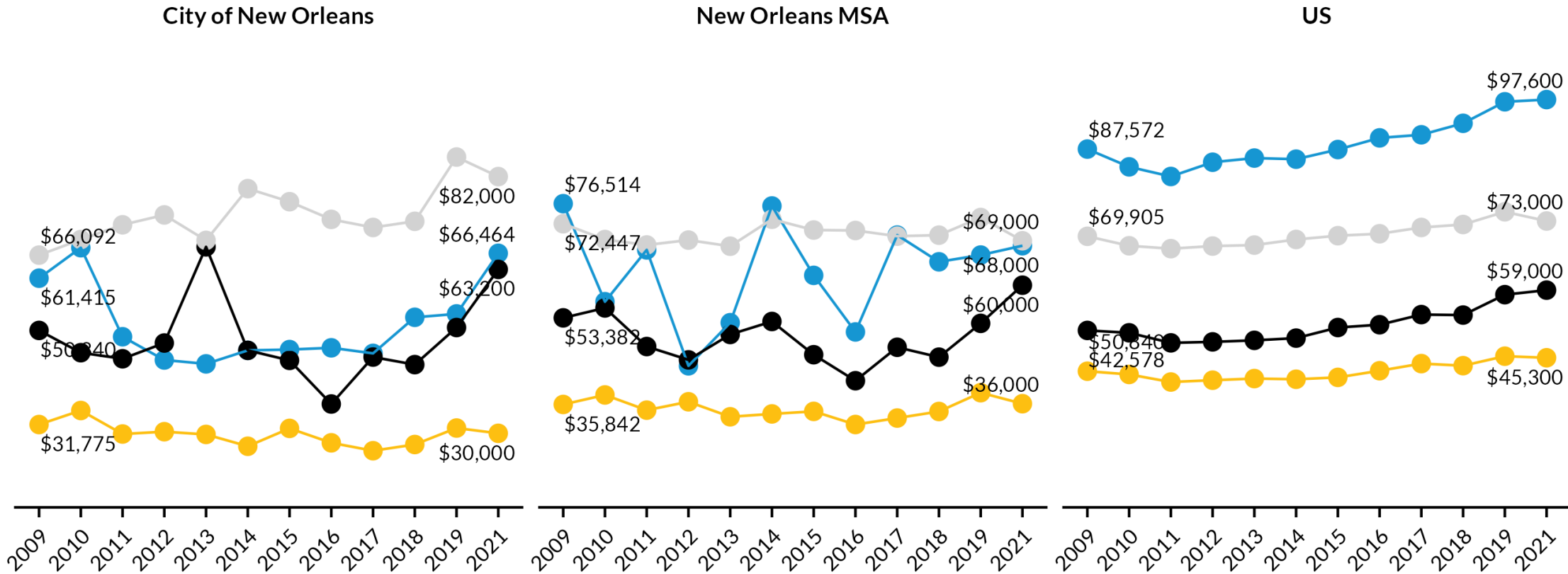


Notes: Results for 2020 left out because of unreliability due to undersampling. City level data from 2009-2012 may be imprecise due to Census data collection changes in the aftermath of Hurricane Katrina.
Source: American Community Survey.

Household Income

Median Household Income, by Race or Ethnicity

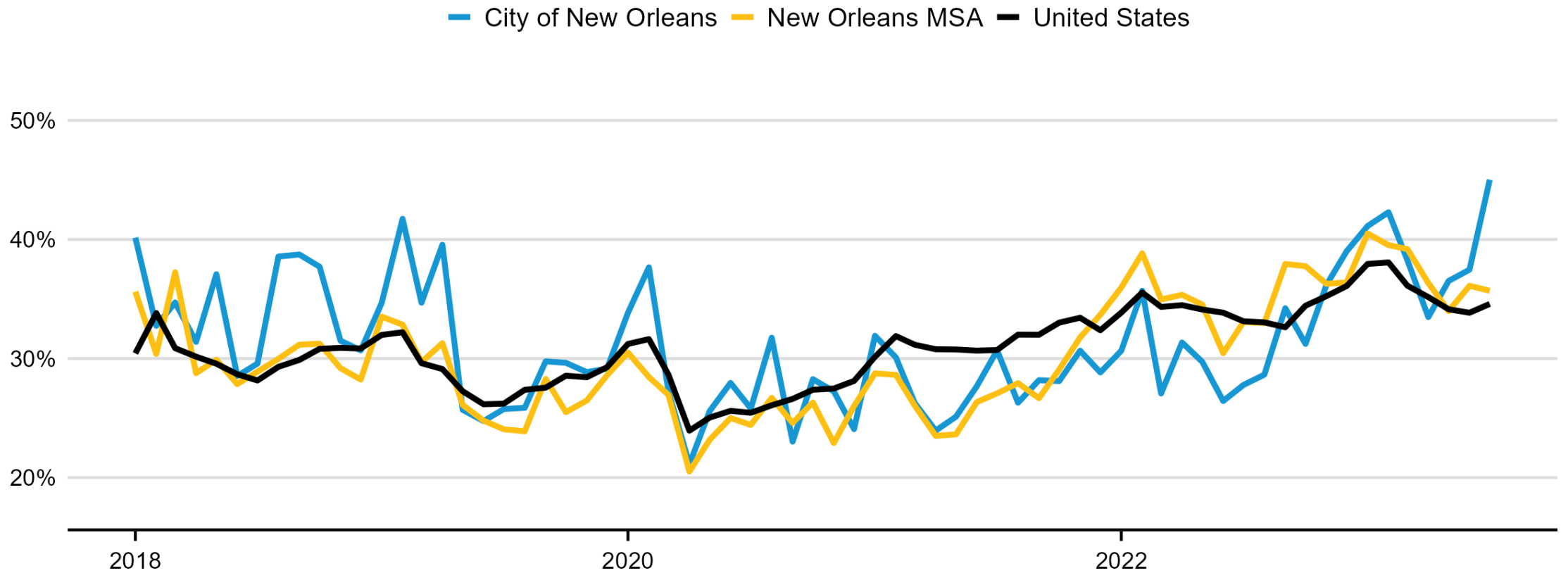
● Asian ● Black ● Latino ● White



Source: American Community Survey.
 Notes: Values are in 2021 inflation-adjusted dollars. Results for 2020 left out because of unreliability due to undersampling. City level data from 2009-2012 may be imprecise due to Census data collection changes

Cash Buyer Share

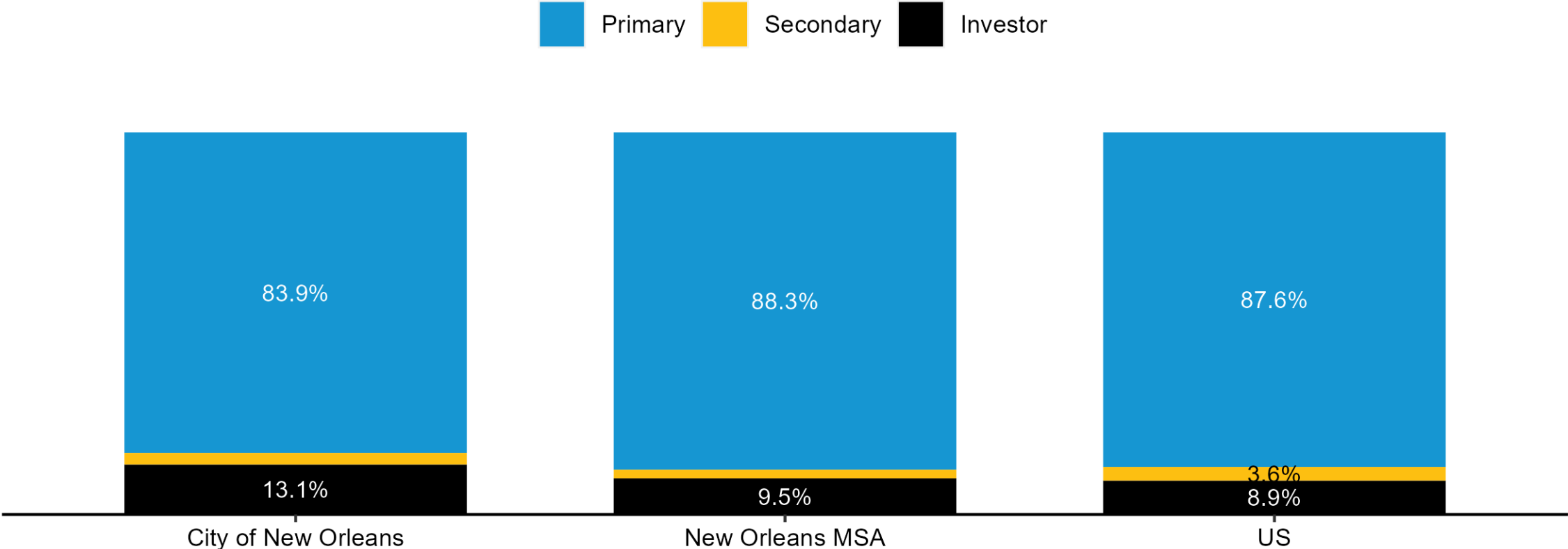
Cash Buyer Share Comparison



Source: Realtor.com

Investor Share

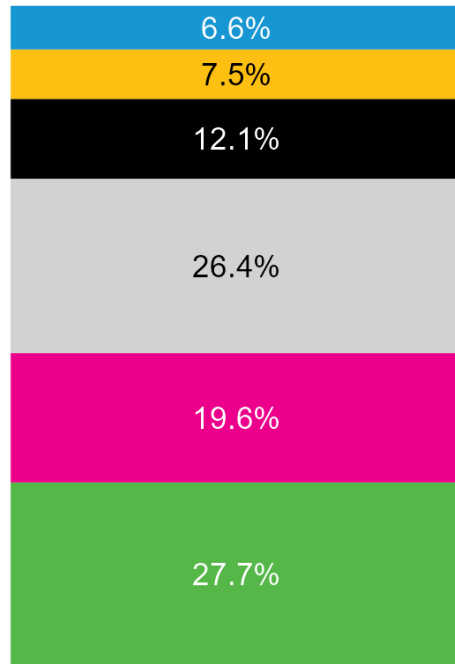
Distribution of Mortgages by Occupancy Type



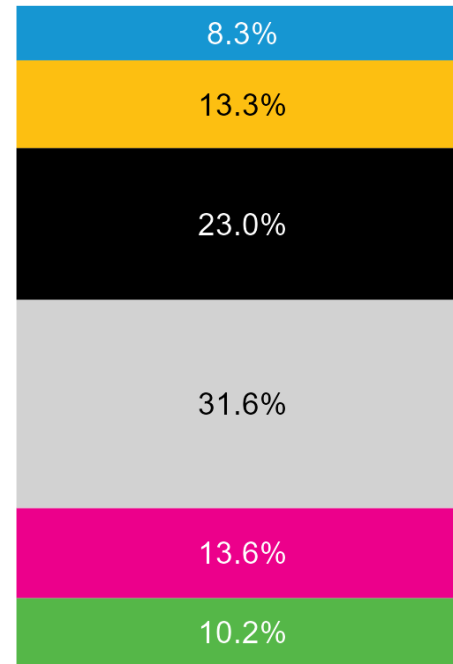
Source: 2022 Home Mortgage Disclosure Act data.
Notes: MSA = metropolitan statistical area. All-cash investors are not included in the data.

Age of Housing

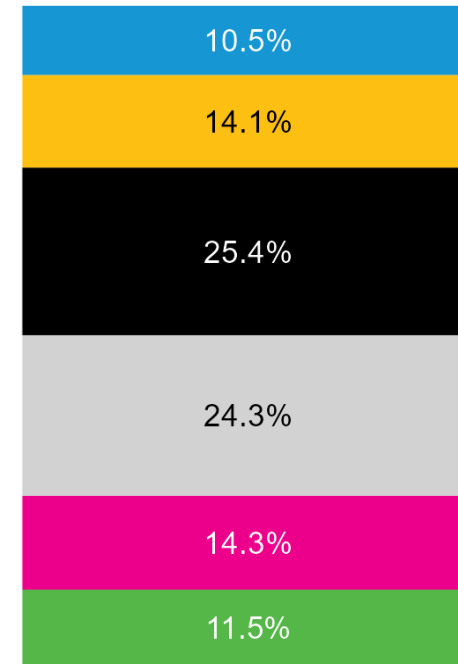
Year Built Comparison



City of New Orleans



New Orleans MSA



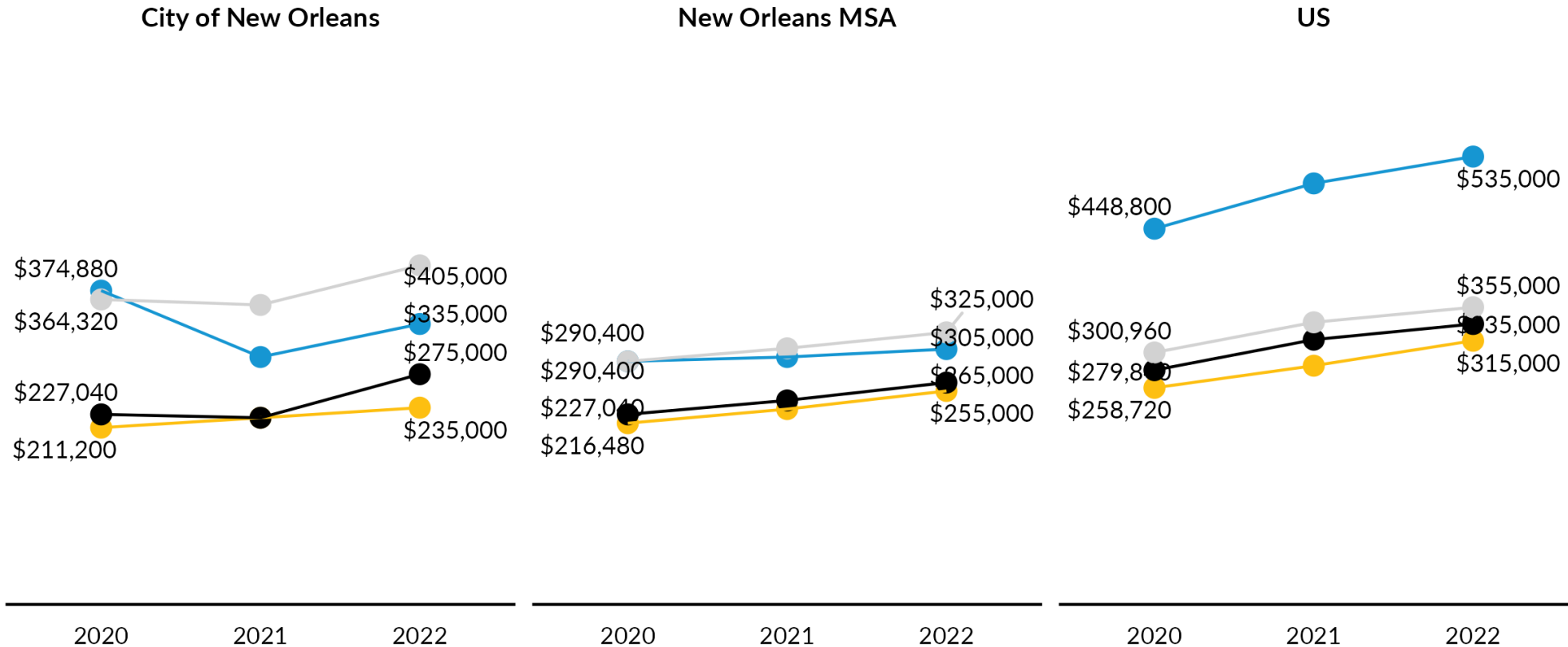
US

Source: 2021 American Community Survey.

Property Value by Race/Ethnicity

Median Property Values for New Purchases, by Race or Ethnicity

● Asian ● Black ● Latino ● White



Source: 2020-2022 Home Mortgage Disclosure Act data.

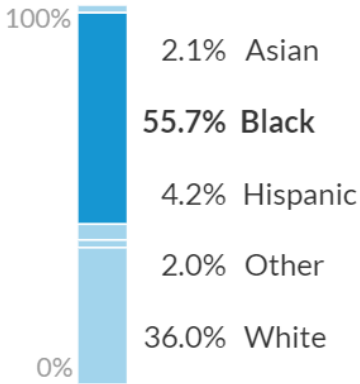
Notes: MSA = metropolitan statistical area. Values are in 2021 inflation-adjusted dollars. Original, unadjusted reported values rounded to the midpoint of the nearest \$10,000 interval.

Property Value by Race/Ethnicity

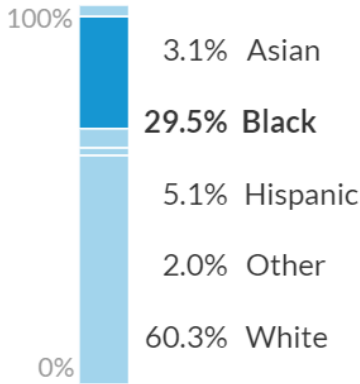
SHOW ME Black households IN

COMPARED WITH Search for a city

Distribution of household population



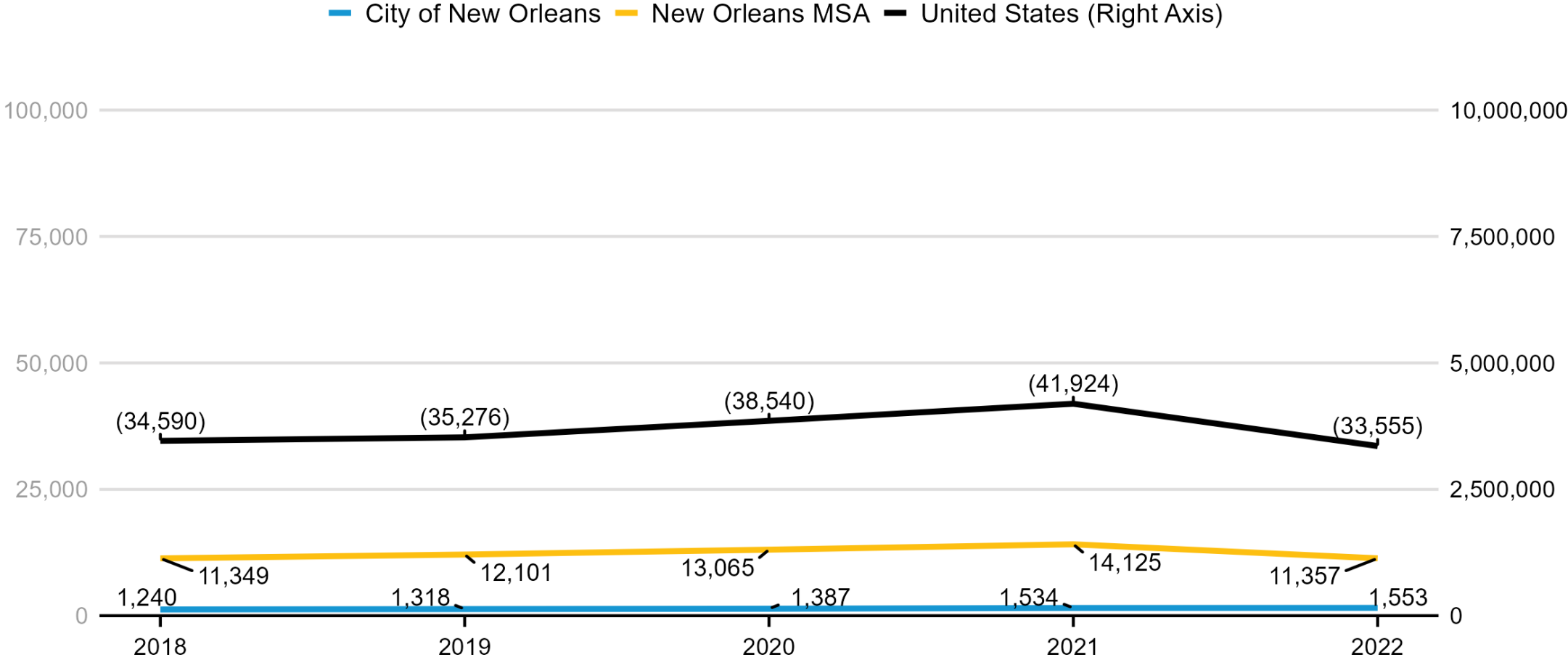
Distribution of primary-residence wealth



In New Orleans, LA, Black households make up 55.7 percent of the city's total households but own 29.5 percent of the housing wealth.

Purchase originations, 2018-2022

Purchase mortgage originations (count)

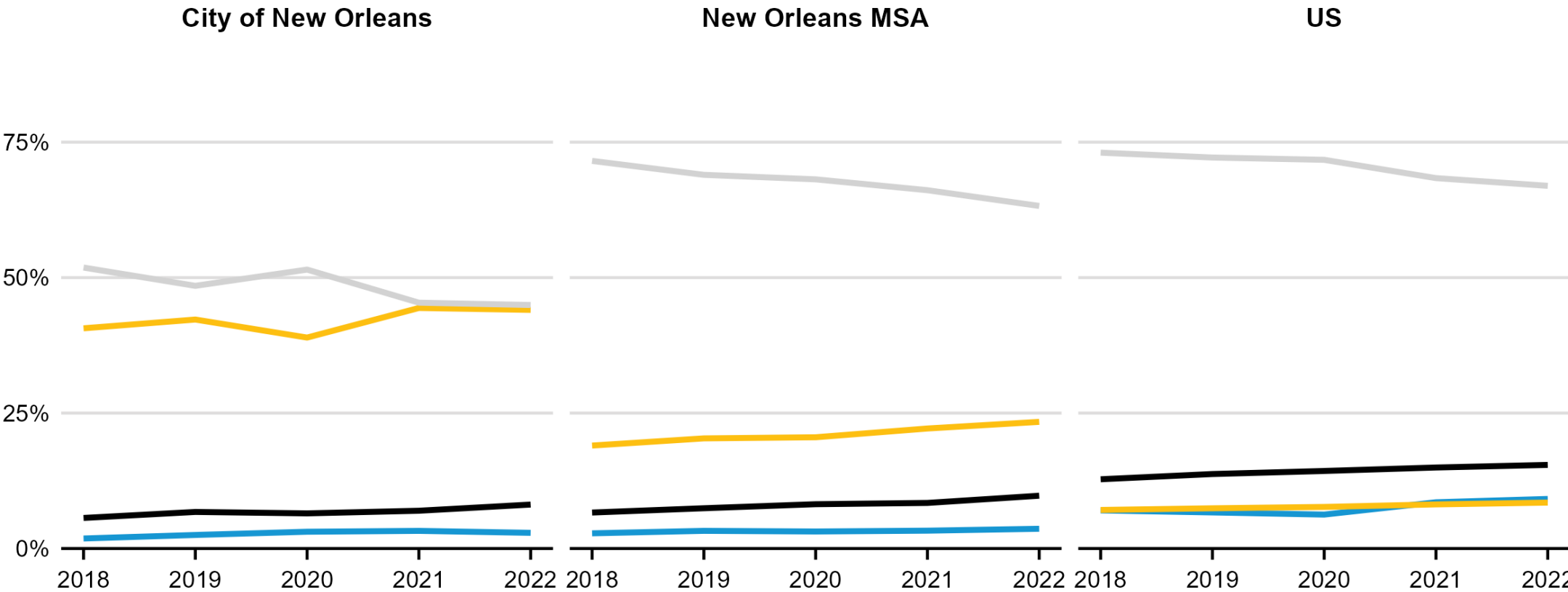


Source: Home Mortgage Disclosure Act.
 Notes: Counts include purchase loans only. Bracketed numbers are in thousands.

Purchase originations by race/ethnicity, 2018-2022

Purchase mortgage origination share, by race/ethnicity

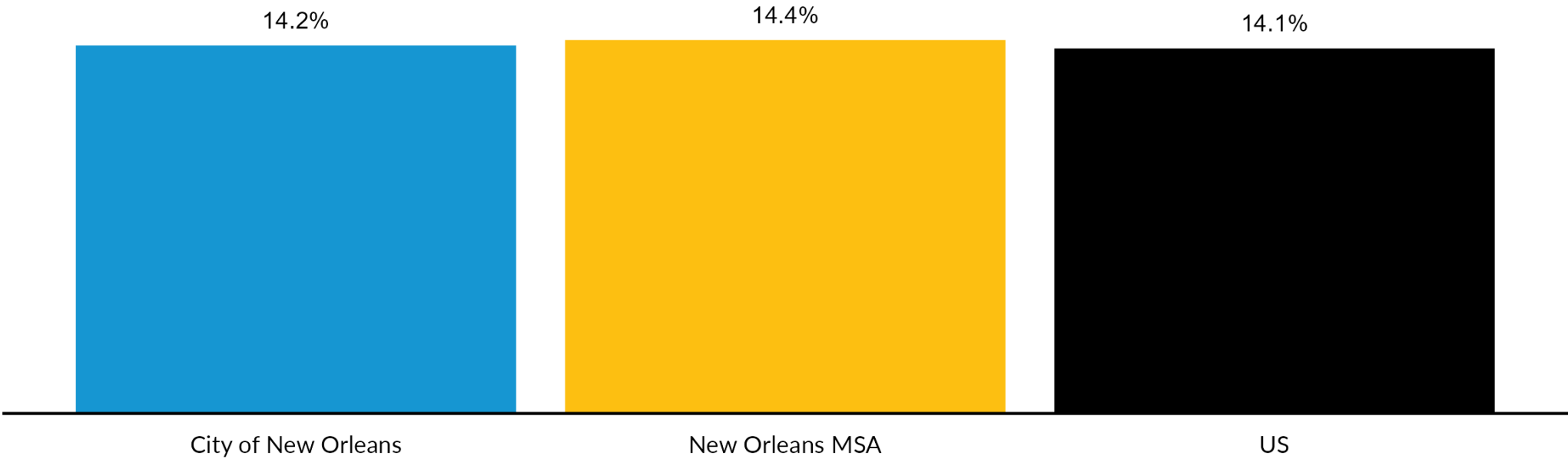
Asian Black Latino White



Source: Home Mortgage Disclosure Act.
 Notes: Share based on count of purchase loans only.

Denial Rates: Purchase Mortgages

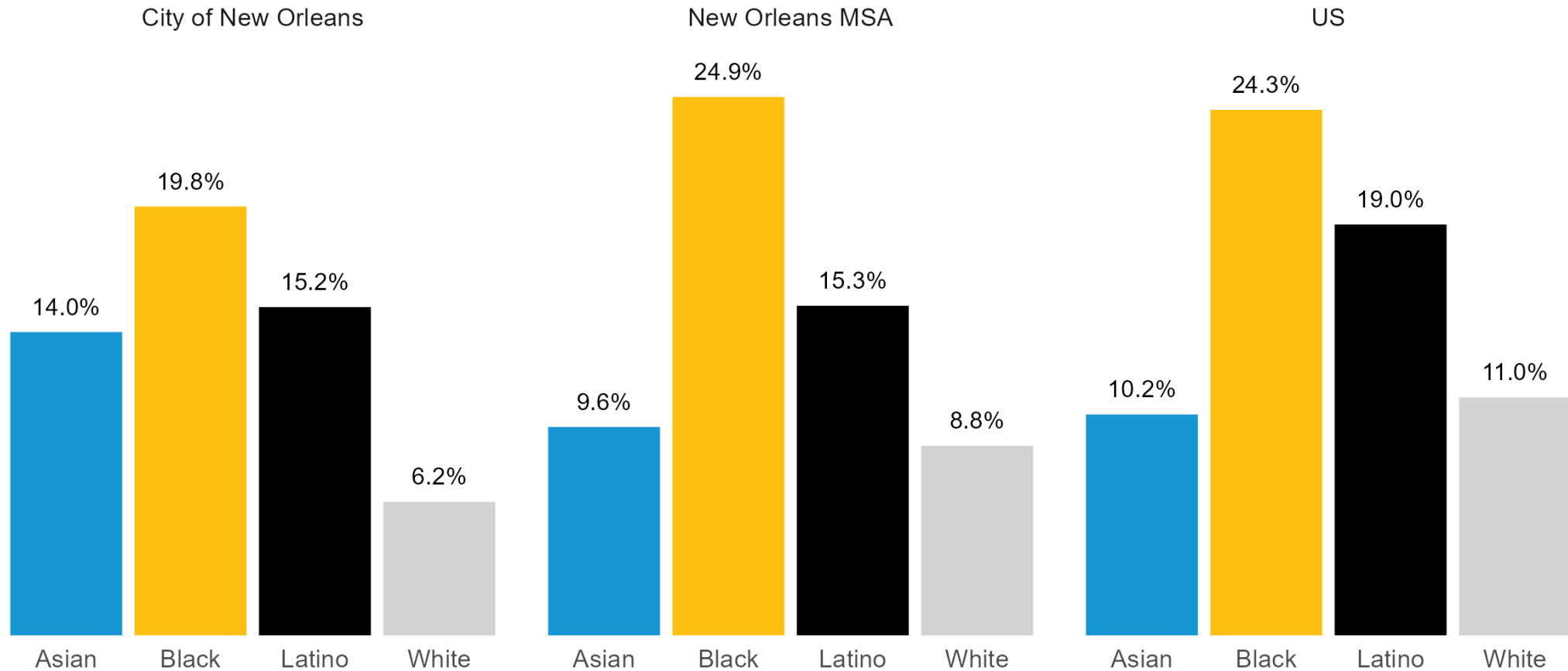
Denial Rate Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: Data are for purchase loans only.

Denial Rates: Purchase Mortgages

Denial Rates, by Race or Ethnicity



Source: 2022 Home Mortgage Disclosure Act data.

Notes: Data are for purchase loans only.

Reason for Denial: By Race and Ethnicity

Reason for Denial

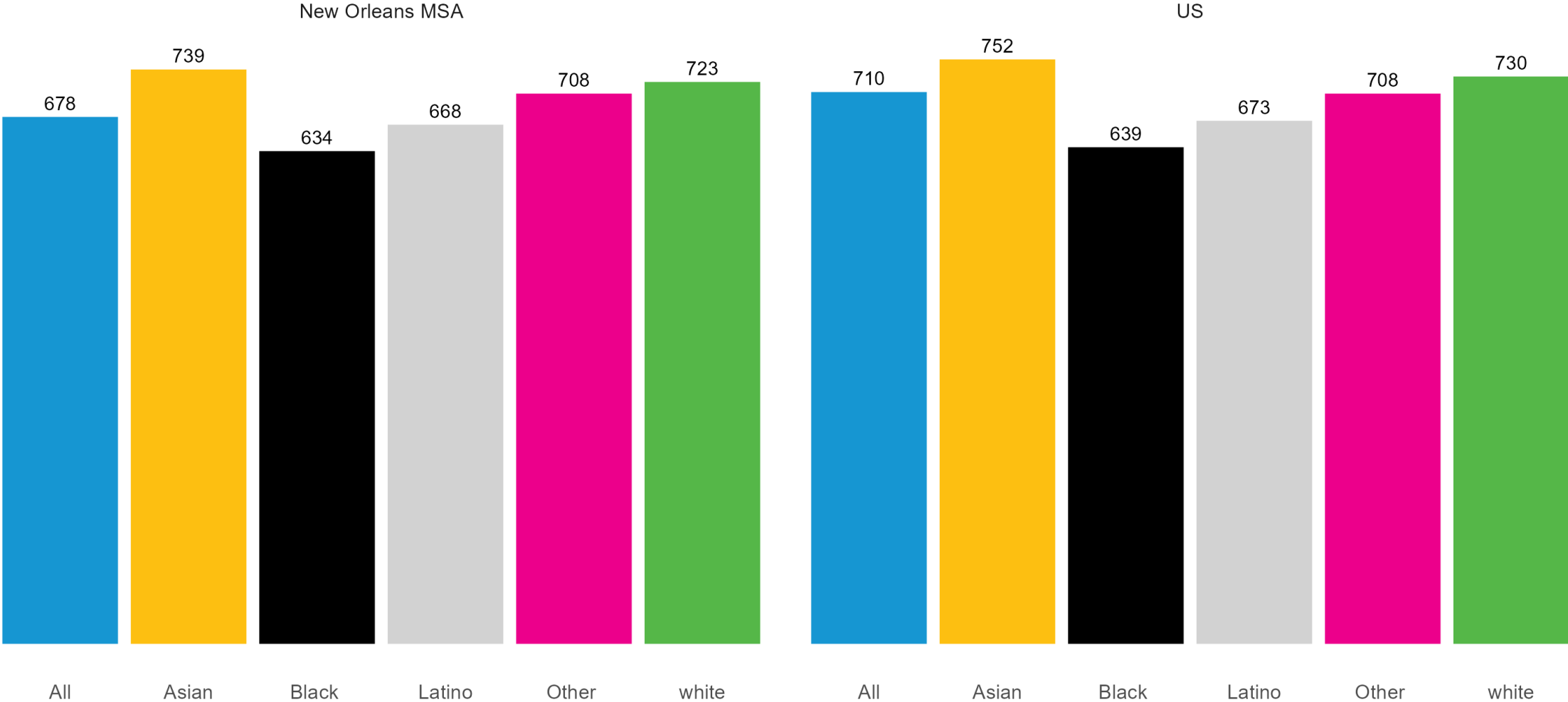
	City of New Orleans				New Orleans MSA				US			
	Asian	Black	Latino	White	Asian	Black	Latino	White	Asian	Black	Latino	White
DTI ratio	50.0%	38.7%	29.2%	47.9%	37.0%	40.7%	37.6%	34.1%	39.8%	34.8%	37.8%	31.6%
Credit history	12.5%	11.0%	12.5%	16.7%	4.3%	26.6%	21.4%	23.8%	6.9%	29.3%	20.8%	24.4%
Collateral	12.5%	12.2%	4.2%	18.8%	21.7%	7.3%	9.5%	11.6%	12.5%	8.5%	11.5%	13.5%
Credit Application Incomplete	NA	8.3%	4.2%	NA	17.4%	4.9%	5.7%	10.9%	13.0%	7.3%	7.9%	9.1%

Source: 2022 Home Mortgage Disclosure Act data.

Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

Credit Score

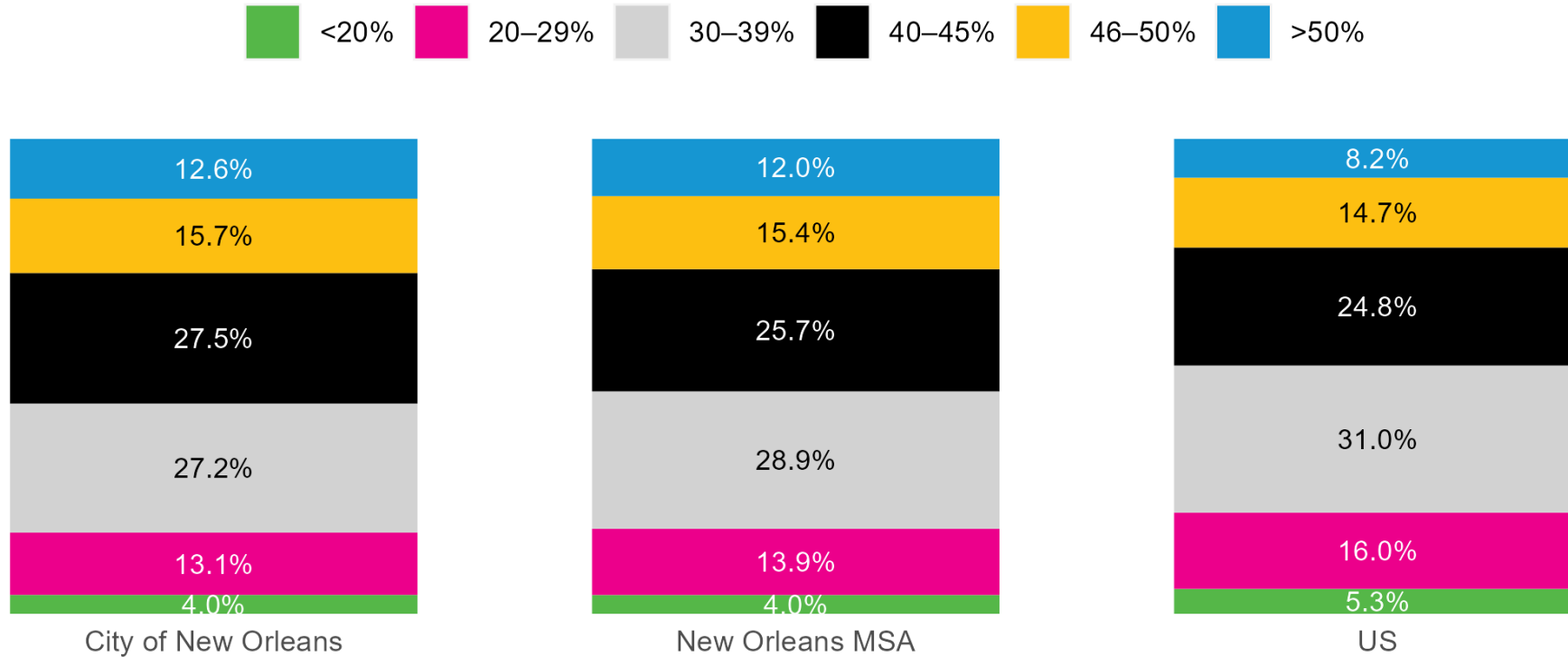
Median Vantage score, by Race or Ethnicity



Source: Freddie Mac calculations using anonymized credit bureau data for Sep 2021.
Notes: Missing values, DTI ratio equal to 0 and Credit Score lower than 350 are excluded.

DTI Ratio

DTI Ratio Distribution Comparison



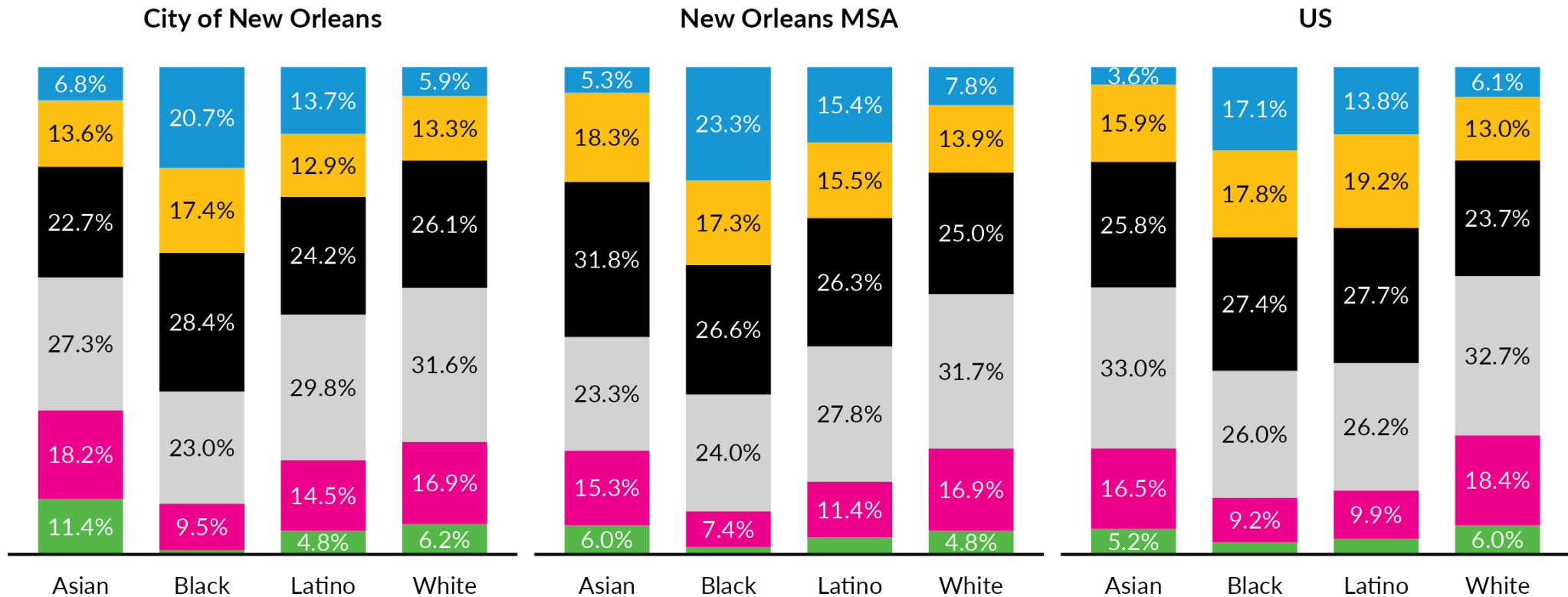
Source: 2022 Home Mortgage Disclosure Act data.

Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

DTI Ratio

DTI Ratio Distribution, by Race or Ethnicity

■ <20%
 ■ 20-29%
 ■ 30-39%
 ■ 40-45%
 ■ 46-50%
 ■ >50%

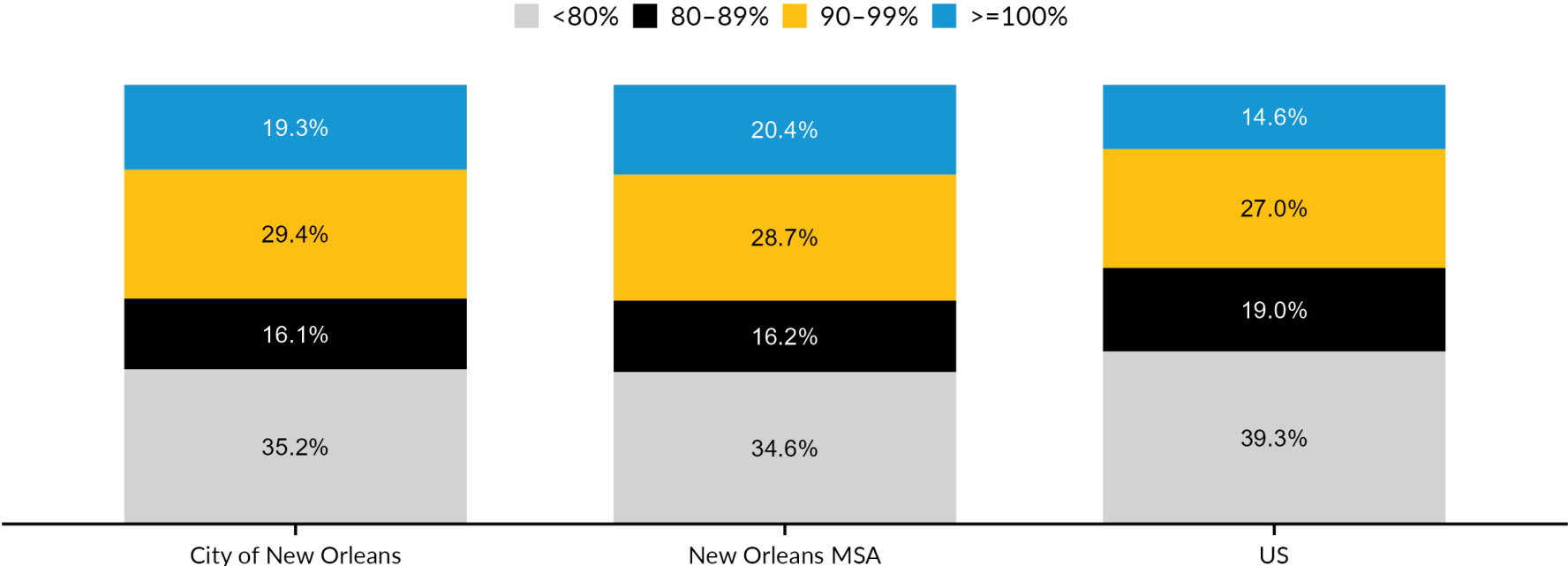


Source: 2022 Home Mortgage Disclosure Act data.

Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

LTV Ratio

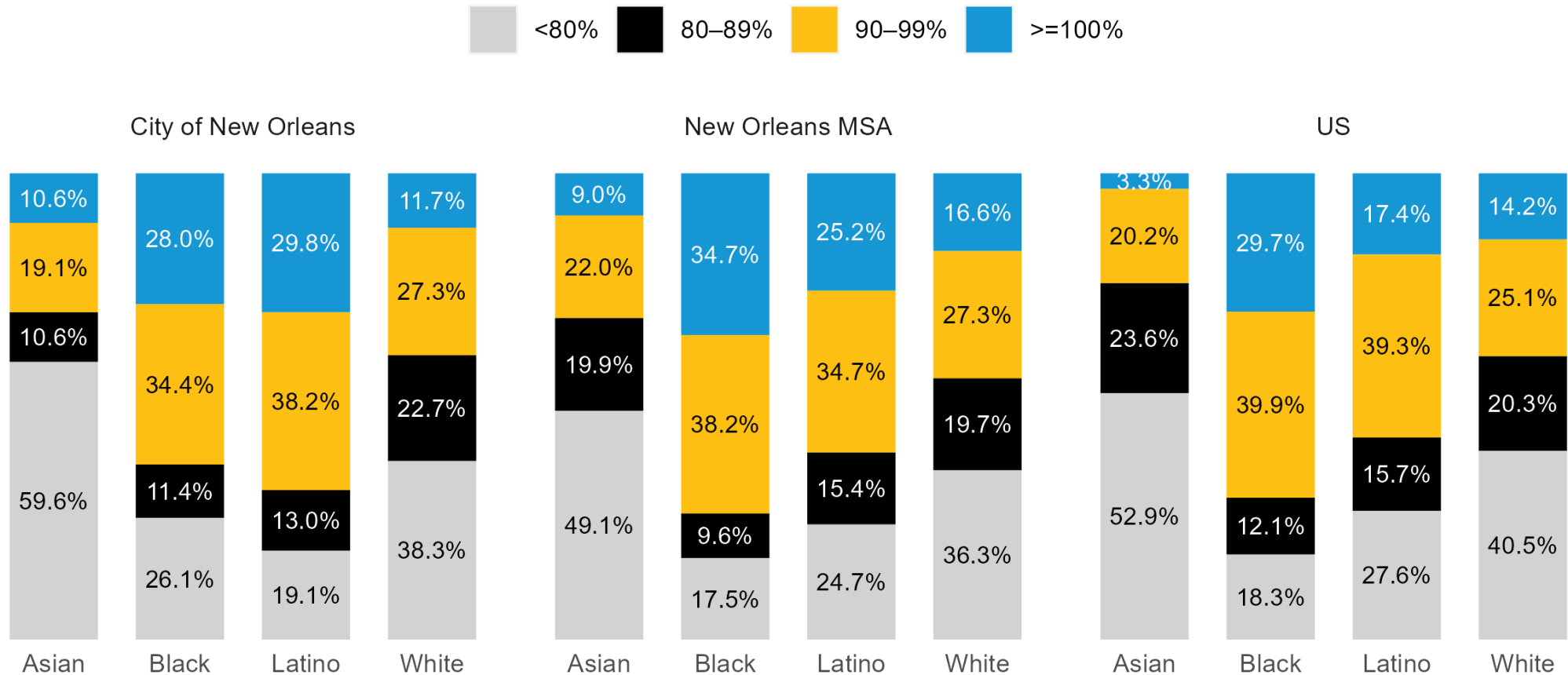
LTV Ratio Distribution Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: LTV = loan-to-value; MSA = metropolitan statistical area. Data are for purchase loans only.

LTV Ratio

LTV Ratio Distribution, by Race or Ethnicity

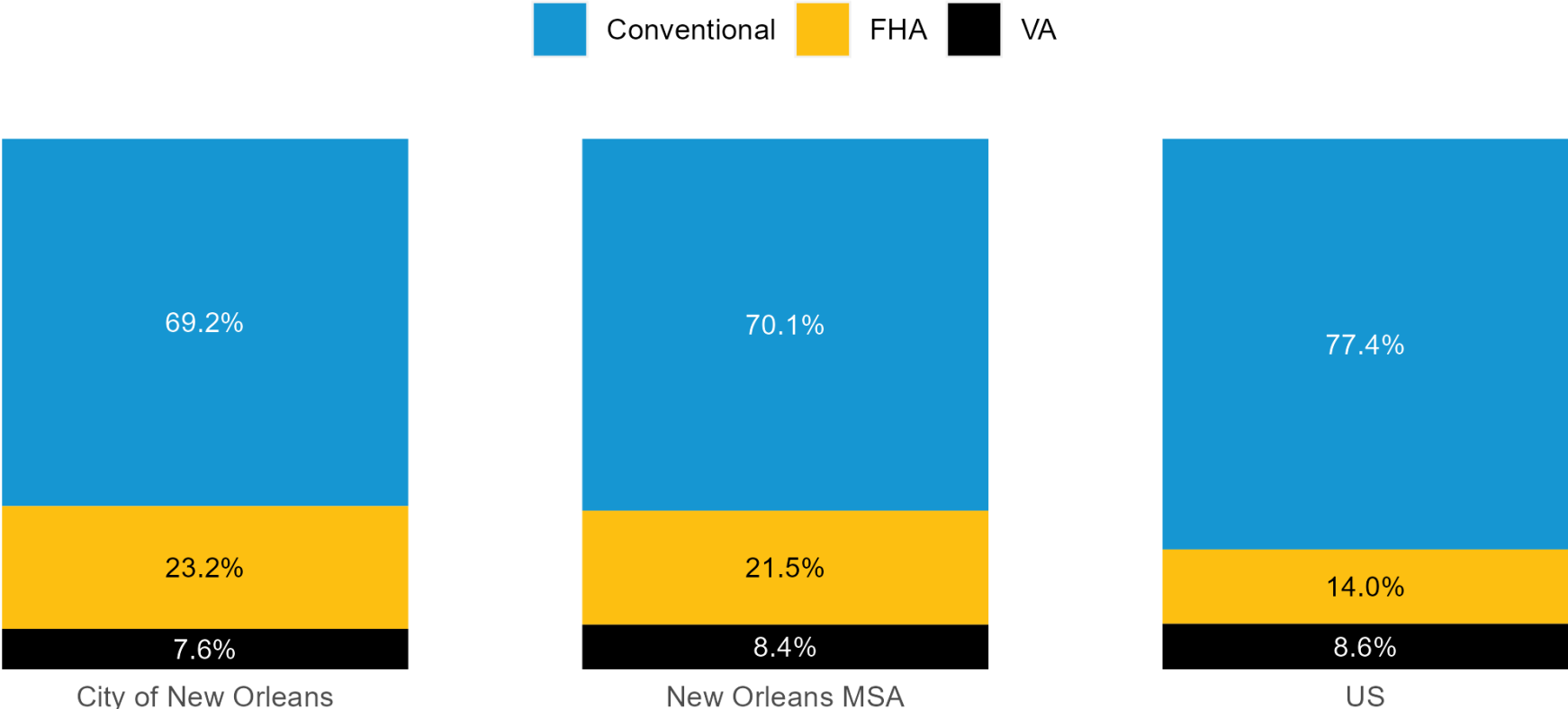


Source: 2022 Home Mortgage Disclosure Act data.

Notes: LTV = loan-to-value; MSA = metropolitan statistical area. Data are for purchase loans only.

Loan Channel

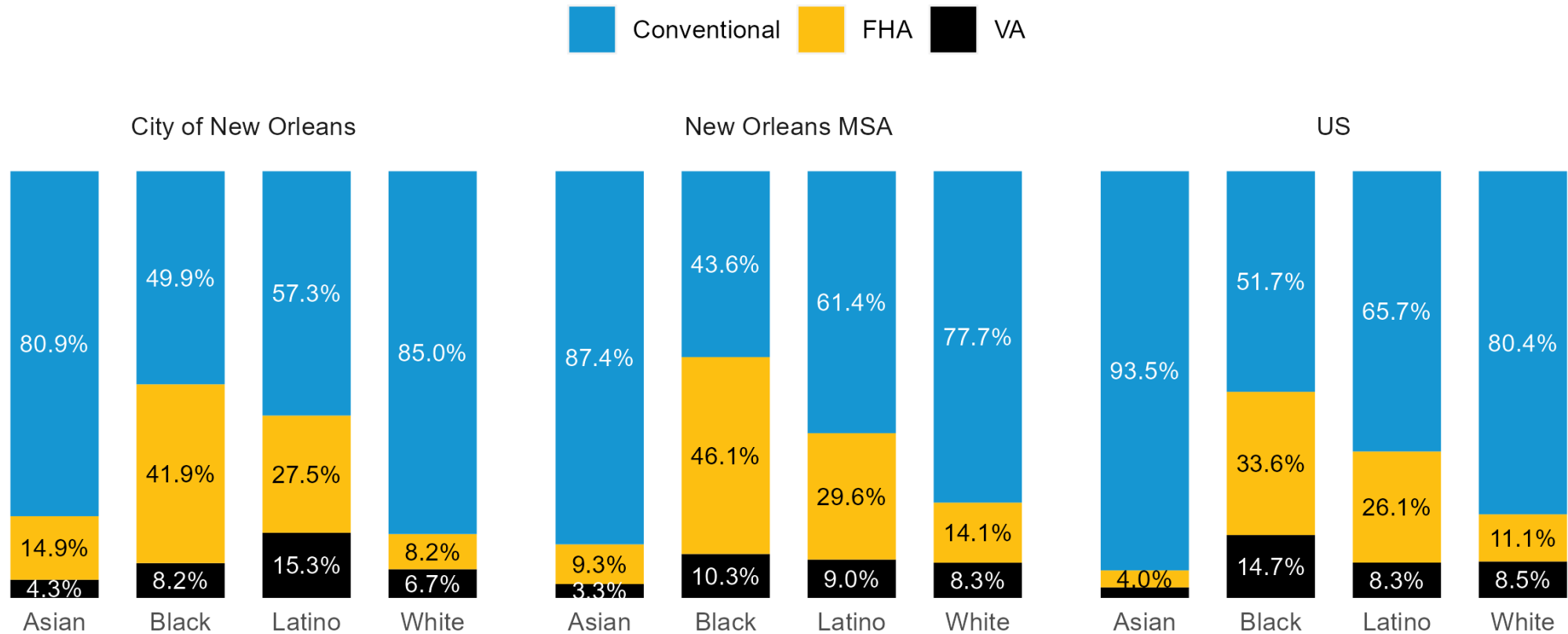
Loan Channel Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: FHA = Federal Housing Administration; MSA = metropolitan statistical area; VA = US Department of Veterans Affairs. Data are for purchases.

Loan Channel

Loan Channel, by Race or Ethnicity



Source: 2022 Home Mortgage Disclosure Act data.

Notes: FHA = Federal Housing Administration; MSA = metropolitan statistical area; VA = US Department of Veterans Affairs. Data are for purchases.

Mortgage readiness (Age 45 or Younger)

Mortgage-Ready Count, by Race or Ethnicity

	Asian	Black	Latino	White	Other	Total
New Orleans MSA	9,048	33,604	14,192	66,013	1,878	124,735
United States	4,861,214	3,476,281	8,333,738	22,536,190	678,376	39,885,799

Source: 2022 Freddie Mac data.

Notes: MSA = metropolitan statistical area. Data are for purchase loans only. The mortgage-ready population, calculated by Freddie Mac, includes borrowers ages 45 and younger who do not have a mortgage but have the credit characteristics to qualify for one. Note that given the significant changes in the housing market at this time, Freddie Mac is reevaluating their market data reports and tools to ensure they appropriately reflect the current market conditions.

Mortgage Readiness, by Race or Ethnicity

Race or ethnicity	Mortgage-Ready Share		Mortgage Affordability at 5.2% Interest		Years to Save a 3% Down Payment	
	United States	New Orleans MSA	United States	New Orleans MSA	United States	New Orleans MSA
Asian	58.9%	55.8%	14.0%	42.3%	4.3	2.1
Black	22.9%	21.4%	21.0%	28.5%	3.2	2.5
Latino	35.1%	29.0%	11.0%	29.1%	4.4	2.4
White	37.0%	35.5%	28.0%	42.7%	2.9	2.1

Source: 2022 Freddie Mac data.

Notes: MSA = metropolitan statistical area. Data are for purchase loans only. The mortgage-ready population, calculated by Freddie Mac, includes borrowers ages 45 and younger who do not have a mortgage but have the credit characteristics to qualify for one. Mortgage affordability is calculated using the 5.2 percent interest rate. Note that given the significant changes in the housing market at this time, Freddie Mac is reevaluating their market data reports and tools to ensure they appropriately reflect the current market conditions.