



Keys Unlock Dreams: Oakland

Housing Finance Policy Center

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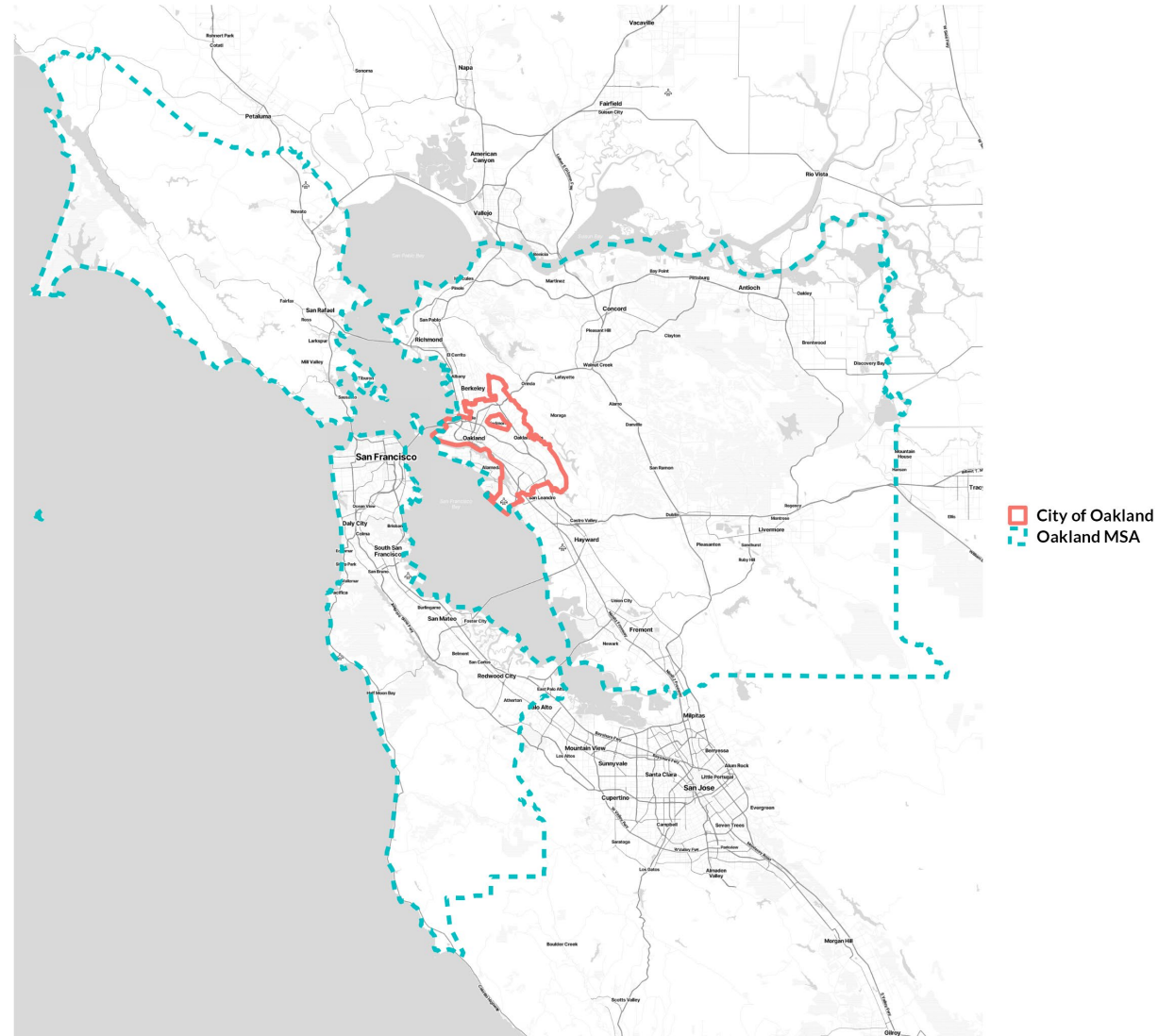
Executive Summary

- The City of Oakland's homeownership rate is **22.4 percentage points below** the US homeownership rate, while the Oakland MSA (the San Francisco-Oakland-Berkeley, CA metro area) homeownership rate is **9.6 percentage points** below the US homeownership rate.
- **Racial homeownership disparities persist.** Between 2019 and 2021, there has been some improvement in BIPOC homeownership nationally. However, Black homeownership rates in the City of Oakland and Oakland MSA declined during this period while some improvements are observed in the Latino homeownership rates.
- About **65 percent** of households in the City and about **56 percent** in the MSA are nonwhite, substantially higher than the national non-white households share of 35 percent. Black households account for 22 percent of the City, but only 7 percent of the MSA.
- Home prices and income levels have recovered since the recession, **but racial disparities have persisted and are substantially wider** in Oakland compared to the nation. Between 2020 and 2021, inflation-adjusted household incomes in Oakland declined while remaining mostly stable nationwide.
- **Black households in the city and MSA had the highest mortgage denial rates** among all racial and ethnic groups. Compared to the nation, the denial rates are lower, but this is largely because renters are discouraged from applying because of the lack of affordable housing. In Oakland, the majority of BIPOC applicants are denied due to high DTI ratios.
- With the rise in interest rates, **purchase originations dropped significantly.** In the City, purchase originations dropped 25.6 percent, from 3,318 to 2,468 between 2021 and 2022. In the MSA, purchase originations dropped 29.5 percent, from 41,223 to 29,058 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 is lower** than the national share, but the share of investors with a mortgage is higher in the City compared to the MSA and the nation.
- In 2023, there are about **822,000** mortgage-ready borrowers, including **37,000** Black borrowers and **191,000** Latino borrowers in the Oakland MSA. However, assuming a 6.9 percent interest rate, **less than 0.5 percent of mortgage-ready Black and Latino consumers can afford a home** in the Oakland MSA.

About Oakland

- City of Oakland
 - Population: 440,646
 - Households: 178,778
- Oakland MSA
 - Population: 4,579,599
 - Households: 1,739,127

Map of Oakland

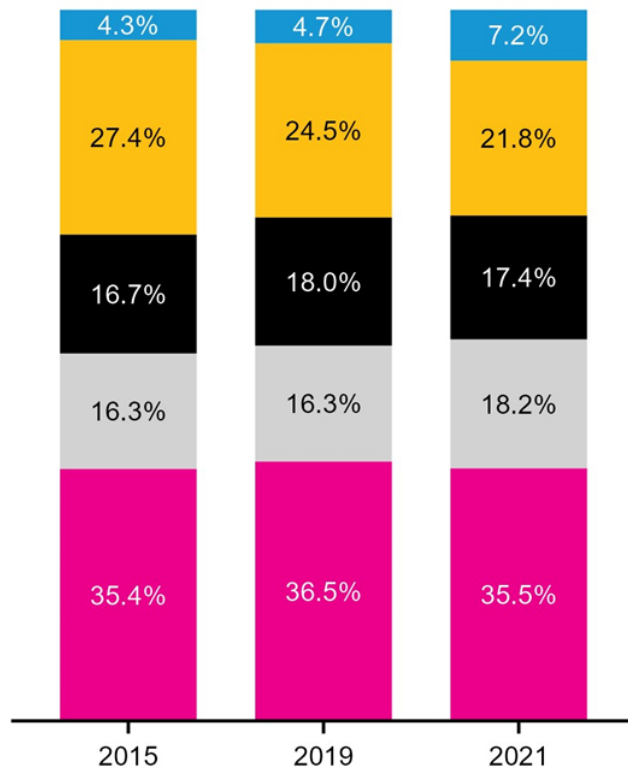


Sources: US Census Bureau and Stamen Map.
Note: MSA = metropolitan statistical area.

Racial Composition, Homeownership Rate, Median House Value: City of Oakland

Oakland Racial Composition

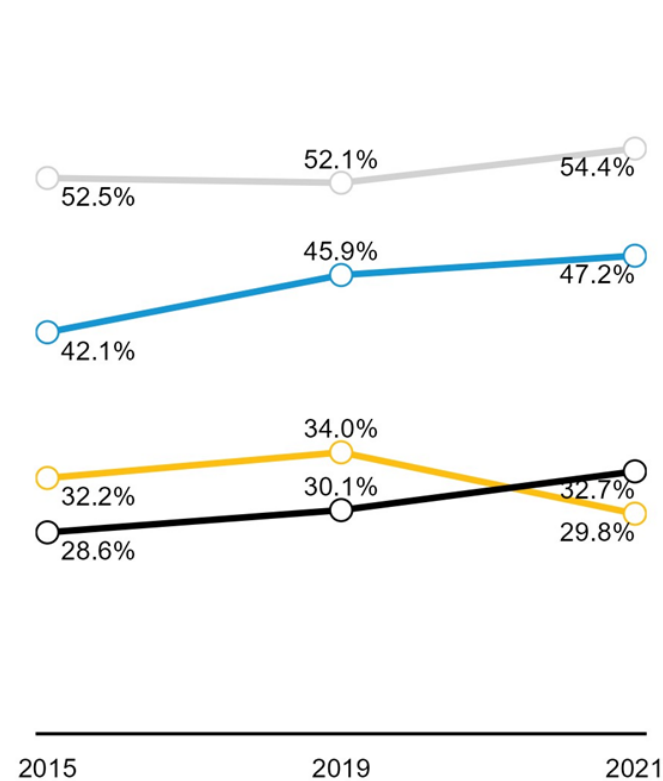
Other Black Latino Asian White



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

Homeownership Rates (Oakland, %)

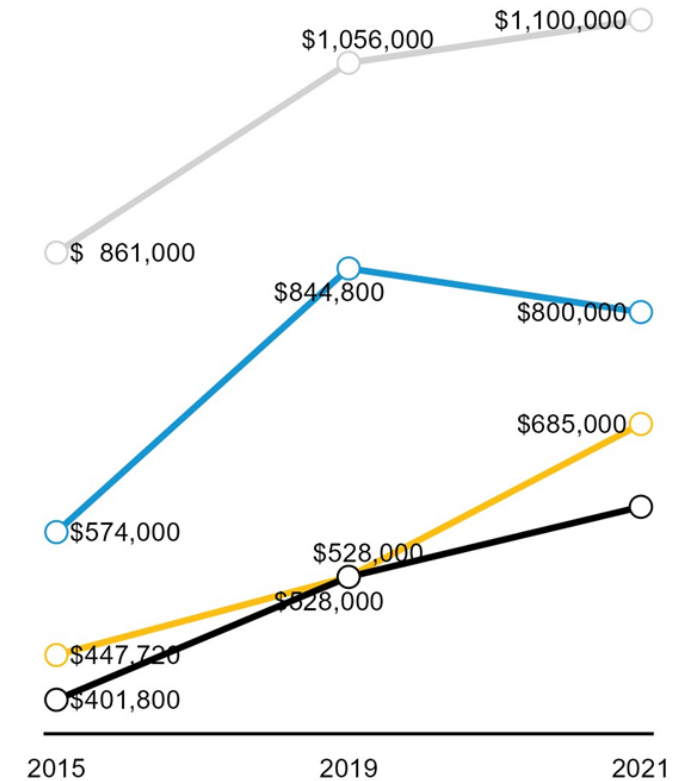
Asian Black Latino White



Source: American Community Survey.

Median House Value (Oakland, \$)

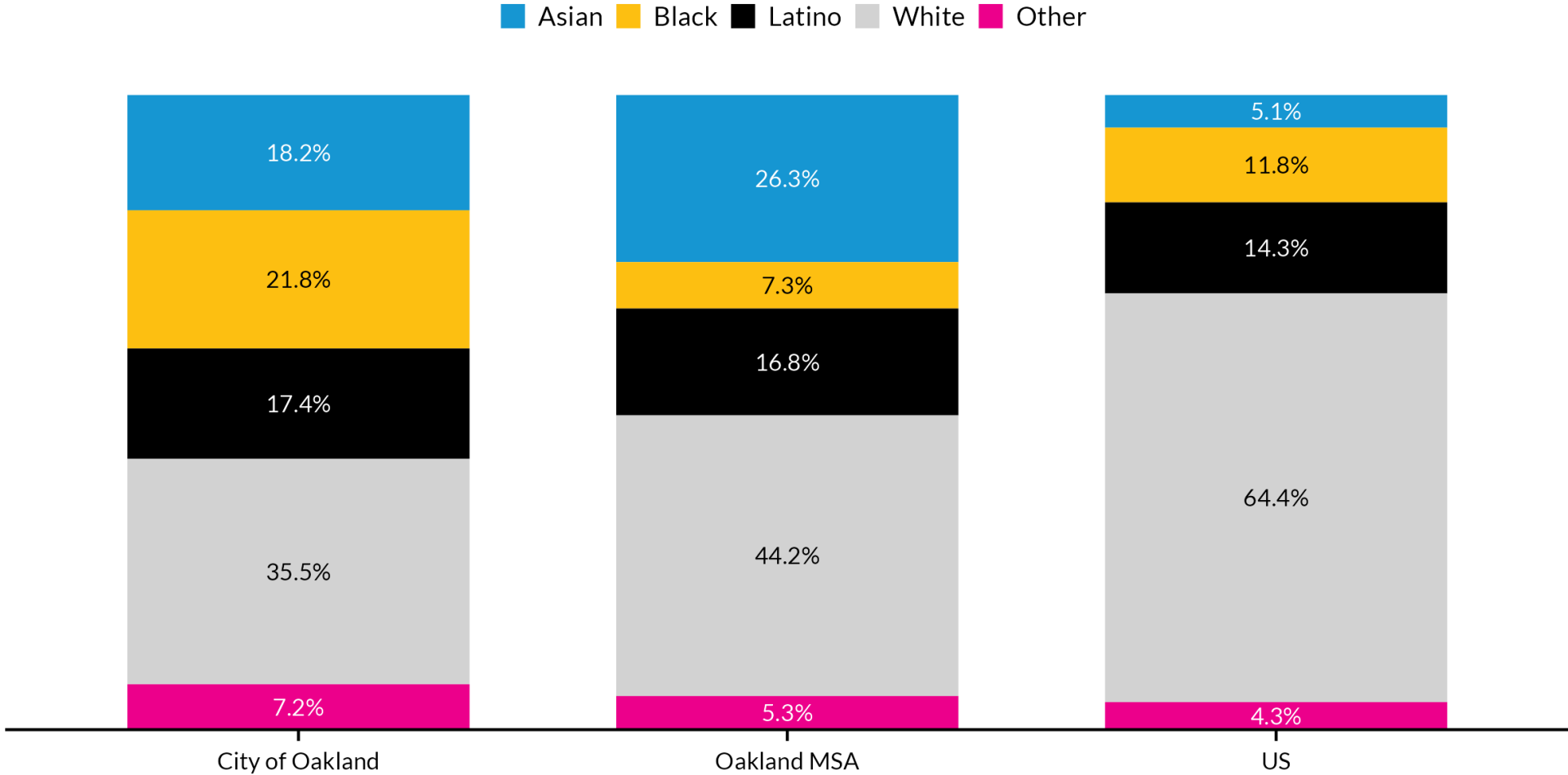
Asian Black Latino White



Source: American Community Survey.

Racial Distribution: Household Level

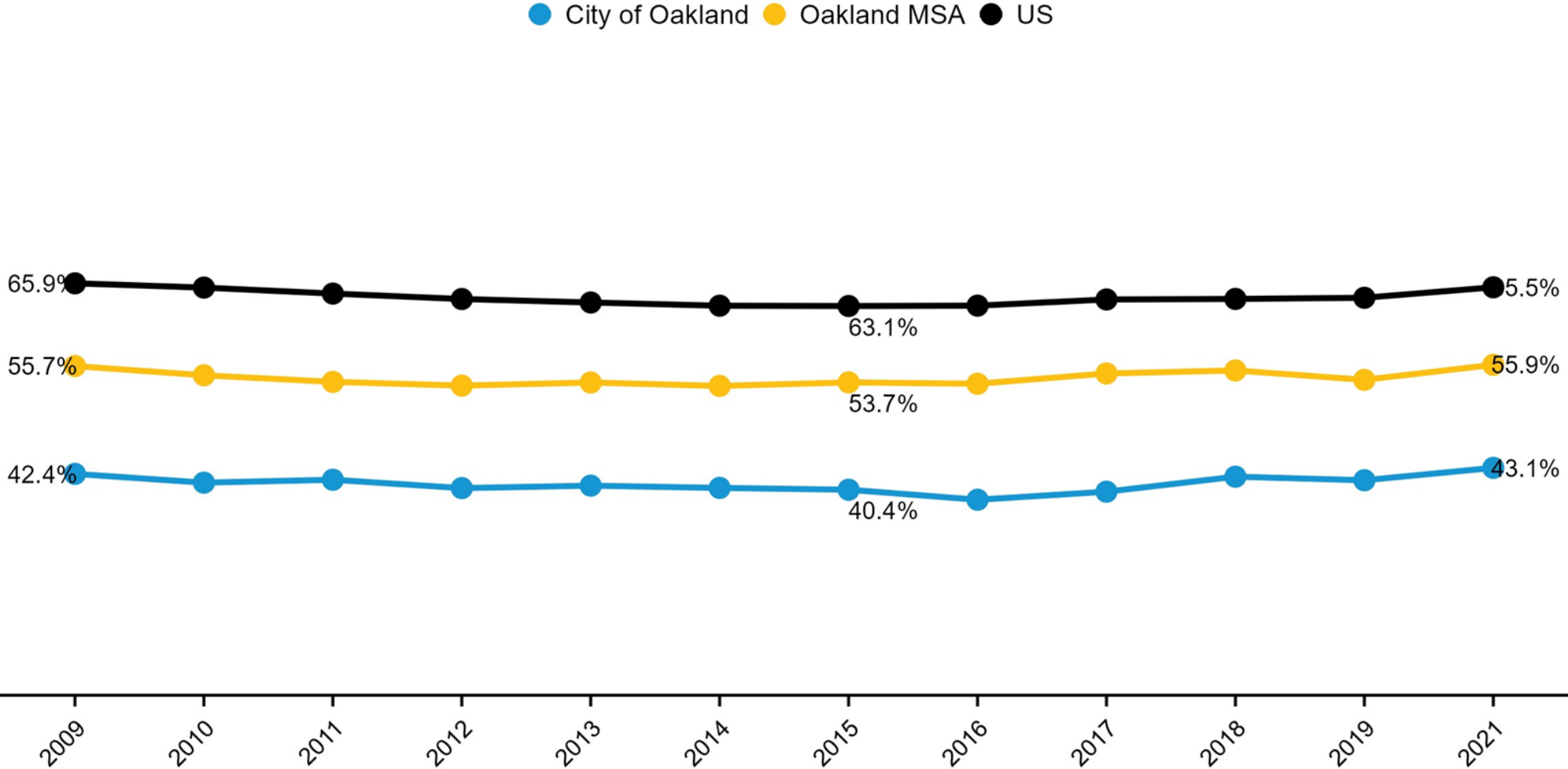
Racial and Ethnic Composition Comparison



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

Homeownership Rate

Homeownership Rate Comparison

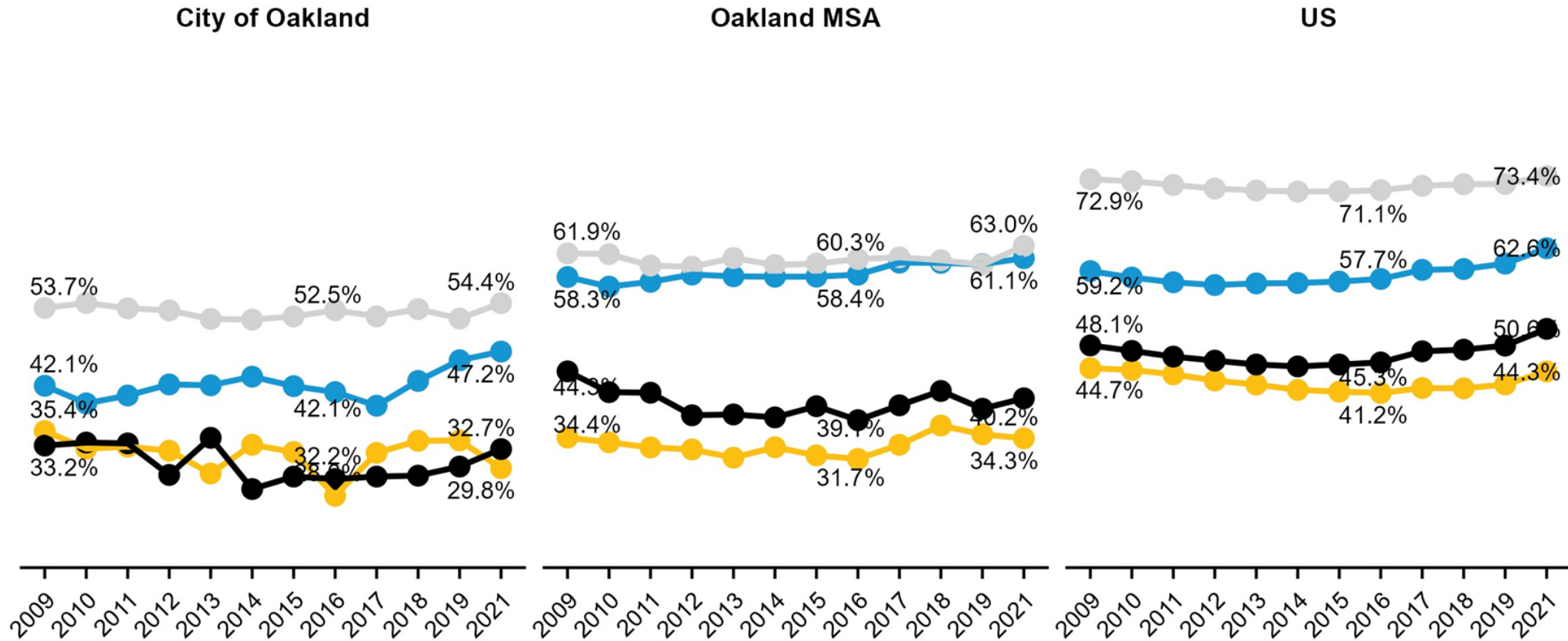


Source: American Community Survey.
Notes: Results for 2020 left out because of unreliability due to undersampling.

Homeownership Rate

Homeownership Rates, by Race or Ethnicity

● Asian ● Black ● Latino ● White



Source: American Community Survey.
 Notes: Results for 2020 left out because of unreliability due to undersampling.

Homeownership Goals

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

	Asian	Black	Latino	White	Other	Total
Owner HHs	12,986	13,115	11,434	36,358	4,098	77,991
Renter HHs	16,319	27,876	23,588	26,860	6,144	100,787
Total HHs	29,305	40,991	35,022	63,218	10,242	178,778

Source: 2022 American Community Survey

- Homeownership Rate Comparison: City of Oakland vs. US

	Asian	Black	Latino	White	Other	Total
Oakland	44.3%	32.0%	32.6%	57.5%	40.0%	43.6%
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 Oakland to Reach US Numbers for Each Race and Ethnicity

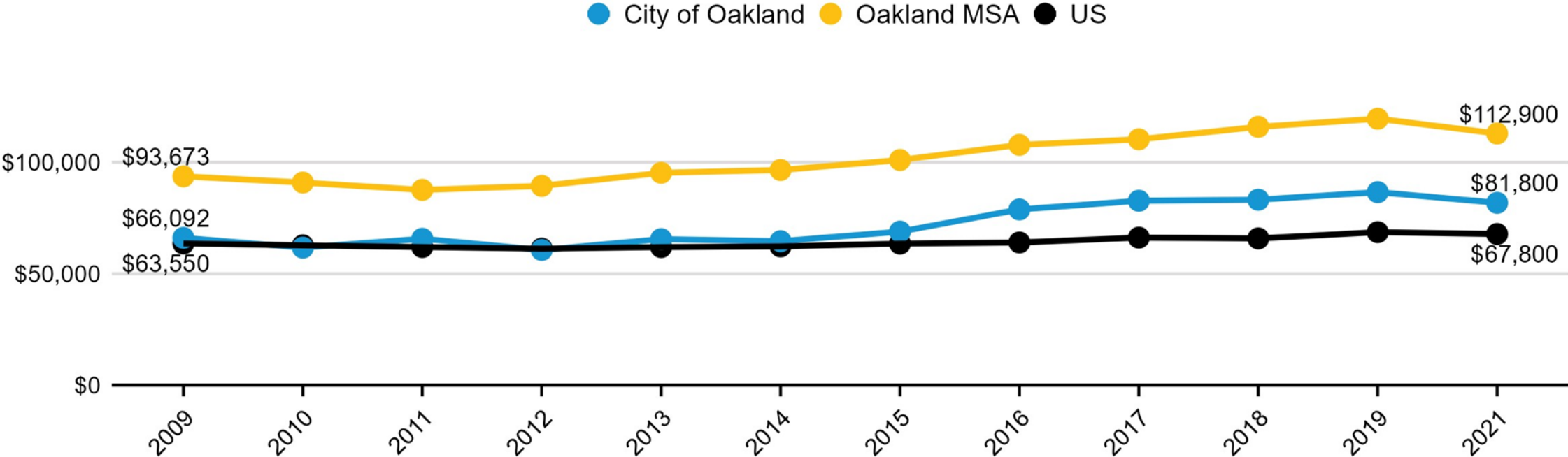
Asian	Black	Latino	White	Other
5,556	4,961	6,445	9,776	1,868

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

Asian	Black	Latino	Other
3,868	10,460	8,708	1,792

Household Income

Median Household Income Comparison

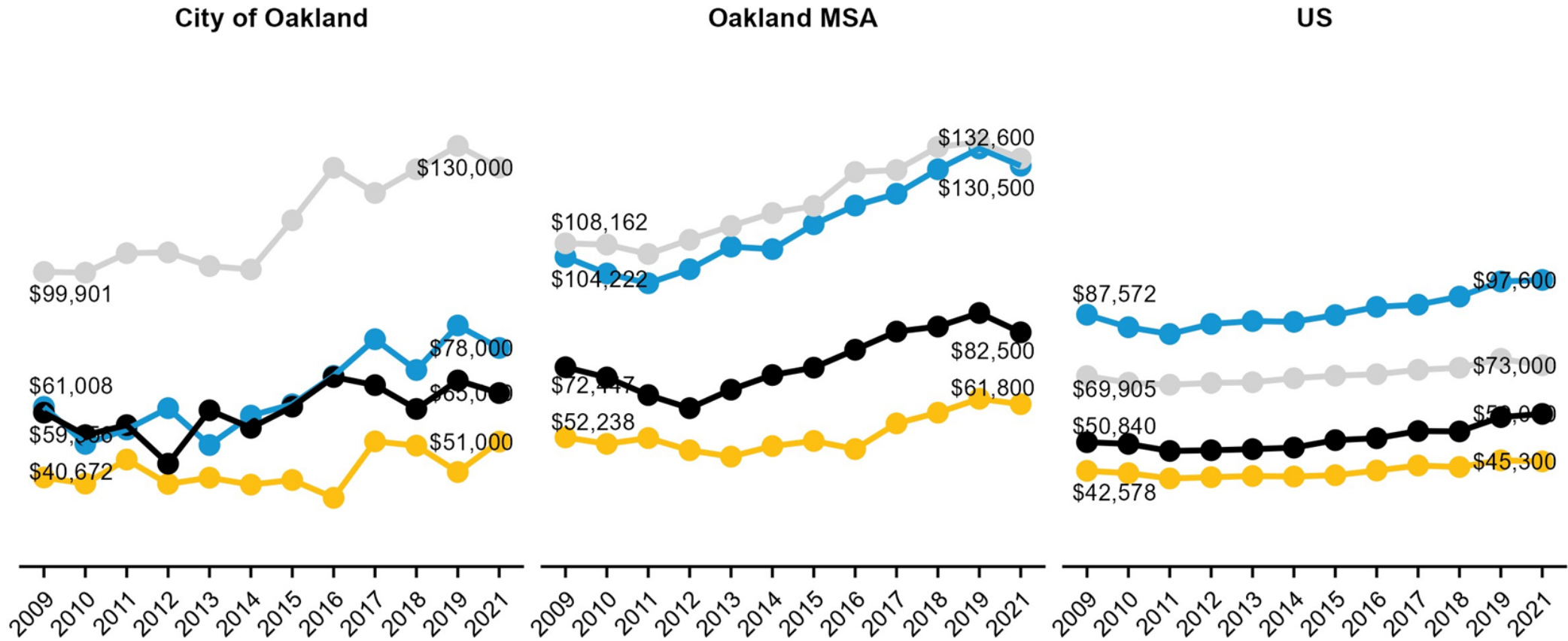


Source: American Community Survey.
Notes: Values are in 2021 inflation-adjusted dollars. Results for 2020 left out because of unreliability due to undersampling.

Household Income

Median Household Income, by Race or Ethnicity

● Asian ● Black ● Latino ● White

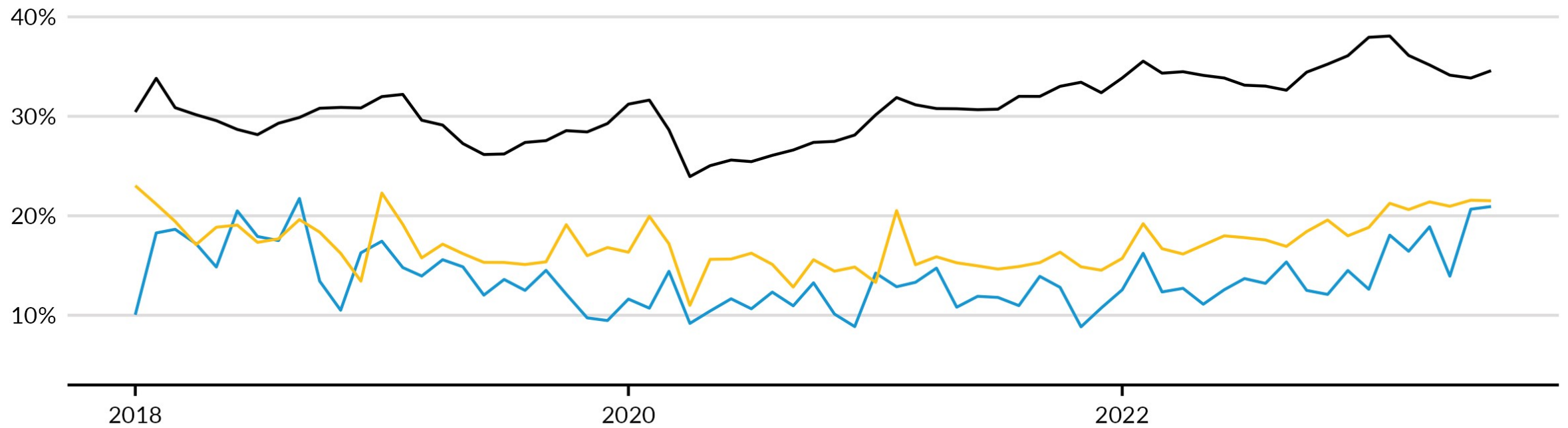


Source: American Community Survey.
 Notes: Values are in 2021 inflation-adjusted dollars. Results for 2020 left out because of unreliability due to undersampling.

Cash Buyer Share

Cash Buyer Share Comparison

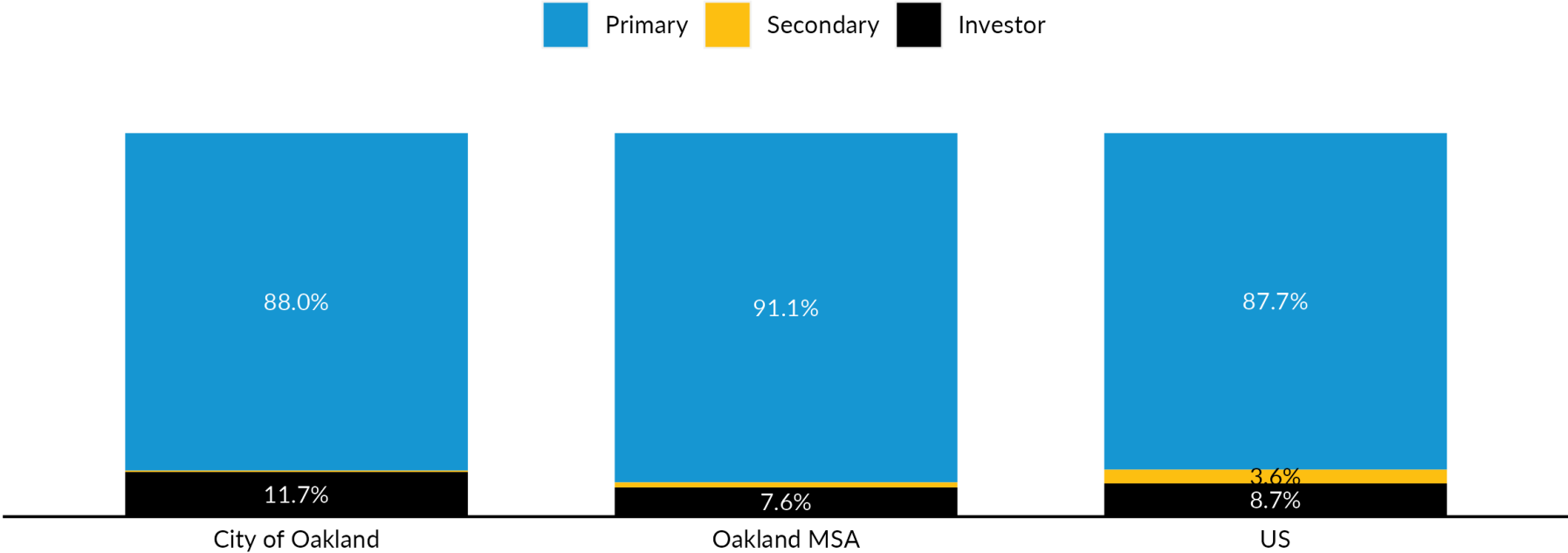
— City of Oakland — Oakland MSA — United States



Source: Realtor.com

Investor Share

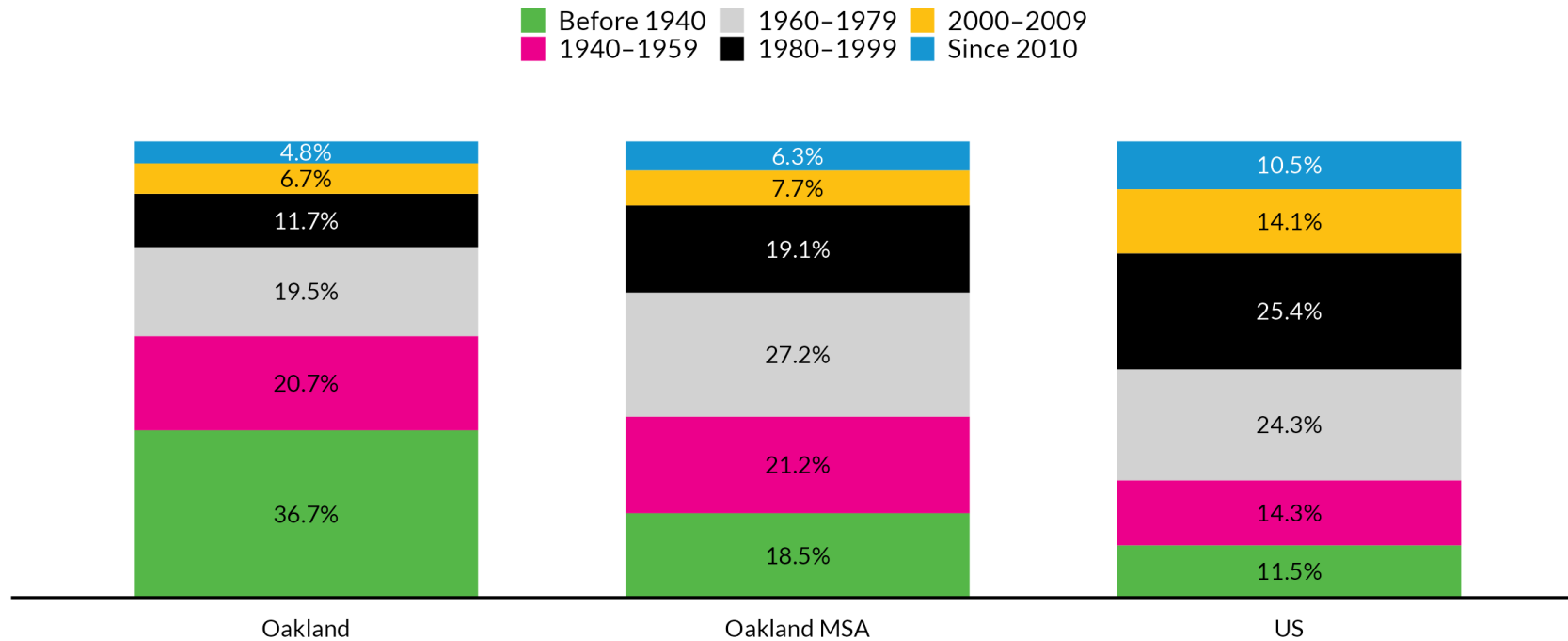
Property Purchase Types Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: All-cash investors are not included in the data.

Age of Housing

Year Built Comparison

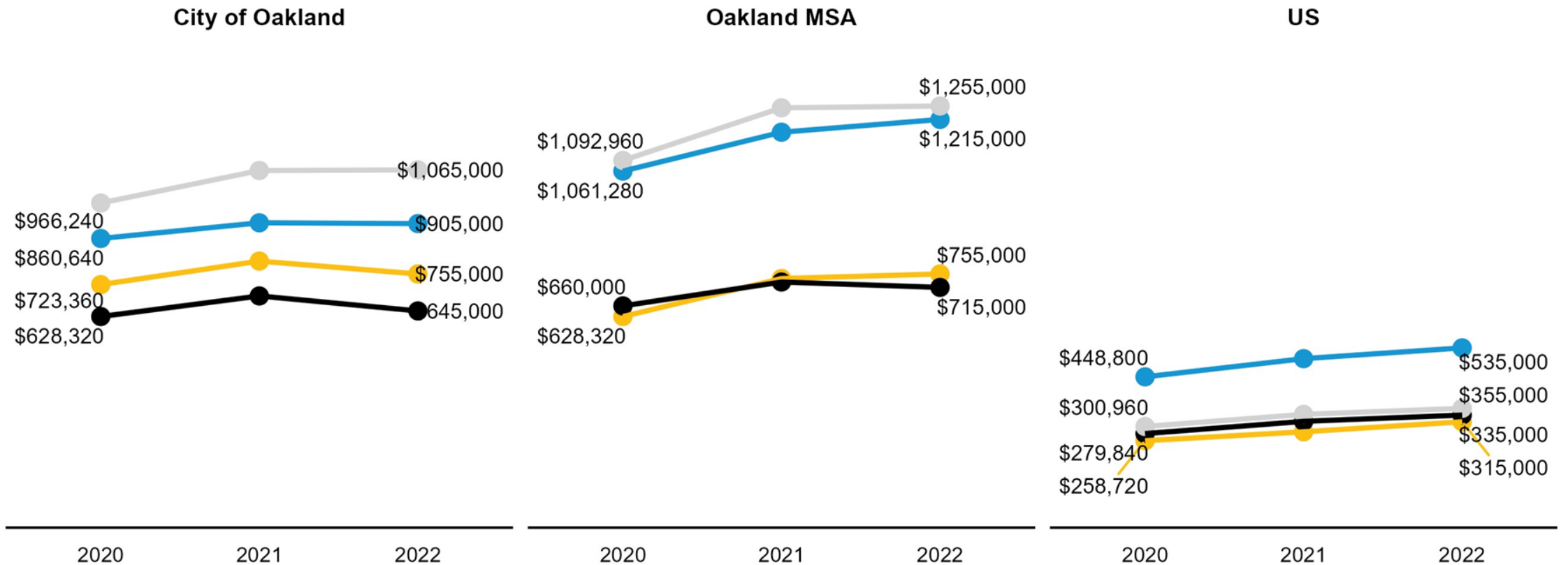


Source: 2021 American Community Survey.

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.

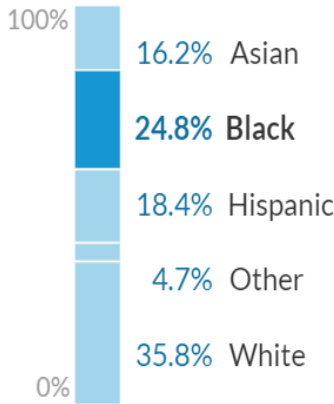
Notes: Values are in 2021 inflation-adjusted dollars. Original, unadjusted reported values rounded to the midpoint of the nearest \$10,000 interval.

Property Value by Race/Ethnicity

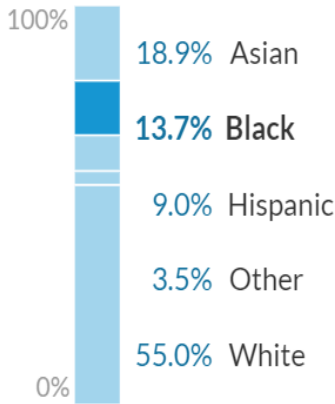
SHOW ME Black households ▼ IN Oakland, CA 🔍
COMPARED WITH Search for a city 🔍

SEE TOTALS OFF

Distribution of household population

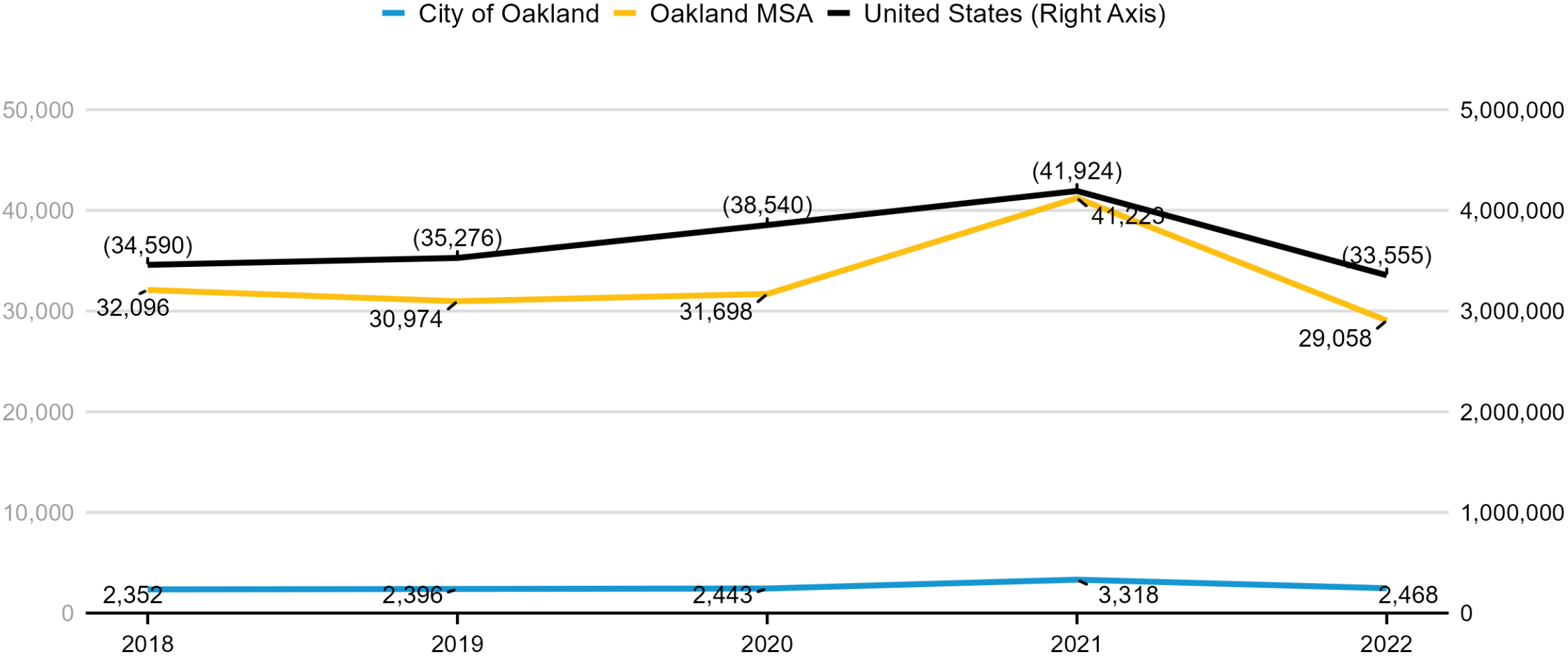


Distribution of primary-residence wealth



Purchase originations, 2018-2022

Purchase mortgage originations (count)

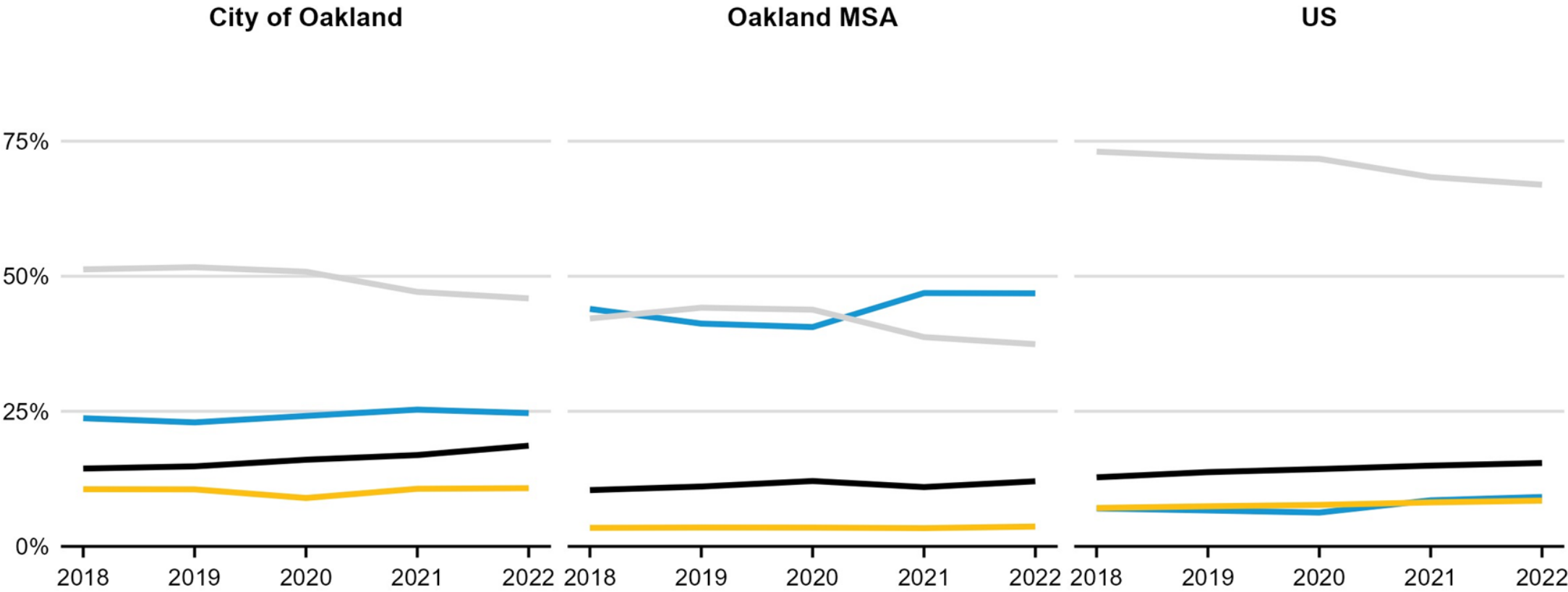


Source: Home Mortgage Disclosure Act.
Notes: Counts include purchase loans only. Bracketed numbers are in thousands.

Purchase originations by race/ethnicity, 2018-2022

Purchase mortgage origination share, by race/ethnicity

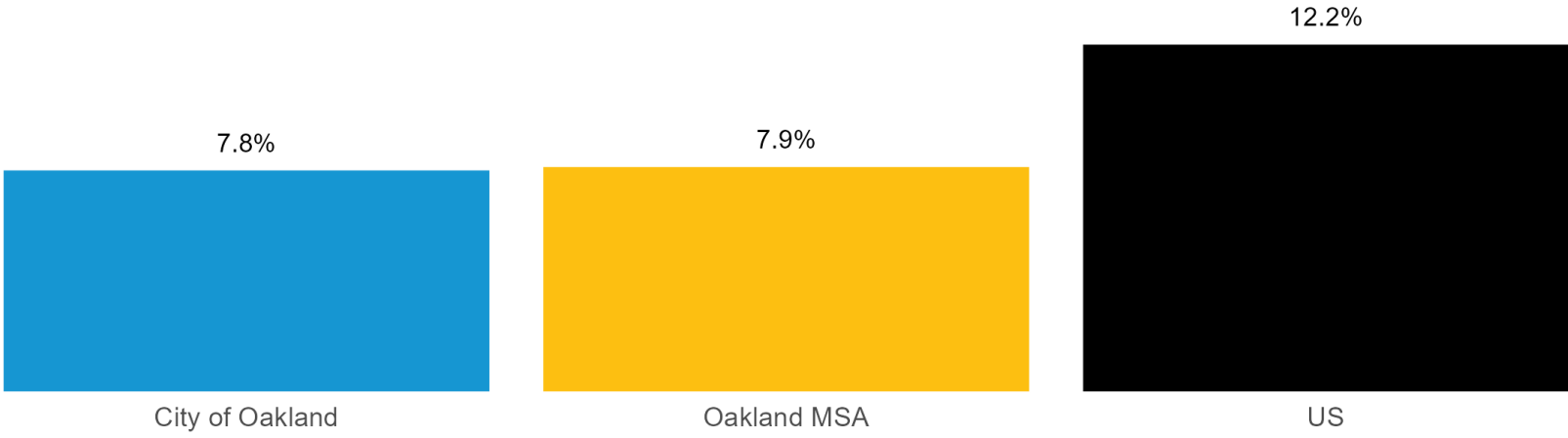
Asian Black Latino White



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

Denial Rates: Purchase Mortgages

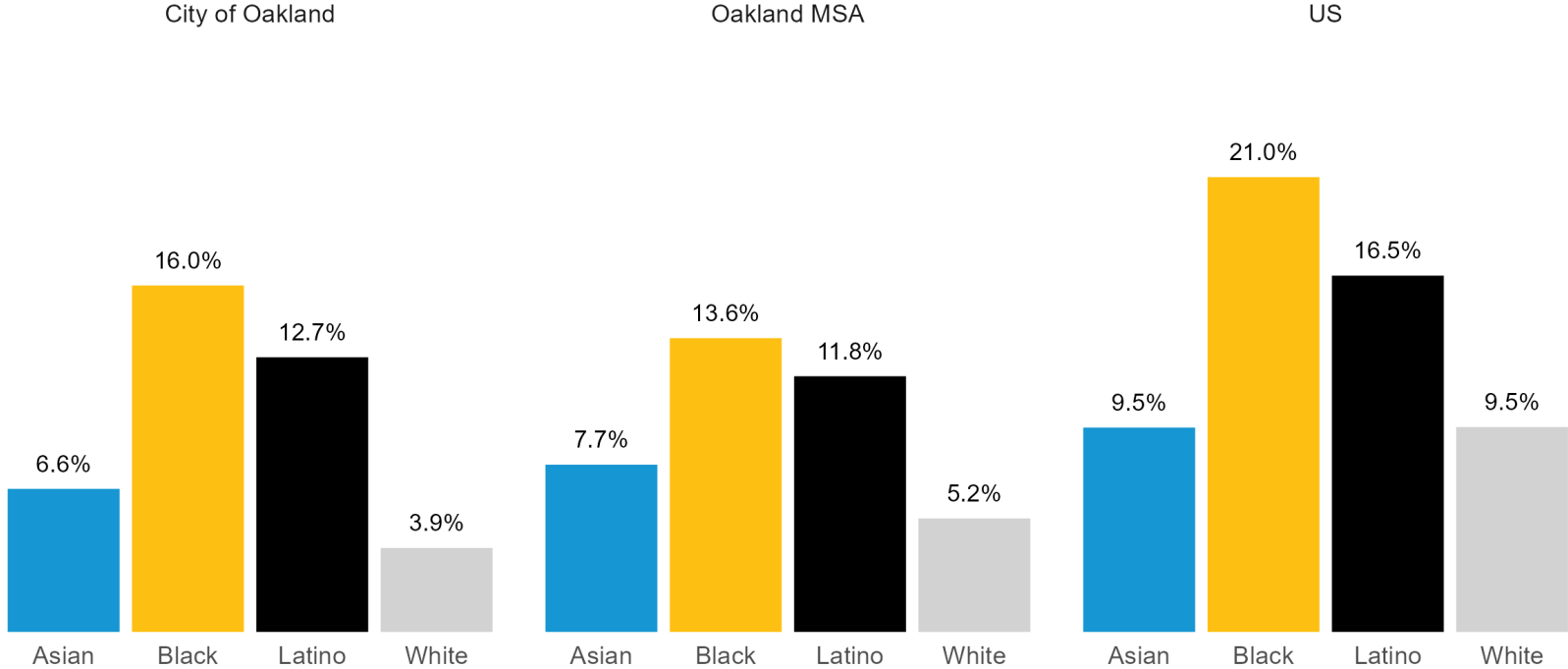
Denial Rate Comparison



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

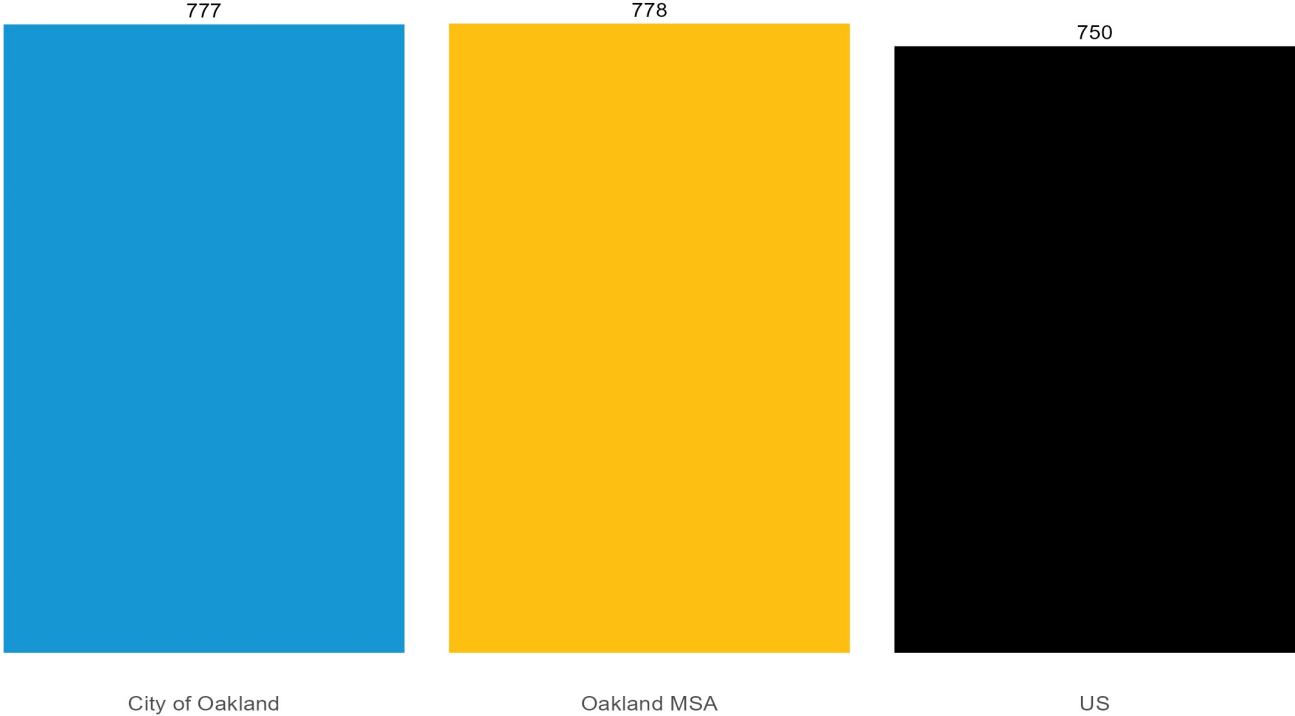
	City of Oakland				Oakland MSA				US			
	Asian	Black	Latino	White	Asian	Black	Latino	White	Asian	Black	Latino	White
DTI ratio	47.7%	48.1%	42.9%	27.9%	42.7%	45.0%	42.2%	39.3%	39.8%	34.8%	37.8%	31.6%
Credit history	2.3%	7.4%	5.7%	8.6%	5.6%	10.1%	16.8%	7.7%	6.9%	29.3%	20.8%	24.4%
Collateral	18.2%	16.7%	7.1%	21.3%	15.5%	12.4%	9.5%	17.3%	12.5%	8.5%	11.5%	13.5%
Credit Application Incomplete	11.4%	1.8%	17.1%	6.4%	10.9%	6.2%	8.7%	12.1%	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

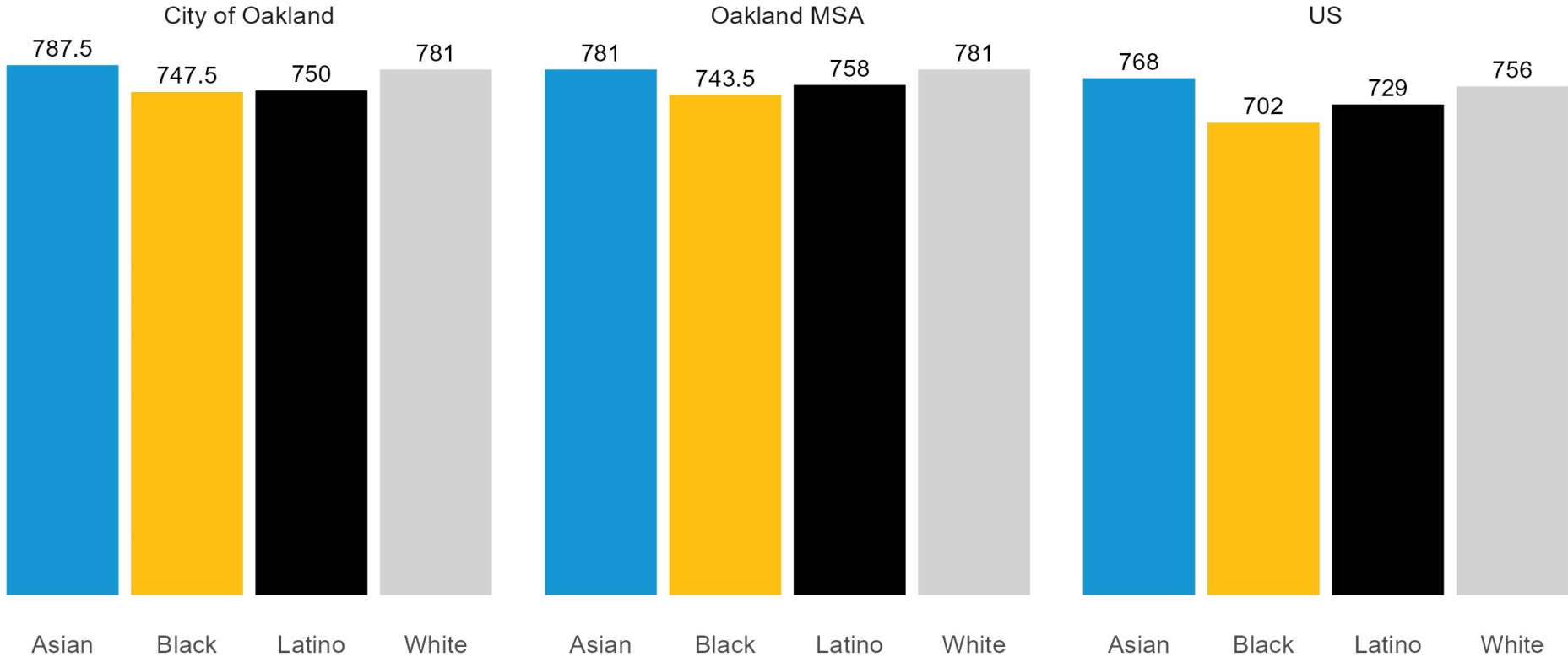
Median Credit Score Comparison



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

Credit Score

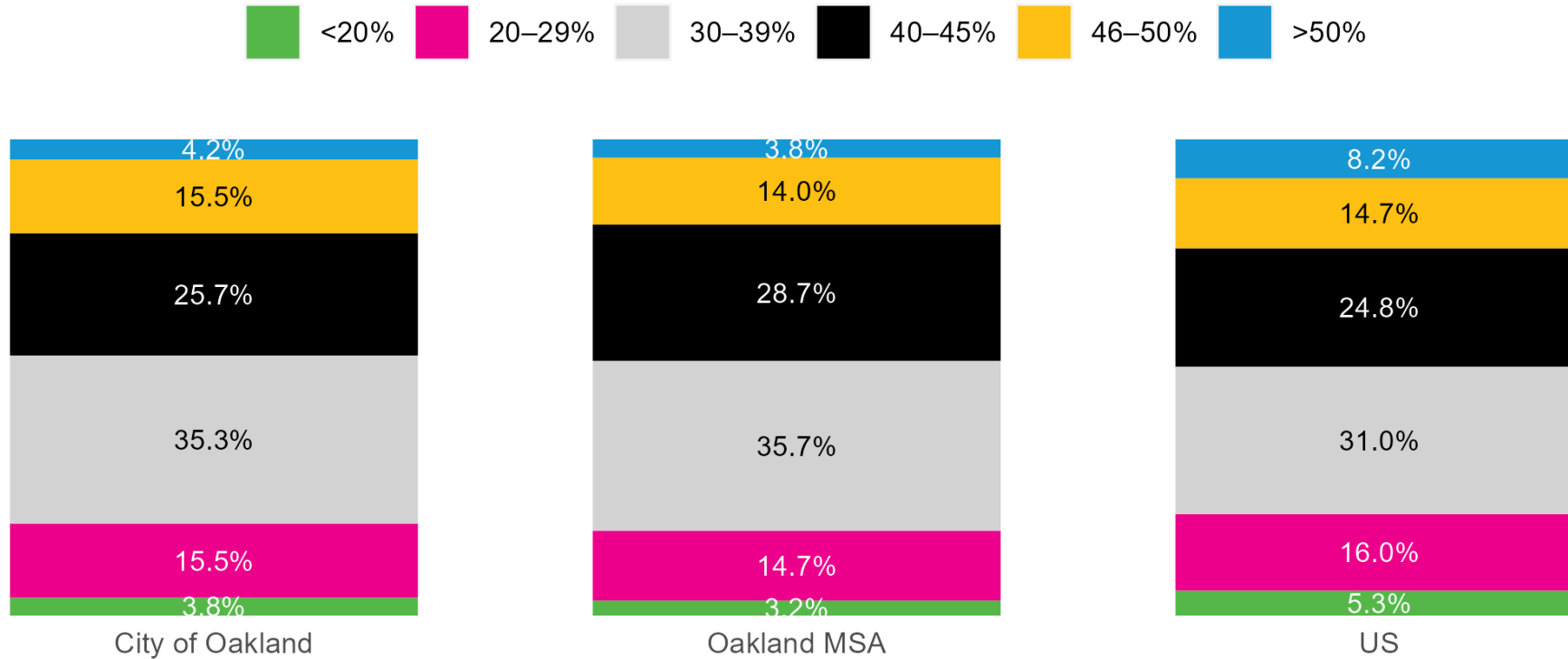
Median FICO score, by Race or Ethnicity



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

DTI Ratio

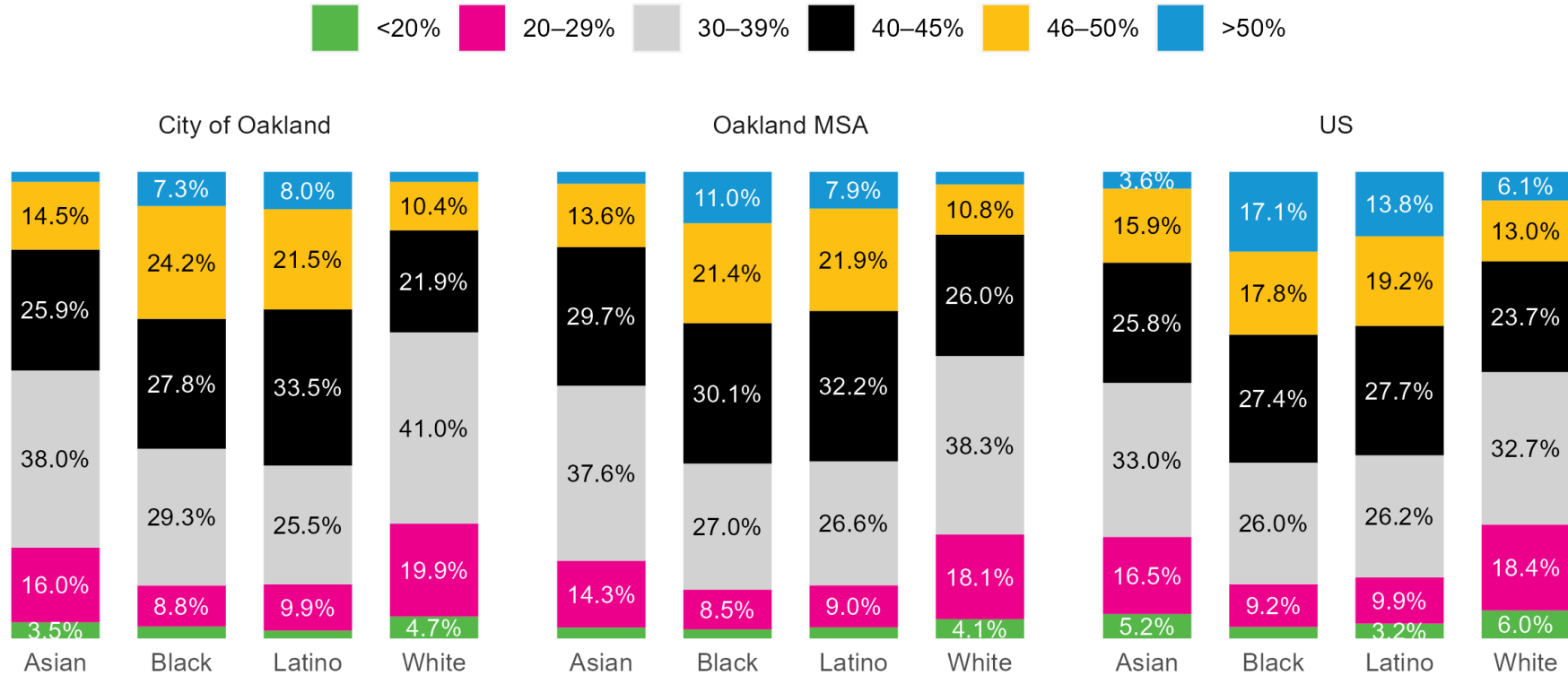
DTI Ratio Distribution Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: DTI = debt-to-income. Data are for purchase loans only.

DTI Ratio

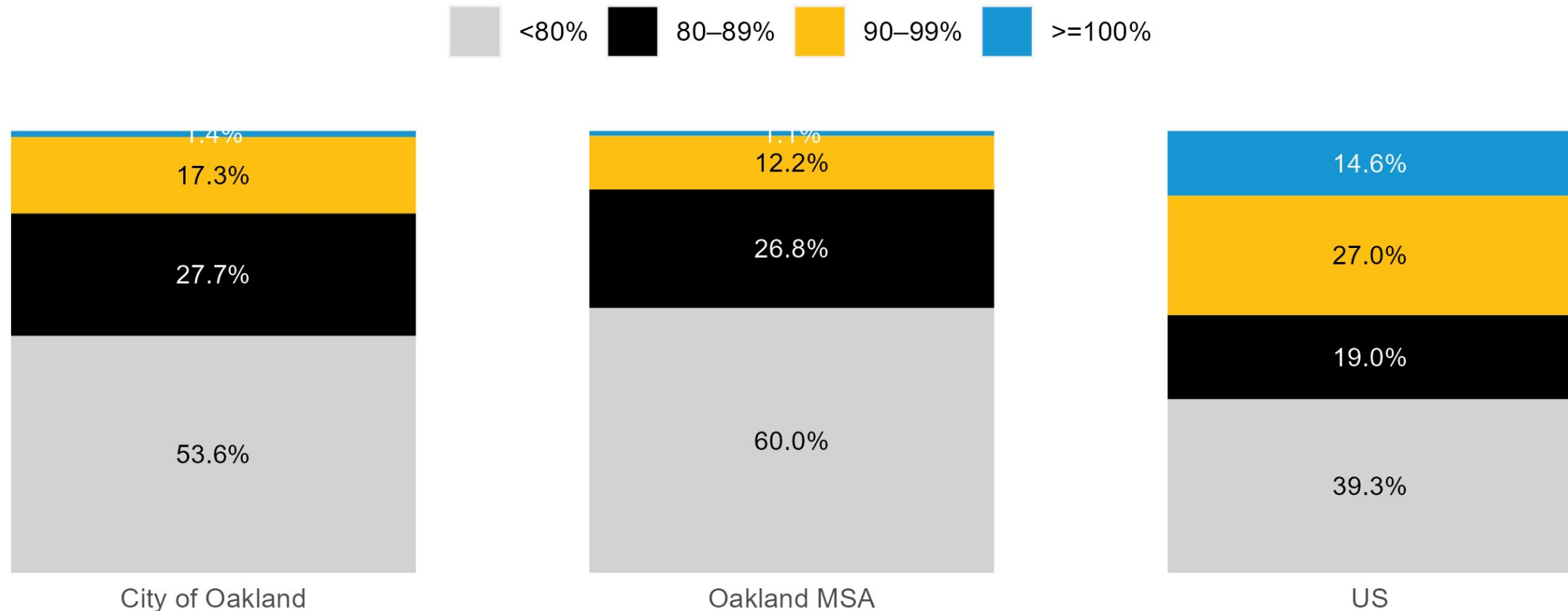
DTI Ratio Distribution, by Race or Ethnicity



Source: 2022 Home Mortgage Disclosure Act data.
Notes: DTI = debt-to-income. Data are for purchase loans only.

LTV Ratio

LTV Ratio Distribution Comparison

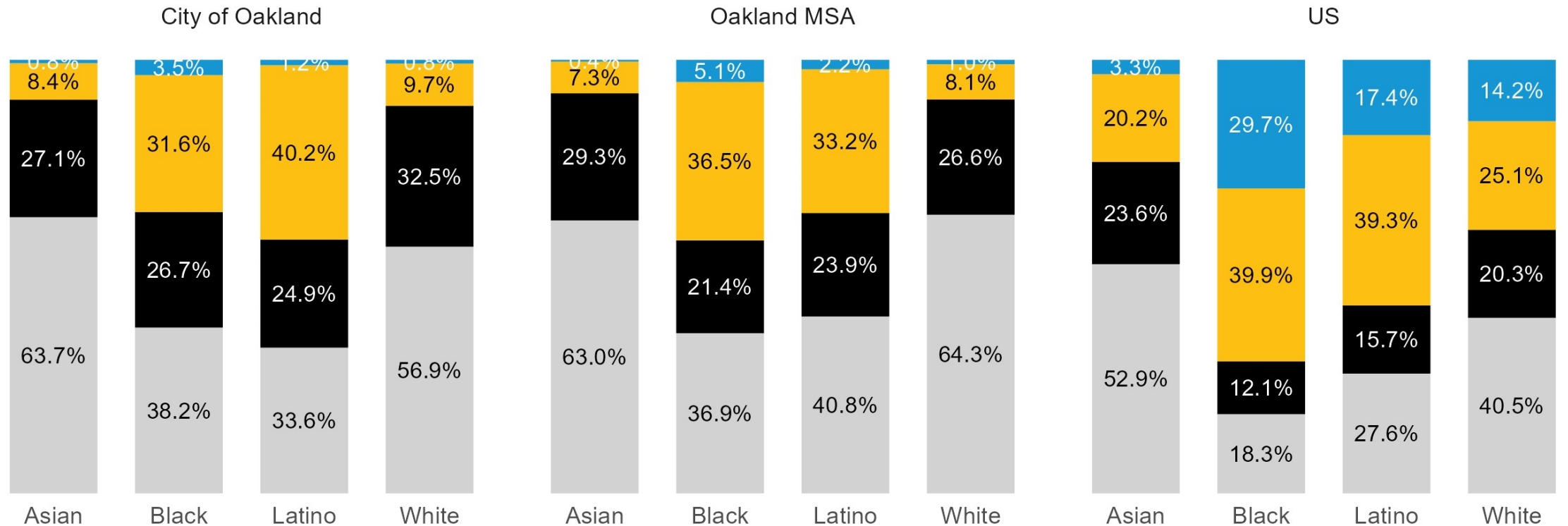


Source: 2022 Home Mortgage Disclosure Act data.

Notes: LTV = loan-to-value. Data are for purchase loans only. Property value and loan amount data are rounded to the midpoint of the nearest \$10,000.

LTV Ratio

LTV Ratio Distribution, by Race or Ethnicity

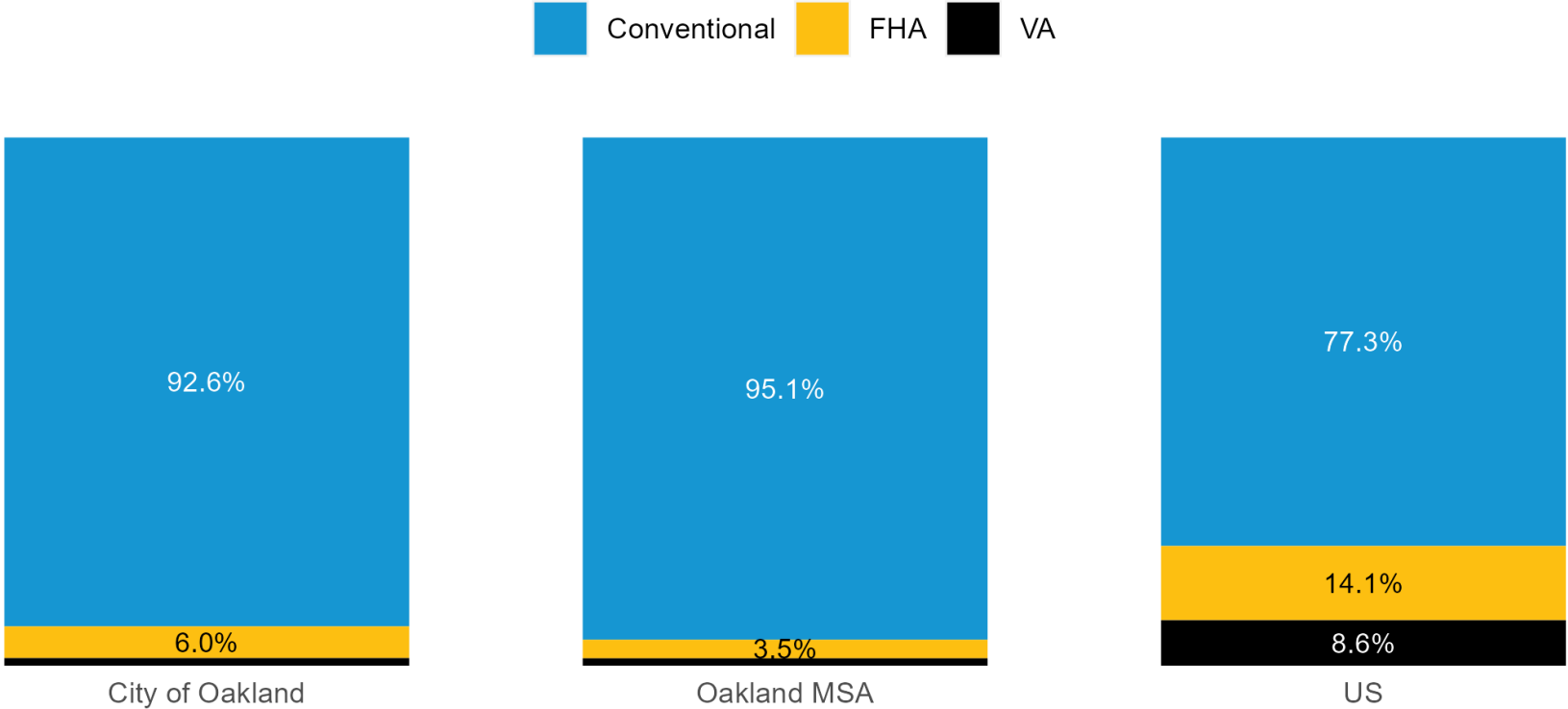


Source: 2022 Home Mortgage Disclosure Act data.

Notes: LTV = loan-to-value. Data are for purchase loans only. Property value and loan amount data are rounded to the midpoint of the nearest \$10,000.

Loan Channel

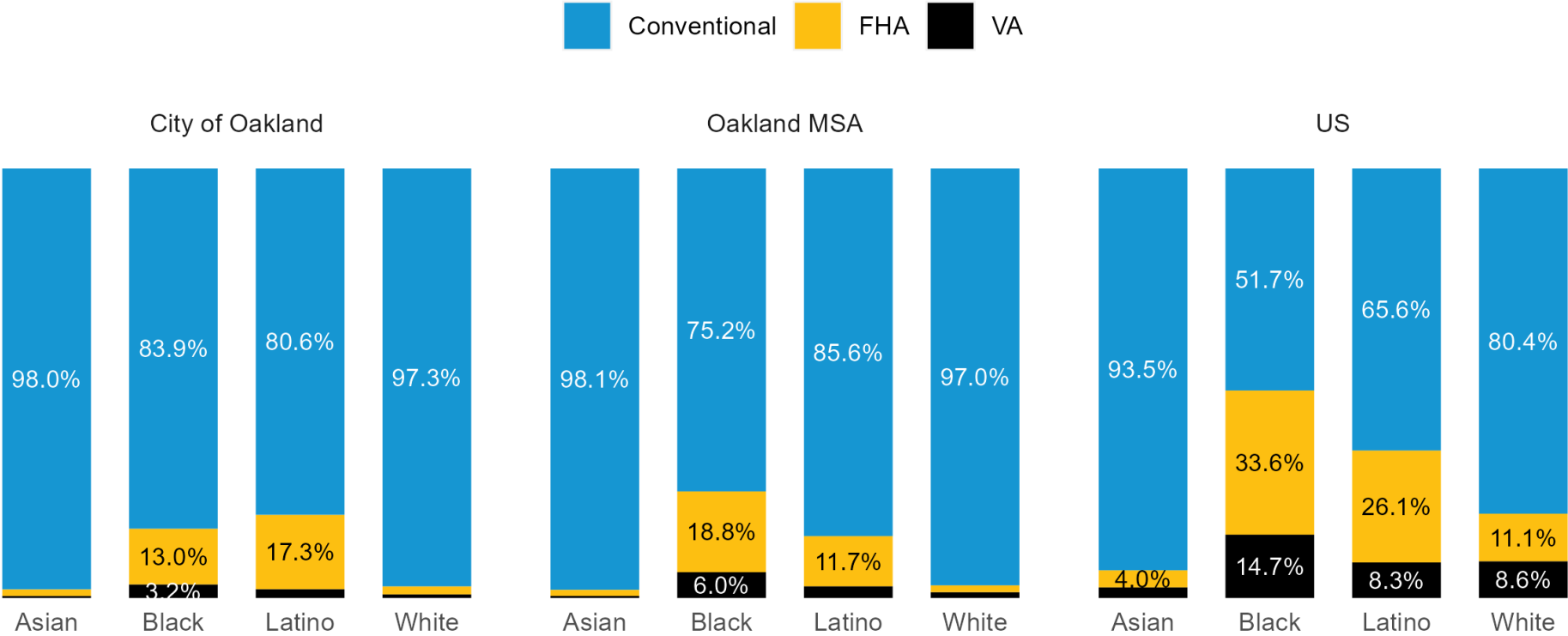
Loan Channel Comparison



Source: 2022 Home Mortgage Disclosure Act data.
Notes: FHA = Federal Housing Administration; VA = US Department of Veterans Affairs. Data are for purchase loans only.

Loan Channel

Loan Channel, by Race or Ethnicity



Source: 2022 Home Mortgage Disclosure Act data.
 Notes: FHA = Federal Housing Administration; VA = US Department of Veterans Affairs. Data are for purchase loans only.

Mortgage readiness (Age 45 or Younger)

Mortgage-Ready Count, by Race or Ethnicity

	Asian	Black	Latino	White	Other	Total
Oakland MSA	261,991	36,870	190,754	313,668	18,634	821,917
United States	4,435,800	3,145,466	7,905,077	20,889,558	637,065	37,012,966

Source: 2023 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 6.9% Interest		Years to Save a 3% Down Payment	
	United States	Oakland MSA	United States	Oakland MSA	United States	Oakland MSA
Asian	53.1%	56.9%	11.0%	0.5%	4.0	7.7
Black	21.3%	34.9%	12.8%	0.3%	3.1	8.7
Latino	33.0%	44.1%	7.3%	0.2%	4.2	9.5
White	34.8%	54.7%	20.8%	1.3%	2.8	7.1
Total	34.1%	51.2%	15.9%	0.7%	3.2	7.9

Source: 2023 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.