80 Fenway
Boston 15, Massachusetts

Professor John R. Howard
Department of City and Regional Planning
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Professor Howard:

I hereby submit this thesis, entitled
PROPERTY VALUES AND RACE in partial fulfillment
of the requirements for the degree of Master in
City Planning.

Very truly yours,

Jerome W. Lindsey, Jr.
PROPERTY VALUES AND RACE

Jerome W. Lindsey, Jr.

Bachelor of Architecture
Howard University
Washington, D.C.

Master in Architecture
Massachusetts Institute of Technology
Cambridge, Massachusetts

SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER IN CITY PLANNING

Signature of Author

Thesis Supervisor

Certified by
Head of the Department of City Planning
The subject matter treated in this thesis is the relationship between real property values and the race of the occupant. A review of some of the problems encountered by minority groups, primarily the Negro, as they make a major population shift from rural South to urban North. Theories claiming that non-whites have a depressing effect on property values as well as those that claim that non-whites will cause a rise in property values are reviewed. Some of the housing patterns that have resulted either directly or indirectly from these theories are cited together with some speculation of what a continuation of the present practices will mean to the growth pattern of the city.
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</table>

* Duncan and Duncan, *Loc.cit.*

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I would like to express my appreciation to the following individuals for their advice and assistance in the preparation of this thesis:

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City Planning Library
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Library of Congress
Washington, D.C.

Mrs. Portia R. Lindsey
My Wife
PROPERTY VALUES AND RACE

Statement of the Problem

One of the most destructive elements in the growth pattern of America's large city centers is the residential slum. The economic, political and social structure of all of our cities attest to this fact. The development of theories that relate the value of a piece of real property to the race of the occupant is one of the most powerful instruments used to justify, create, and maintain these slums. The development of these theories and their use as a justification of a rigid pattern of concentration and isolated segregation are of contemporary origin. Neither concentration - segregation of non-whites nor an economic theory to back it up existed fifty years ago. If the present pattern is projected into the future, the American city center is likely to become one large ghetto or Black Belt.
Introduction

The city is the result of man's search for a better way of life. In this country the growth of the city had depended on an expanding economy, the necessary technological innovation and a growing population. The bulk of this new growth in the city was made up of migrant groups different in nature and not wholly a part of the culture of their new city. The city offered the migrants a chance to improve their welfare. The migrants soon learned to bridge the gap between themselves and the older residents. Their impressions of the democratic values were allowed to be made in their own peculiar way.

Between the beginning and end of unlimited immigration over five generations of some of the most diverse groups were absorbed or are in the process of being absorbed by American cities. Through the imperfect processes of a democratic society these groups were assimilated and digested as they became a part of the community of the city. While initial division may have been frustrating to the newcomers they never assumed any binding or permanent form. Further the isolation of these groups in various parts of the city, when it was not voluntary, must have been annoying; but this situation proved to be transitional. These divisions or isolations were generally based on economic
causes or the lack of cultural identification with the community at large.

The second and third generation of new groups made accommodation to each other, fostering a growing sense of unity as the communities grew. It was not long before the primary identification to the common culture was stronger than the isolating tendencies. In short, the things that were common to the different members of the community were more important to the new group than the differences of the old groups. The original source of identification and values was by no means obliterated but rather they found new means of protection. They were given a new environment which fostered a new expression. It was not necessary to maintain isolation or sponsor ghetto life in order to protect the older values. The North End of Boston, Massachusetts is a good example.¹

The different groups mixed the heritage they brought with them in a new and common environment. Thus it was necessary that fusion and amalgamation of all parts of the life of the community take place if the community was to survive. This fusion became more wide spread with each generation, until the immigrant groups had

¹ W. F. Whyte, Street Corner Society (Chicago: Univ. of Chicago Press, 1953)
all disappeared into the whole of the community. Seg-
ments of this process still go on today in the large
cities of America.

From the vantage point of either objective scientific
observation or ethical morality the shift of the Negro
population from the rural South to the urban North
should have represented an extension of this 19th cen-
tury process. It did not. In point of fact, due to
the circumstances following World War I this shift poses
a special problem to the Negro, the Urban centers of
the North, as well as the whole country.

The Negro has not been absorbed into the city as have
been other migrant groups. This means that the whole
socio-economic pattern of the growth of the city will
take on new aspects. This change can be represented
by an integrated city based on the ideas of democracy
stated in the constitution of this country. The choice
is yet to be made. To make this choice a wise one, it
is necessary to check the basic premises of the follow-
ing:

1. Why is housing a problem for the Negro in Urban
   America?

2. What techniques have been used to deny the Negro
   full access to the housing market?

3. What has this meant to the growth pattern of urban
   America?
Nature of the Problem

The need for cheap unskilled labor by the industrial centers of the North and the opportunity for welfare improvement was what has attracted the large numbers of migrants to this region of the country. In 1910 the immigration from foreign countries was sharply restricted. Thereafter the largest source of unskilled cheap labor available to the industrial North was the Southern Negro. Although the Negro had been free to move about after the close of the Civil War, no great population shifts came until during and after the First World War.

Outside the local migration the only numerically important migration of Negroes between the Civil War and World War I was from rural areas to cities within the South.

The great migration which started in 1915 and has been continuing in waves from then on has brought changes in the distribution of Negroes in the United States. The proportion of all Negroes living in the North and West rose from 10.4 per cent to 23.8 per cent in 1940, a net migration of about 1,750,000 from the South. However, because of the huge white population of the North, Negroes constituted only 3.7 per cent of the total Northern population in 1940. Practically all the migrants to the North went to the cities and almost all to the big cities. 2

The economic activities caused by World War II made it possible for a greater percentage of Negroes to shift from the South to the North. The numbers of people

Table B.—Households by color of head and farm residence, and population by color, for the United States: 1890 to 1950

(Statistics for 1950 for white and nonwhite households and population based on 20-percent sample. Statistics on households for 1920, 1910, and 1890 include quasi households. For 1890 to 1920, "rural-farm" households include the small number of urban-farm households. Figures for white households and the white population in 1930 have been revised to include Mexicans classified with "Other races" in the 1930 reports)

<table>
<thead>
<tr>
<th>Census year and color</th>
<th>Households</th>
<th>Population</th>
<th>Population per household</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent increase since preceding census</td>
<td>Number</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Urban and rural nonfarm</td>
<td>Rural farm</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1950</td>
<td>38,429,035</td>
<td>33,601,690</td>
</tr>
<tr>
<td></td>
<td>1940</td>
<td>31,679,766</td>
<td>25,609,542</td>
</tr>
<tr>
<td></td>
<td>1930</td>
<td>26,982,994</td>
<td>21,402,992</td>
</tr>
<tr>
<td></td>
<td>1920</td>
<td>21,825,654</td>
<td>12,784,052</td>
</tr>
<tr>
<td></td>
<td>1910</td>
<td>18,001,732</td>
<td>12,784,052</td>
</tr>
<tr>
<td></td>
<td>1900</td>
<td>14,063,791</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1890</td>
<td>11,255,169</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>WHITE</strong></td>
<td>1950</td>
<td>38,429,035</td>
<td>33,601,690</td>
</tr>
<tr>
<td></td>
<td>1940</td>
<td>31,679,766</td>
<td>25,609,542</td>
</tr>
<tr>
<td></td>
<td>1930</td>
<td>26,982,994</td>
<td>21,402,992</td>
</tr>
<tr>
<td></td>
<td>1920</td>
<td>21,825,654</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1910</td>
<td>18,001,732</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1900</td>
<td>14,063,791</td>
<td>(3)</td>
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<tr>
<td></td>
<td>1890</td>
<td>11,255,169</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>NONWHITE</strong></td>
<td>1950</td>
<td>3,822,380</td>
<td>3,148,860</td>
</tr>
<tr>
<td></td>
<td>1940</td>
<td>3,268,900</td>
<td>2,264,779</td>
</tr>
<tr>
<td></td>
<td>1930</td>
<td>2,921,669</td>
<td>1,997,034</td>
</tr>
<tr>
<td></td>
<td>1920</td>
<td>2,526,056</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1910</td>
<td>2,253,823</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1900</td>
<td>1,900,174</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>1890</td>
<td>1,434,983</td>
<td>(3)</td>
</tr>
</tbody>
</table>

1 Residence classification based on new urban-rural and farm definitions, hence not strictly comparable with data for earlier years.
2 Exclusive of 325,464 persons specially enumerated in Indian territory and on Indian reservations for whom family data are not available.
3 Not available.
4 Number of households with head of nonwhite race other than Negro has been estimated.
DISTRIBUTION OF NEGRO POPULATION
BY REGION AND URBAN-RURAL RESIDENCE
1900-1950

<table>
<thead>
<tr>
<th></th>
<th>1900</th>
<th>1920</th>
<th>1940</th>
<th>1950</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOUTH</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>90%</td>
<td>85%</td>
<td>77%</td>
<td>68%</td>
</tr>
<tr>
<td>Urban</td>
<td>16</td>
<td>21</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td><strong>OTHER REGIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>10%</td>
<td>15%</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>Urban</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total - Rural</td>
<td>77</td>
<td>66</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>Total - Urban</td>
<td>23</td>
<td>34</td>
<td>49</td>
<td>63</td>
</tr>
</tbody>
</table>

* Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, Washington D.C., West Virginia

involved before 1940 was a mere trickle compared to the mass shift of the 40's and 50's. (See attached tables and diagrams.)

The "race problem" is not new, of course, but events and trends have pushed it more and more into the focus of attention. Consider the following illustrative facts. Between 1940 and 1950 the non-white population more than doubled in thirty of the metropolitan areas of the United States, all but one of these being in the North or West rather than the South, the historical region of Negro concentration. The Detroit Metropolitan area, with 173,000 non-whites in 1940, experienced an increase of 107.5 per cent, to 362,000 in 1950. The Chicago metropolitan area showed a non-white increase of 80.5 per cent, from 335,000 to 605,000 during this decade. Smaller but still large percentage increases were involved in the growth of the non-white population from 667,000 to 1,046,000 in the New York metropolitan area. In all these instances of rapid growth of non-white population, the corresponding increase of white population were only moderate.3

The non-white population of all Standard Metropolitan Areas of the country increased by 44.3 per cent as compared to 20 per cent for the white population. In the North, non-white in Standard Metropolitan Areas increased by 58.2 per cent and for whites by 11.1 per cent; in the West the non-white increase was 127.6 per cent and 48.9 per cent for whites, and in the South non-whites in Standard Metropolitan Areas increased by 23.6 per cent and 38.5 per cent for whites.4

At about the same time that the source of migrants changed, a change was due also in the pattern of expansion of the large cities and their Metropolitan area. The majority of Northern

### Table 32.
Population of 18 Standard Metropolitan Areas*, by Race: 1940 and 1950

<table>
<thead>
<tr>
<th>Standard Metropolitan Area</th>
<th>1940</th>
<th>1950</th>
<th>Percent Increase</th>
<th>1940</th>
<th>1950</th>
<th>Percent Increase</th>
<th>1940</th>
<th>1950</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>11,660,839</td>
<td>12,911,994</td>
<td>10.7</td>
<td>10,991,985</td>
<td>11,866,482</td>
<td>8.0</td>
<td>668,854</td>
<td>1,045,512</td>
<td>56.3</td>
</tr>
<tr>
<td>Chicago</td>
<td>4,825,527</td>
<td>5,495,364</td>
<td>13.9</td>
<td>4,490,662</td>
<td>4,890,018</td>
<td>8.9</td>
<td>334,865</td>
<td>605,346</td>
<td>80.8</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>3,199,637</td>
<td>3,671,048</td>
<td>14.7</td>
<td>2,862,794</td>
<td>3,186,404</td>
<td>11.3</td>
<td>336,843</td>
<td>484,644</td>
<td>43.9</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>2,916,403</td>
<td>3,367,911</td>
<td>49.8</td>
<td>2,788,364</td>
<td>4,091,606</td>
<td>46.7</td>
<td>128,039</td>
<td>276,305</td>
<td>115.8</td>
</tr>
<tr>
<td>Detroit</td>
<td>2,377,227</td>
<td>3,014,197</td>
<td>26.9</td>
<td>2,204,551</td>
<td>2,654,272</td>
<td>20.4</td>
<td>172,778</td>
<td>361,925</td>
<td>109.5</td>
</tr>
<tr>
<td>Baltimore</td>
<td>1,383,300</td>
<td>1,337,373</td>
<td>23.5</td>
<td>888,524</td>
<td>1,070,712</td>
<td>20.5</td>
<td>194,776</td>
<td>266,661</td>
<td>36.9</td>
</tr>
<tr>
<td>Cleveland</td>
<td>1,267,270</td>
<td>1,465,511</td>
<td>15.6</td>
<td>1,179,041</td>
<td>1,311,391</td>
<td>11.2</td>
<td>88,229</td>
<td>154,120</td>
<td>74.7</td>
</tr>
<tr>
<td>St. Louis</td>
<td>1,432,086</td>
<td>1,681,281</td>
<td>17.4</td>
<td>1,280,640</td>
<td>1,464,826</td>
<td>14.4</td>
<td>151,448</td>
<td>216,455</td>
<td>42.9</td>
</tr>
<tr>
<td>Washington</td>
<td>967,985</td>
<td>1,464,089</td>
<td>51.3</td>
<td>737,158</td>
<td>1,122,206</td>
<td>52.2</td>
<td>230,827</td>
<td>341,883</td>
<td>48.1</td>
</tr>
<tr>
<td>Boston</td>
<td>2,177,621</td>
<td>2,369,986</td>
<td>8.6</td>
<td>2,140,294</td>
<td>2,314,256</td>
<td>8.1</td>
<td>37,327</td>
<td>55,730</td>
<td>49.3</td>
</tr>
<tr>
<td>San Francisco--Oakland</td>
<td>1,461,804</td>
<td>2,240,767</td>
<td>53.3</td>
<td>1,397,073</td>
<td>2,030,225</td>
<td>50.3</td>
<td>64,731</td>
<td>210,542</td>
<td>225.3</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>2,082,556</td>
<td>2,213,236</td>
<td>6.3</td>
<td>1,969,667</td>
<td>2,075,972</td>
<td>5.4</td>
<td>112,889</td>
<td>137,264</td>
<td>21.6</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>766,885</td>
<td>871,047</td>
<td>13.6</td>
<td>757,267</td>
<td>847,805</td>
<td>12.0</td>
<td>9,618</td>
<td>23,242</td>
<td>141.7</td>
</tr>
<tr>
<td>Houston</td>
<td>528,961</td>
<td>806,701</td>
<td>52.5</td>
<td>424,819</td>
<td>656,249</td>
<td>54.5</td>
<td>104,142</td>
<td>150,452</td>
<td>44.5</td>
</tr>
<tr>
<td>Buffalo</td>
<td>958,487</td>
<td>1,089,230</td>
<td>13.6</td>
<td>934,606</td>
<td>1,041,437</td>
<td>11.4</td>
<td>23,881</td>
<td>47,793</td>
<td>100.1</td>
</tr>
<tr>
<td>New Orleans</td>
<td>552,244</td>
<td>685,405</td>
<td>24.1</td>
<td>392,463</td>
<td>484,839</td>
<td>23.5</td>
<td>159,781</td>
<td>200,566</td>
<td>25.5</td>
</tr>
<tr>
<td>Minneapolis--St. Paul</td>
<td>940,937</td>
<td>1,116,509</td>
<td>18.7</td>
<td>931,070</td>
<td>1,101,208</td>
<td>18.3</td>
<td>9,867</td>
<td>15,301</td>
<td>55.1</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>787,044</td>
<td>904,402</td>
<td>14.9</td>
<td>718,024</td>
<td>808,746</td>
<td>12.6</td>
<td>69,020</td>
<td>95,656</td>
<td>38.6</td>
</tr>
</tbody>
</table>

* The Metropolitan Areas are listed in the order of the 1950 population of the central city.

### NEGRO POPULATION IN URBAN AREAS, FOR SELECTED STATES, 1870-1950

(in 000's)

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.</th>
<th>California</th>
<th>Colorado</th>
<th>Connecticut</th>
<th>Illinois</th>
<th>Indiana</th>
<th>Kansas</th>
<th>Massachusetts</th>
<th>Michigan</th>
<th>Minnesota</th>
<th>New Jersey</th>
<th>New York</th>
<th>Ohio</th>
<th>Pennsylvania</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>655</td>
<td>2</td>
<td>-</td>
<td>4</td>
<td>11</td>
<td>9</td>
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**Figure 4**
cities had utilized a very high percentage of their buildable land.\textsuperscript{5}

Methods of providing for population increase in these cities could be accommodated by the following methods or any combination thereof:

1. Using the small amount of unoccupied land that existed
2. Increasing the efficiency of land use by increasing residential densities
3. Development of sub-urban areas surrounding the central city

All of these methods were utilized to provide the needed new housing, but the primary source of new residential expansion was in the suburbs.

As long as there was ample space within the city limits and no effective modes of rapid transportation, most of the outward movement of middle-class families occurred within the city proper. The streetcar, automobile, and bus has changed the situation, opening for housing development large areas of virgin land removed from the central city. The fact that estates of the wealthy were already located on such lands augmented their appeal to medium income groups intent on upward social mobility. Real estate operators, developers and land speculators, readily joined the commuting railroad lines in selling the exclusiveness of these developments.\textsuperscript{6}

According to the latest census data for the 1950-60 period, Standard Metropolitan Areas grew 13.7 percent. According to this same source almost 90 percent

\textsuperscript{6} R. C. Weaver, "Class, Race and Urban Renewal" \textit{Land Economics}, XXXVI no.3 (Aug. 1960), 236
of this growth took place outside of central cities; all but 1,888,000 of the 11,837,000 new urban residents were located in sub-urban areas.

The elements are a settled dominant white group, a need for expansion, technological innovations to make a suburban expansion possible, and a large segment of the new population consisting of disadvantaged Negroes. The resulting picture was the dominant white group moving from the older area of the central city to the new suburbs, and the incoming minority group, being of a lower economic status, taking the places left by the white group.

As the number of Negroes settling in the city increased, it was not unusual for them to cluster together. In fact there are many reasons to expect that they would form segregated patterns, as had been done by almost all immigrant groups before. The strongest of these reasons was simple economics. It would follow that a group of people migrating to improve their welfare would only be able to pay for the cheapest housing available. In the large Northern cities this meant housing in the older quarters close to the center of the city. These were in some cases the same areas that had served the waves of white immigrants a decade or so earlier. The history of these areas had always been one of segregation
overcrowding and exploitation.\(^7\) It was the same for the Negro with one exception. Once the Negro filled this area he was forced to remain there.

Middle-class whites, led by the real estate fraternity, frequently resorted to racial housing covenants and zoning to contain non-whites in a restricted area. Low-income whites only slightly less undesirable in the eyes of the middle-class, sometimes used intimidation, violence and threats to assert their Americanism.\(^8\)

It was through the use of force, sometimes economic, sometimes social or physical, that the Negro community was confined to a given area or group of areas. The confinement was in segregated areas and these area were limited in size and number. This was the new pattern of growth that was emerging.

By the very nature of the black man's work, status, and income before and immediately after the Civil War, it was inevitable that he would be relegated to the least desirable housing. In some of the cities of the Old South, like Charleston and New Orleans, and in the old parts of the Nation's capital, Georgetown, most of the dwellings occupied by Negroes were either servants quarters in the rear of the better houses or shacks on streets where low-income groups of whites also lived. In these and in other cities where large numbers of Negroes resided before Emancipation, there was seldom complete residential separation of the races; as recently as 1934, only 5 per cent of the Negroes in Charleston

\(^7\) A very thorough description of this process is given in the following:
B) W.L. Evans, Race, Fear and Housing (New York: National Urban League, Inc., 1946)

\(^8\) R.C. Weaver, Loc.cit., pg. 237
(where they constituted almost half of the city's people) lived in blocks that were 100 per cent Negro. 9

55.6 per cent of the Negroes in Charleston were in blocks 50-99 per cent non-white in 1934; 32.7 per cent were in blocks 10-49 per cent non-white and fewer than 7 per cent in blocks less than 10 per cent non-white. 10

The pattern of dispersal in the newer cities of the South such as Durham, Tulsa and Miami was somewhat more like that of Richmond. In Richmond Negroes were and still are concentrated in several large areas and lightly scattered in others, and where in 1934, slightly more than 40 per cent were in blocks 100 per cent non-white and slightly less than 40 per cent in blocks 50-99 per cent non-white.

Residential segregation on a large scale was never complete in the South, in spite of its occurrence in specific instances. In most cities of the South there are frequent instances where Negroes and whites occupy the same block. Streets with a white side and a black side facing each other are frequently encountered. An example of such a pattern was New Orleans. Even after the Louisville racial zoning ordinance was defeated

a similar ordinance was passed in New Orleans. It was also declared unconstitutional.

If this ordinance had been enforced at least 8,000 whites and 18,000 Negroes, would have been required to move. The resultant pattern would have been a checker board of white and colored. 11

In the North the pattern of dispersal before 1930 was much the same.

Negroes in Northern cities usually lived in clusters in racially mixed neighborhoods, and there were so few colored people in most Northern cities before 1915 that a few such concentrations were adequate to accommodate most of them; consequently these clusters were seldom found in all parts of the city. 12

Some of the areas that the Negro chose to inhabit were by free choice. Such areas as Harlem in New York and the South Side in Chicago were at one time a symbol of urban living among Negroes. It was the home of the new Negro. Johnson in 1930 described Harlem as follows:

This was the era in which was achieved the Harlem of story and song; the era in which Harlem's fame for exotic flavor and colorful sensuousness was spread to all parts of the world; when Harlem was made known as the scene of laughter, singing, dancing and primitive passions, and as the center of the new Negro literature and art; the era in which it gained its place in the list of famous sections of

12. Ibid., p. 10
great cities.\textsuperscript{13}

At the same time other Black Belts were developing in other parts of the country. Following Harlem in importance was the South Side of Chicago. It was not the intellectual or artistic center that Harlem was. However, here Negroes were far more active in the machine politics and economic activities than they were in New York. These material gains became the symbol of the success of the Black Belt.

This pattern of concentration of Negroes in a single center and this less dense clustering in several other areas was similar in other Northern cities.

Out of these developments the idea of the Black Belt in Northern cities became fixed. It did not take long for the Negro to be identified with segregated areas. The assumption was soon made that the Negro had never lived in any other way.

In historic retrospect this picture is quite clear, but there were people in 1920 who saw and understood what was happening. T. J. Woofter was one such person.

When the spread of population is looked at as a process it would seem that Negro settlement starts scatteringly in small areas. As the population of Negroes in the city increases, the newcomers settle with the older population and

\textsuperscript{13} James Weldon Johnson, \textit{Black Manhattan} (New York: \textit{Knopf}, 1930), p. 17
tend to fill up the area, thus creating a solid district, or rather a district from 50-90 per cent Negro.14

This same author related accounts of cities where there were several segregated areas in different parts of the city. He was concerned with the growing tendency toward limited overcrowded and heavily concentrated Negro communities. He further stated:

If there are barriers that block the natural expansion of a neighborhood, an increase in population will result in an increase in density. The forces that tend to separate the Negro community from other communities and to restrict the area occupied by Negroes, therefore tend to concentrate the population; and there is concentration to an alarming degree in Negro communities where migrants have been limited in their selection of home sites to certain parts of the city.

The density of most areas in most cities is much greater than the density of white areas. In some cities it is four times as great...15

The observation of Drake and Clayton16 further document those of Woofter. They concluded that concentrated segregation has emerged, as a new pattern of housing Negroes from one which had not been much different in 1910 from the local segregated communities of the immigrant groups. According to their surveys about one third of the Negro population lived in areas that were over one half Negro in 1910, but by 1930 this pattern had become one of greatly concentrated segregation. In

15. Ibid., p. 78
1930, 87 per cent of the Negro population was in districts with over one half Negro and 66 per cent in areas of almost 100 per cent colored.

The close of the Second World War saw the full emergence of the Black Belt as the place where the Negro lived and was to continue to live in almost all Northern cities. Even with a few exceptions scattered about the general pattern was one of segregated concentration. The Negro was not only segregated and concentrated but he was rigid restricted to a given area of the city. Their community increased in numbers but these added numbers were not permitted to be absorbed by the larger community. This forced the Black Belt to grow by expanding into contiguous areas. This process was resisted by the residents of the contiguous area so vigorously that it was not until the Black Belt was 100 per cent Negro that any new land could be added to its stock. Even then it was only after substandard conditions (too high density, overcrowding, low maintenance standards) had been created that adjacent areas were made available to the Negro.

The distinction made between the segregated patterns of Negroes and major segregated white groups is based on the way expansion and growth takes place. Negroes to a greater degree are limited to the area adjacent to their present segregated area. This, of

17. Duncan and Duncan, Loc.cit., Chaps. IV, VIII
course, becomes a vicious cycle of identification of particular areas with Negro residency, which becomes increasingly more difficult to reverse.\textsuperscript{18}

The identification and concentration of Negroes grew out of the segregated pattern. It was the identification of the Negro with the Black Belt that caused great concern to professional students of housing.

Robert Cooley Angel observes that even after the factors of desirable and voluntary segregation are considered, the isolated section of the city in which Negroes are confined also represents a permanent mark of political and social disability.\textsuperscript{19}

Charles Abrams sees the additional danger of economic class identification becoming fixed on racial lines.\textsuperscript{20}

Unlike groups that have been segregated in the past, language, education or skills were not factors that held the Negro in any given location. In other groups that have been segregated the segregation diminished with each new generation; not so with the Negro. In many instances the Negro found that isolation had become increased in the second and third generation of families.

\textsuperscript{18} Ibid., p. 243
\textsuperscript{19} Robert Cooley Angel, The Moral Integration of American Cities (Chicago: Univ. of Chicago Press, 1951)
\textsuperscript{20} Charles Abrams, Poverty and Discrimination (New York: State Commission Against Discrimination, 1959)
that have migrated.

There are additional developments, equally dangerous to society, which have occasioned less discussion. Two of the most outstanding are the acceleration of the development of single class and racially restrictive neighborhoods and the possibilities of these becoming enduring impediments to the solution of the problems of adequate shelter and racial harmony. The risk we face is that, in a period when some improvements are being made in the political and economic status of colored America, fears and rancor intensified by emergency housing shortages may be crystallized into a permanently worse social pattern. 21

Professional students of housing were not the only observers who saw the adverse effect of a segregated policy. Martin Meyerson, a noted member of the planning profession, arrived at the same conclusion as Weaver. In a case history of public housing in Chicago, Meyerson summarized the problem of segregation as it existed in Chicago as follows.

There was no way of avoiding the problem; the race issue and the housing issue had to be dealt with together...The Chicago Planning Commission...might try...to evade responsibility for taking a stand on segregation. But, whether one liked it or not, and whether one ignored it or not, the housing problem and the race problem were inseparably one. 22

It is necessary at this point to make as sharp a distinction as possible between segregation and isolated concentration. Gunnar Myrdal dealing with this same

problem writes about two patterns of segregation - the
distribution of Negroes in scattered segregated commun-
ities and the concentration of Negroes in one or two
areas generally referred to as Black Belts.

...If a Northern city has a large number
of Negroes, such a city will tend to have
large areas in which Negroes live separated
in space from the whites. In other words,
there are roughly two patterns of housing
segregation in cities; one is found in Southern
cities where...Negroes live in practically
all parts of the city but only along certain
poorer streets or alleys. The other is found
in Northern cities with a fairly large Negro
population...there Negroes live in a limited
number of Black Belts.\textsuperscript{23}

With regard to Black Belts Myrdal further states:

The geography of a city also helps deter-
mine the pattern of segregation. In a flat
city like Chicago, which expanded in practi-
cally all directions from a single center,
Negroes are concentrated in the slums around
the central business district and their better
class neighborhoods stretch out like a spoke
from a slum base. In a hilly city like
Cincinnati, Negroes are concentrated in the
low lands. In a long narrow city like New York
Negroes tend to live in a section of the strip.\textsuperscript{24}

The pattern of segregation in the South - several small
segregated areas scattered throughout the city - was
much closer to the pattern of segregation of most
European migrants.

In Nashville, Tennessee Negroes are con-
centrated in half a dozen or so communities
adjacent to white lower-class or lower middle-
class areas...In the white lower middle-class

\textsuperscript{23} Gunnar Myrdal, \textit{An American Dilemma} (New York:
Harper and Brothers, 1944), p.622
\textsuperscript{24} Ibid., p. 623
areas...there are two...distinctly defined Negro communities. In the white lower-class area of South Nashville, there are large Negro communities with poorly defined boundaries. North Nashville, too, has a large Negro community surrounded by white lower-class areas.  

Even though in the South the initial spatial distribution of segregated areas are similar for both white and Negro the similarity ends there. The great differences concern the ability to move out of such areas. On this point Myrdal wrote:

Within two or three generations, it has usually been the practice for families which stemmed from a certain section of Europe to forget about their ethnic background in seeking residences and to have the means of paying higher rents in almost the same proportion as old Americans. Negroes meet greater difficulties in rising economically, educationally and socially. But even apart from this, they are kept as above permanently...Northern Negroes would similarly be expected to be distributed throughout Northern cities rather than forced to remain in the Black Belts, if they were treated as members of ethnic groups from Europe are treated...From this point of view residential segregation may be defined as residential concentration, which, even though it was voluntary at the beginning or caused by "economic necessity", the Negro individual is not allowed to move out of a Negro neighborhood. In this sense practically all the statistically observed Negro housing concentration is, in essence, forced segregation, independent of the factors which have brought it about.  

The segregation policy has sponsored the rise of the Black Belt but there is another problem more serious than this one. This problem is the size of the Black Belt.  

25. Ibid., Appendix 7, p. 1128  
26. Ibid., pp. 620-621
Because of its size the Black Belt is beginning to form a Negro city within the white city. Prior to 1900 the American city has been composed of many loosely knit neighborhoods of varying amenities. With the segregation of the Negro into the Black Belts or Ghettos on a city scale, the larger city of today is faced with the possibility of becoming all Negro, or at least the percentage so high as to be dangerous to the economic and social life of the city.

Martin Meyerson in his description of the situation in Chicago suggests that the same may be true for other Metropolitan areas.

The worse part of the slum area was the so-called Black Belt, a district of about 6 square miles (according to our estimate) on the South Side back of the Lake Front where most of Chicago's Negroes lived. The Black Belt was only slightly larger in 1950 than at the end of the First World War, although the number of non-whites in the city had increased dramatically...From 109,595 in 1930 to 277,731 in 1940 and to 519,437 in 1950...Negro districts showed little signs of dissolving as the older colonies of Jews, Poles, Italians and other ethnic minorities had done or were doing...Furthermore, segregation was on the increase. In 1950, most Negroes lived in blocks that were predominantly Negro. The proportion segregated was higher than ever before.27

The situation in Cleveland offers a sharper view.

Today 98 Per cent of the Cleveland Metropolitan area's 207,000 Negroes live in the city proper...The situation is not unique to

27. Meyerson and Banfield, Loc.cit., pp. 31-32
Cleveland of course. Let alone, in another generation all of eastern Cleveland might well become a giant Negro ghetto backed up against white suburbs...a financial and social catastrophe.  

As exaggerated as this observation may sound, it could quite possibly happen, as the present pattern of segregation has reached the point of city scale concentration. If this is permitted then the dominant element of the city and the keeper of the culture to be assimilated will be the ghetto.

The problem will prove especially difficult for the newcomers and not only because so many of them will have dark skins. The difficulty in many cities, and especially some of the biggest ones - New York and Chicago are the extreme examples...The white urban culture they might assimilate into is receding before them; it is dropping off into the suburbs.

Seligman has predicted that by 1970 Manhattan will be 50 per cent non-white, predominantly Negro and Puerto Rican; Chicago, one quarter Negro; Cleveland, 40 per cent; St. Louis, 45 per cent. It is quite evident that the Negro city is in the process of being formed in all of America's major Northern cities.

We have seen that the rapid increase in the Negro population and the increasing pattern of concentration and segregation are the fundamental roots of the problem.

30. Ibid.
The place where the Negro lives is generally the older quarters of the city, the areas that were occupied by former immigrant groups. These areas are generally near the core of the city. This housing has traditionally been marginal, yet for other immigrant groups it served a positive purpose. It has also been traditionally segregated. But the pattern of segregation became much more rigid when the Negro moved in. The economic resources of the Negro being weak as compared to the urban population as a whole the tendency toward overcrowding within this area is much more pronounced. Poor housing quality and overcrowding as measures of slum areas are always more pronounced when the area is segregated and concentrated as is the Negro community in general. The situation of the Negro looking for a home approaches a paradox. The Negro is first associated with the slum, but yet when he looks for alternatives he has no choice but to live in an area which was already a slum before he got there. Areas generally become open to Negro occupancy because they are marginal. Such areas deteriorate to slums, when they are not already slums, very fast under the pressures of concentrated segregation.

There are three elements of this problem:

1. quality of urban housing
2. quantity of urban housing
3. the identification of slums with a particular racial group
The housing ecology resulting from these elements separate the Negro community from the rest of the city. When the Negro is taken as an individual it is extremely difficult to distinguish him from the rest of America, but if you take the neighborhood he lives in as a symbol of his position in the hierarchy of the city it will be one of social disability. This of course, is only one part of the whole social political and economic problem of discrimination. However, it is the area we are most concerned with in this paper.

A further consequence of the problem of segregated concentration is the effect on the growth pattern of the city. When the Negro is segregated and concentrated in marginal areas and the area becomes identified as a Black Belt, the area loses all of its attracting power to any other group. The incentive to maintain such an area is non-existent, except in a very few cases. The white residents that remain generally do so only because they cannot afford to move. The less fortunate Negro is forced to overcrowd in order to afford the rent. Generally speaking the owners are squeezing out a maximum profit for a minimally maintained residential structure.\(^{31}\)

An article in the New York Times, April 23, 1958, page 29

\(^{31}\) For an excellent description see: Wilborn Manchester, "The Life and Times of a Slum Landlord", The Reporter Nov. 15, 1956 pp. 24-26
based on the City Planning Commission study of an area in Manhattan's West Side gives a very vivid account of this process.

Although Puerto Ricans are the principal population group in this case, the problems are very similar - if not the same - in most urban areas where Negro occupied areas are concerned.

The report found that the population of the twenty-block area had increased from 33,000 in 1950 to 39,000 in 1956. There was a big decrease in the white population, while the number of Puerto Ricans increased from 1,700 to 13,000. Pointing up the great turnover among tenants, both white and Puerto Rican, the report noted that seven out of ten families living there in 1956 were newcomers to the area since 1950.

Of the 15,324 living quarters in the area, 17 per cent consisted of one-room units (mostly furnished rooms) occupied by two or more persons. The number of children under the age of 15 had more than doubled in six years, resulting in heavy overcrowding in the schools.

Describing how the deterioration of housing and living standards had accelerated, the report said that as banks and other responsible lending institutions put less mortgage money into the older properties, private investors took the risk and then sought quick and large profits.

The poorest families, living in rooming houses and one-room tenement flats, were found to be paying about twice as much rent a square foot as the tenants of elevator apartment houses. The study found that rents averaged $2.86 a square foot for one-room flats and $2.30 for brownstone rooming houses, contrasted with $1.30 in elevator apartment buildings.

The total rent yield of the twenty-block area increased about forty per cent in the 1946-56 decade, while the area's share of the Manhattan tax levy fell 11 per cent, the report said.

Mr. Felt said the city could not expect any cooperation from those owners who were getting exhorbitant rents on badly deteriorated properties. Strict enforcement of building, health and sanitary codes may bring some improvements or put them out of business. Many such properties will be ac-
quired by the city and resold.\textsuperscript{32}

This situation is made possible by the imbalance between the supply of housing and the demand for housing. In this country, as far back as the records go there has never been a period where the need for shelter was met by the supply of housing. Rodwin has pointed out that the improved economic circumstances of many families have sponsored a desire for more and better housing.\textsuperscript{33}

This being true for the total market it is particularly true for the Negro. Within the framework of this imbalance the Negro suffers a second handicap in determining the condition and the quality of the housing he is to occupy. That handicap is his ability to pay, which is an index of the economic segregation and deprevation. The Negro subject will be treated here only as it is directly related to the housing problem.

Some figures might illuminate the issue. In 1950, 18 per cent of non-white urban dwellings had more than 1.51 persons per room, compared to 4 per cent for white urban dwellings. Shared facilities or doubling-up was necessary for 15 per cent of non-white families as compared to 5 per cent for white families. Overcrowding


increased 3 per cent for non-whites between 1940-50 which was one and one-half times higher than for whites. At the same time the total increase in urban population for non-whites was one fourth greater than for whites. White families (that is, the number of persons living in a household - not natural family) with seven or more members constituted 5 per cent of the total, whereas a comparable percentage for non-whites was 12 per cent. The distribution of households with six or more rooms was 35 per cent for whites and 17 per cent for non-whites. The proportion of delapidated homes was 5 times as high for non-whites as for whites.34

These rent differentials appear to more than compensate for the much lower quality and hence value of housing to which non-whites have been generally constricted.35


35. Ibid.
Techniques for Denial

The problem in housing is the shortage - the difference between the number of family units requiring housing and the number of adequate housing units available.

The difficulties faced by the Negro were limited economic, social and political resources in relationship to his numbers. This was due to his late arrival to the city, the status of former slave, and entrenched racial prejudice.

The distribution of commodities being determined by the quantity and quality of economic, political and social resources it was inevitable that the Negro would not be able to command a share of the housing supply commensurate with his numbers.

All of these difficulties had been faced by former immigrants to the city. These groups had met and overcome these obstacles in a matter of three or more generations. This has not been true for the Negro.

The contention that the slum and the Negro concentration were now one and the same received support from the fact that as early as 1952 of the 45,450 families to be displaced by slum clearance under the federal urban renewal program, all but 13,650 were listed as non-white...

Though the slum continued to be an index of poverty in American cities, and it has increasingly become a Negro slum, most studies continued emphasizing the relationship between poverty and without identifying slum poverty with slum occupancy by new minorities.
...the slum had also become a ghetto restricted by social as well as economic compulsions. In the case of previous immigrants, the slum, the ghetto, and the slum-ghetto had all evolved within a rough limit of choice. As economic conditions improved, the white slum dweller could move into better surroundings. He might still choose to live with his own group in a better neighborhood if he could afford it, or move into better housing in a more diversified neighborhood. For him, ability to pay rather than status or race had been the determining criterion in the dwelling market.

With the new non-white migrations, elements of compulsion - physical, social, economic and sometimes even legal - now circumscribed the movements of the new minorities, particularly of those who were nonwhite. These limitations upon their mobility were reinforced by two simultaneous developments.

1. The growth of a white suburbia
2. An increasing emphasis on social homogeneity in American life.

It is the purpose of this section to show how economic forces and arguments were used to achieve in some cases and justify in other cases the denial of the Negro open access to the housing market on an equal basis with whites. It will further be shown where economic arguments were used to justify social and legal instruments aimed at this same denial.

Robert Weaver in The Negro Ghetto, reports the following reasons given by whites for opposing non-white neighbors:

1. Fear on the part of many whites that the presence of any colored persons in the neighborhood will cause serious depreciation of existing property values

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2. reluctance of some whites to share public and community facilities with Negroes

3. fear of losing social caste by living in a neighborhood with Negroes

4. opposition of owners of property occupied by colored people to expansion in the supply of such housing

5. apprehension lest change in racial composition of a community will upset existing political balance

6. vested interest in maintaining existing homogeneity of nationality-religious neighborhoods

7. resentment against efforts of Federal officials to superimpose social change upon a community

8. entrenched racial prejudice

Charles Abrams has grouped the argument for the restriction of non-white residential areas under three fears:

1. fear of losing social status

2. fear of losing established neighborhood associations

3. fear of losing investment

From the more than adequate coverage by these two authors, whites can be grouped into two broad categories.

A. those who object for a variety of social or personal reasons

B. Those who are concerned about the economic loss they may suffer

The first group is made up of people who generally


38. C. Abrams, "Race Bias in Housing" Statement sponsored by N.A.A.C.P. and American Civil Liberties Union and American Council on Race Relations, July 1947, pp. 24-28
subscribe to entrenched racial prejudices. The second group may be composed of members of the first group who look for an excuse to justify their action; however, room must be left for persons who are willing to accept non-whites as neighbors on social grounds, yet refuse to rent or sell to non-whites because "authorities" in the field of appraising or economics have said that their property values may decline.

No other reason, in fact, is more frequently and strongly urged in support of racially separate residence patterns than that non-whites depress property values. This is a widespread belief and one of crucial importance because it governs or at least rationalizes many practices of real estate brokers, builders, and financial institutions, as well as the actions of home owners.

The origins cannot be determined exactly, but they go back at least to 1910, when cities in several border and southern states began enacting segregation ordinances. These cities were concerned about Negro families moving into all white blocks and viewed such moves as threats to the necessary "social distances" between the races.39

When these laws were tested in court, the first part of their defence was that they were necessary to preserve general welfare, peace, and social good order; the second part of the argument was that "entry of a Negro family into a white block cut down real estate values".40 In the Louisville racial zoning case, Buchanan v. Worly 245 U.S. 60 (1917), the counsel for the city alleged that

39. Luigi Laurenzi, Property Value and Race (Berkeley and Los Angeles: Univ. of Calif. Press, 1960)
40. Ibid.
property values had dropped 30-60 per cent following the Negro entry. 41

In other parts of the country where the political climate would not tolerate outright segregation laws, racial restrictive covenants were used. Property owners by pledging not to sell or rent surrounding "white property" to Negroes tried to keep the hundreds of thousands of Negroes and other non-whites who were moving to the city confined to already established racial areas.

Fear of economic threat believed to be created by non-whites moving into neighborhoods was a significant factor originating and spreading racial restrictive covenants in Northern and border states and cities during and after World War I. 42

In addition to the racial restrictive covenants the following is a list of barriers which has as its source the negative relationship between property value and race:

Community, neighborhood, and individual opposition to colored neighbors (false identification of race with poor exterior house-keeping)

Agreements, practices, and codes of ethics among real estate boards and operators

F.H.A. acceptance and perpetuation of real estate practice

Neglect of Negro Market by private holders and sources of finance

41. Buchanan V. Worly 245 U.S. 60, 1917
42. Luigi Laurenti, Loc.cit. p. 6
Local government's fear that adequate or more housing will encourage Negro migration

Local political action to restrict Negroes to given areas

Development of exclusive one-class neighborhoods

The question of what happens to real estate values when non-whites come to live in a previously all-white area has taken on renewed importance since World War II, due to the non-white's need for better housing coinciding with his ability to pay for it. In the past the negative affect of non-whites on property value had been accepted as fact without substantial objective data to back up these claims, and even if such data was observed by the writers, it was not recorded as a part of his assertions. In point of fact when the literature on this subject produced in the past 50 years is examined it is discovered that there is not one theory but many, following an evolutionary shift in their scope and tone. The earlier real estate text books and articles (1932 - 55) shows a clear tendency to think more critically about the problem, but their conclusions still assert that non-whites have a depressing effect on property value. These assertions are qualified to various degrees by recognizing that such other influences as socioeconomic levels, physical conditions of neighborhoods

before entry and price range will also have an effect on property values. There were further assertions that prices might even rise higher after non-whites occupied an area.

All of these authors may generally be grouped in one of two camps:

1. Those who predict that prices will decline after the entry of non-whites into a previously all-white area

2. Those who predict that prices will rise when the race of a user group changes from white to non-white

Case For The Decline Theory

The case for the decline theory is boldly stated by the producers of professional real estate literature and carried out with an equal boldness by brokers, lenders, builders and the F.H.A.

Professional writings have probably played a continuing role in shaping the belief that motivates brokers, builders, lenders, and appraisers. They reveal what theories have been and are accepted in the real estate field. 44

The following is representative of decline theories:

With the increase in colored people coming to many Northern cities they have overrun their old districts and swept into adjoining ones or passed to other sections and formed new ones. This naturally has had a decidedly detrimental effect on land values, for few white people however inclined to be sympathetic with the problem of the colored race, care to live near them. Property values have been sadly depreciated by having a single colored family settle down on

44. Laurenti, Loc.cit., p. 8
a street occupied exclusively by white residents.\textsuperscript{45}

The mere threat...of an undesirable encroachment (differing race or nationality) must many times be recognized by a reduced unit value for the house.\textsuperscript{46}

Neighborhoods populated by white persons have been invaded by colored families, and often aristocratic residential districts have suffered tremendous lessening of property values because of the appearance of a Negro resident.\textsuperscript{47}

It is in the twilight zone, where members of different races live together, that racial mixtures tend to have a depressing effect upon land values - and therefore, upon rents.\textsuperscript{48}

Families in any particular class, who rise in economic status, move to a better district. If they have a degree of inferiority they damage that community, displace the occupying class, and lower values...Most of the variations and differences between people are slight and value declines are therefore, gradual. But there is one difference in people, namely race, which can result in a very rapid decline.\textsuperscript{49}

Certain racial and national groups, because of their lower economic status and their lower standards of living, pay less rent themselves and cause a greater physical deterioration of property than groups higher in the social and economic scale...Land values in areas occupied by such classes are therefore inevitably low. Part of the attitude

\textsuperscript{45} Stanley L. McMichael and R. Bingham, City Growth and Values, (Cleveland: McMichael Publish. Co., 1923) p. 181

\textsuperscript{46} G. A. Schneider, California Real Estate Principles and Practices (New York: Prentice Hall, 1927) p. 315

\textsuperscript{47} McMichael and Bingham, Loc. cit., p. 370

\textsuperscript{48} H. Hoyt, Loc. cit.

\textsuperscript{49} F. M. Babcock, Valuation of Real Estate (New York: McGraw-Hill, 1932) pp. 88 and 91
reflected in lower land values is due entirely to racial prejudice, which may have no reasonable basis. Nevertheless, if the entrance of a colored family into a white neighborhood causes a general exodus of the white people, such dislikes are reflected in property values.  

In the appraisal of homes, general data covering the city and surrounding territory must be considered... Even more intensive must be the study of the immediate neighborhoods...; characteristics and background of the residents of the neighborhood; presence or threat of intrusion of discordant racial groups; and other conditions having a bearing on the present and future desirability of the location.  

It (the effect of Negroes on property values) has a most important bearing on future developments in our housing program. Appraisers are interested in the problem from many angles. In addition, they desire the problem to be considered objectively from one specific point; i.e., does Negro occupancy have a tendency to blight the area where it occurs, or does it blight the surrounding white area with a corresponding decrease in valuation and loss of tenants...? It cannot be denied that his presence in large groups has the effect of blight upon the surrounding property. The first blight which we must mention is the mental blight or psychological worth. Some Negroes may take better care of their property, they may be as law abiding, they may have an equal education, they may in fact be just as fine citizens as their white neighbors, but we all know countless neighborhoods and communities where the presence of one Negro family will cause many white families to move out. There is an immediate falling off in rentals of surrounding property and a corresponding depreciation in value; more Negro families move in and then the returns are greater and the color line blight moves to the next block... In fairness, we must

50. H. Hoyt, One Hundred Years of Land Values in Chicago (Chicago: Univ. of Chicago, 1933) p. 314
admit it is not always the Negro occupancy alone which causes blight; the contributing factor may be the age and condition of buildings in which these people are housed that causes the trouble.52

The third type of depreciation is economic obsolescence. This is a loss of value which comes from conditions outside of the property itself, such as: 1. an oversupply of houses in the area; 2. change in character of use in the neighborhood; 3. legislative enactment, such as zoning changes; 4. proximity to nuisance; 5. racial infiltration; 6. under- or overimprovement...Economic depreciation can be measured by making a careful comparison of value between property in the subject neighborhood and in ideal neighborhoods.53

It is a matter of common observation that the purchase of property by certain racial types is likely to diminish the value of other property in a section.54

These theories are put forth without any empirical data to substantiate them. The terminology used is not defined. It may be true that these authors are entitled to an audience because of their past achievements. But what is being created in this instance is a self-fulfilling prophecy. A statement is true because it is said to be true, but when terms are defined and empirical data (selling price instead of value) is looked at the situation is found to be entirely different from that described by the above theories.

53. A. M. McDonald "Appraising Residential Property", The Appraisal Journal, XXI, no. 2 (April, 1953)
What these theories are actually describing is a fringe area that is changing from single family to multi-family area. This is often followed by an increase in density, lowering of maintenance standards and a group of people of a lower economic status. It is very unlikely that densities would be raised and maintenance standards lowered without a substantial increase in earning power of a given piece of property. The effect of the race of this group of people cannot be separated from the other changes that are taking place. To do so must be recognized as bigotry and racial prejudice.

We shall now turn to a theory that did offer data to substantiate its predictions.

...we find that in 1912 the values on Drexel Boulevard and Grand Boulevard were about the same, and in 1932, the values on Drexel were substantially the same, showing they had held their own through that period, but looking at Grand Boulevard we find the values have dropped to a much lower figure. On Drexel Boulevard the values in 1943 were 40 per cent of the 1912 values, while on Grand Boulevard for the same period the values were only 20 per cent of the 1912 valuation. Grand Boulevard was a high class residential street in 1912. In 1943 it is physically the same but the values have been cut in half as compared with Drexel Boulevard which is still all white.

These figures taken from the records prove that the threat of Negro occupancy does have a definite influence on property values.55

This statement depends for its strength on the assumption

55. Parker, Loc.cit., p. 245
that the only difference in 1943 between the two areas was the change in the race of the occupants of Grand Boulevard. This we shall demonstrate was not true. First the area had begun to change long before the Negro moved into it. The subdivision of what were at one time individual family residences started before the Columbian Exposition of 1893 and the process was speeded up by the exposition. At the same time speculative building was attracting the older residents to new areas. The first undesirables were not Negroes. This was not happening in the Drexel Boulevard area. Encroachment of commercial and industrial land uses were spreading much more rapidly on Grand Boulevard than Drexel Boulevard. The distribution and service branches of the auto industry did not get a foot hold on Drexel Boulevard as it did on Grand. Grand Boulevard was a red light district prohibited to Negroes for many years before the Negro began to live there. The buildings on Grand Boulevard may have looked the same on the outside in 1943 as they did in 1912, but the inside arrangement, condition of dwelling units, and type of maintenance had deteriorated greatly. In this area the exterior belies the interior conditions even today.56

These facts certainly cast a shadow of doubt on the

56. See: R. C. Weaver, The Negro Ghetto for a description of this area.
statistical proof that Negro occupancy caused the drastic fall in property values reported in Olcott's Land Values, Blue Book for Chicago, the source of the property values listed.

One might also be concerned with the subjective factors which enter Olcott's estimates. It was an accepted fact in 1943 by most of those who appraised land that they subscribed to the theory that occupancy or the threat of occupancy by Negroes "threatened" property values; some reflected this concept in their appraisals. Olcott overlooked the whole complex problem of defining property values and determining how they are established. There existed an accepted definition of property value -

The price which typical buyers would be warranted in paying for the property for long term use or investment, if they were informed, acted intelligently, voluntarily and without necessity.

Market price levels and value levels may be identical only when there is a fairly well balanced relationship between the supply of and demand for residential property.

It is quite obvious that such a situation does not and did not exist at the time of Miss Parker's study.

Assuming that the areas were equal (which they were not) a market price comparison would be the only meaningful comparison. Such a comparison was not made. If the

58. Ibid., Sect. 1005 (8)
above data is not sufficient to disqualify this study as objective scientific research one further characteristic remains that will: the age of the structures in the two areas.

On Lake Shore Drive not a single building in the principal area had been constructed before 1899; only 15 per cent of the blocks in the area were constructed between 1900-1919.59

The professional real estate writers had stated their theories in rather broadly worded generalizations but the counterparts in the field of practice were very specific. In contrast to the rather broadly worded generalizations of the before discussed writers, the counterpart to these theories in the field of practice of the real estate broker, lender and builders was very specific.

Most brokers and real estate salesmen belong to the National Association of Real Estate Boards. All members of this organization, over 1,100 local boards, are bound to conduct their business in accordance with the code of ethics of the N.A.R.B. Article 34 of this code, until it was revised in 1950 stated:

A realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members or any race or nationality, or any individual whose presence will clearly be detrimental to property values

in that neighborhood. 60

The present version of Article 34 states:

A realtor should never be instrumental in introducing into a neighborhood a character of property or use which will clearly be detrimental to property value in that neighborhood. 61

This change has been a change on paper only.

Despite the rewording, most realtors appear to understand the article in the same sense as before, and continue to act accordingly. In addition, most local real estate boards have their own code of ethics forbidding members to introduce "detrimental" minorities into neighborhoods. Any realtor who violates the code is subjected to expulsion or suspension from the local board, a penalty that would have disastrous effects on his real estate business.

Property owners in the neighborhoods where he handles real estate may take their business elsewhere, and he may lose valuable business contacts. Thus, even those who might be inclined to challenge the old generalizations about non-whites and property value are given pause by the thought of the direct economic losses and group pressures that could follow. 62

The Jensen, Linberg and Smith study conducted in San Francisco in 1950 is an indication of the impact of the value question on lending policies.

...the encroachment of minorities upon a white neighborhood made it more difficult for prospective buyers in that area to obtain loans...They were unanimous in giving business considerations as the justification for this practice. Eighty per cent stated that their

60. Code of Ethics, National Association of Real Estate Boards, Adopted June, 1924
61. Code of Ethics, National Association of Real Estate Boards, revised Nov. 17, 1950
62. Laurenti, Loc.cit., p. 17
depositors or policy holders in the neighborhood would threaten to withdraw their accounts, and at least one in three mentioned that the lowered property values would adversely affect their mortgages held on other properties in the neighborhood.

Personal interviews conducted by Laurenti from 1951-1955 yielded the following:

We make loans to colored in established areas only. If they were introduced into a new area, values would fall 50 per cent. There are lots of things we would like to do personally, such as treating everybody equally, but we are responsible for millions of dollars and we cannot jeopardize our reputation and business standing by going against community wishes. We will lend on properties up to three blocks away from colored areas, but no closer, because we anticipate such areas will spread, and when they do the values fall to the point where we might be loaning 100 per cent or more of the value.

Non-white entry has unfortunate effects. In the Richmond area (California) white owners let their property run down because they lost interest in the standards of the neighborhood after colored came in. It doesn't matter whether colored entrants are "good" or "bad" in type; their color is the thing, and their color stagnates the affected area because white people don't want them as neighbors...

We hold many vacant lots throughout the city for future development - perhaps roughly as many as 3,000 new single family units. But our development of those is sensitized to existing and developing racial patterns. If colored have come too close to some of our lots we will sell them and not build, because we couldn't market anything on them.


64. Laurenti, Loc.cit., p. 22

65. Ibid.
Insofar as we can, we try to control the character of occupancy in the neighborhoods in which we well. The area between 25th and 31st north of Noriega, is being reserved for high-type whites, and this policy will pay off in time by protecting neighborhood standards and values. By screening applicants we can keep out undersirables, although it isn't always easy to tell who is undesirable. Of course minority groups aren't wanted out here, and most of them know better than to contact us. The other day the phone rang and it was an answer to our newspaper ad, which hadn't mentioned the location of the property. A dark woman's voice inquired about the location and when I told her it was in the Avenues, she hastily said: "Oh, that's no place for us colored," and hung up. We sometimes have a Chinese or Japanese prospect walk in, but we get rid of them by saying that there is a deposit on the property they're interested in. We haven't yet had to prove we had a deposit, but could easily have one of our office staff make one up if needed.66

The Federal Housing Administration accepted the theory that race was a determining factor in the price of real estate. In 1938 the following provision was a part of its Underwriting Manual:

If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes.67

The administrators were not satisfied with this requirement but went further to insist that residential projects desiring F.H.A. insured financing draw up restrictive covenants against non-whites. In 1952 the

66. Ibid.
Underwriting Manual was revised to read:

The tendency of user groups to seek compatible conditions can sustain and enhance, diminish or destroy neighborhood desirability... If a mixture of user groups is found to exist, it must be determined whether the mixture will render the neighborhood less desirable to present and prospective occupants.68

There are no stated standards by which this "determination" is to be made. For this reason there is doubt as to the intent of this revised section. In spite of the lack of clarity of the manual, the F.H.A. has taken a positive stand on racial restrictive covenants, particularly since they have been declared unenforceable.

During this same period professional students of housing and the Negro urged that until sufficient empirical data is made available fixed opinions and theories should be avoided. The works of Gunnar Myrdal, Charles Abram and R. C. Weaver will serve as a representative of this group.69

Case For Increase In Property Value

In the mid-1940's three new theories were put forward to explain and predict the effect of non-whites on property values. They are:

1. Minority occupancy might only "threaten" values

68. Federal Housing Administration, Underwriting Manual, 1952 Revision, Sect. 1320
2. While non-whites might cause market disruptions which would temporarily depress prices, eventually neighborhood stability would move prices up again.

3. Non-white entry does not harm and may even improve property values.

The first two theories may be illustrated as follows:

From this we may generalize that, in the city that houses a large percentage of people of foreign birth, or their children, or that contains a substantial minority percentage of people of races other than white, residential real estate values in the older districts bordering those at present inhabited by the minority peoples will exist in a state of threatened status quo.

Frequently the presence of inharmonious racial, national, or income groups in an adjoining area represents a threat to property values.

That the entry of non-Caucasians into districts where distinctly Caucasian residents live tends to depress real estate subdividers and students of city life and growth. Infiltration at the outset may be slow, but once the trend is established, values start to drop, until properties can be purchased at discounts of from 50-75 per cent. Later, when a district has been entirely taken over, values tend to re-establish themselves to meet the needs and demands of the new occupants.

Should a shift to a buyer's market start in any neighborhood, prices of less attractive houses are the first and most detrimentally affected. This has been markedly true where the shift is from white to Negro population, and the first two or three houses are usually

70. See: Laurenti, Loc.cit., Chap. II
sold to Negroes at a few hundred dollars above the market. In a few months sales prices drop below prices for comparable houses on white-owned and occupied streets. After the change is past the halfway mark, prices stabilize at an average price of perhaps 10 per cent below prices of comparable houses in white neighborhoods. The loss of price, however, is much greater on a street of mansion-type houses or on a street of sub-standard housing. Rentals are about the same in like quarters, whether rented by whites or Negroes. 74

The third theory may be illustrated by a section of Chief Justice Groner's opinion in Hundley and Hundley V. Gorewitz, Bogikes and Bogikes. In this case he stated that:

...The evidence satisfies us that the effect...(of a racial change in neighborhood occupancy) is to make the market value of property on Thirteenth Street...greater for colored occupancy than for white. There is also evidence to the effect that the local citizens association, upon learning that appellants' vendor contemplated selling to appellants or other Negroes, tried to procure a white purchaser, and that one of the appellees himself had purchased the house...from Home Owners Loan Corporation for $2,000 less than the corporation was offered by a colored bishop...the covenant would merely depreciate all the property in the block...75

An even more influential statement came from George W. Beehler, a professional appraiser:

...to show that values have increased, we can cite sections newly occupied by colored during the past two or three years that have


75. Hundley and Hundley V. Gorewitz, Bogikes and Bogikes, U.S. Court of Appeals for the District of Columbia, December 14, 1942
increased in value from 60-100 per cent on the average. This is due, primarily, to the fact that values in these sections, occupied by white and subject to colored encroachment around the edges, have remained static, while the colored section surrounding has felt the usual increase in values due to the so-called housing shortage and the changing economic value of the dollar as represented by its purchasing power. Then, within a six-month period, when colored occupancy enters a new block it picks up as much as the surrounding sections already occupied by colored people in a much shorter period of time. From that point on the values continue to increase along with other areas.76

Beehler was followed by Thurston Ross, who holds that non-whites under certain circumstances can stabilize property values in a declining neighborhood.

In poor and slum sections racial encroachment sometimes raises the economic standards of the neighborhood. There are instances where obsolescence has been arrested and a number of additional years of useful life given a neighborhood by racial encroachment, particularly when older people are displaced by younger groups of the encroaching race. Furthermore, a sufficient identity must be given the neighborhood so that the market is stimulated to encourage additional members of the encroaching race to come into the area, thus keeping the market active, rather than by being depressed by the loss of a favorable identity because of the encroachment of only a few members into the neighborhood.77

This observation points up the facts very clearly that non-whites must pay more for adequate housing than whites.

Does this mean that houses are worth less to whites to Negroes? If it does then whites have depressed values. What this does mean based on facts existing in reality is that due to the interference of the open market. Non-whites are forced to pay more rent if they want adequate housing. Younger non-whites accept housing that was formerly acceptable to older whites because it is a considerable improvement over the area that they are at present occupying. The housing shortage is much more acute for non-whites than whites. In order to acquire more housing they must out bid the older white (the most susceptible group). This activity is the stimulant Ross is speaking of.

None of the theories or opinions discussed before were backed up by any objective research. It was not until 1960 that objective data was collected, analyzed and published. This work was done by Luigi Laurenti. It represents the most comprehensive, thorough and scientific analysis available on the impact of race upon sales prices of residential property.

The major conclusions may be stated as follows: when non-whites enter a previously all-white neighborhood consisting primarily of single family residences, and no other changes in neighborhood character occur, then

78. Laurenti, Loc.cit.
prices of residential property in the area will probably not decline and may very well rise in comparison with prices in similar neighborhoods that have remained all white.

This conclusion differs so radically from the traditional literature and opinions on the subject that one must look at the methodology used to arrive at these results, and to test the validity of the conclusion. The cities studied were San Francisco, Oakland, Philadelphia, Chicago, Kansas City, Detroit and Portland.

The methodology consisted of selecting 20 neighborhoods in which entry by non-whites had taken place within the past 15 years, (called test areas) and 19 neighborhoods which had remained all white (called control areas). Price movements in the test areas were compared with price movements in the control areas for the years, 1949-1955. A total of thirty-four comparisons were made. Some control areas were compared with more than one test area.

In each one, the areas being compared were similar in size, reputation, type and price of homes, and character of residents. The only difference was the entry of non-whites into the "test" neighborhood.

Two methods were used to compare sales prices. Average sales-prices for each quarter were compared directly,
where properties in control areas and test areas had very similar prices and also where price ranges within each area were not large. Average ratio of prices of 1950 assessed values were used when the above conditions did not apply. The ratio of test area prices to control area prices is the most significant result of the analysis. The ratio was computed both before and after non-white entry into each test area. Changes in this ratio serve as indicators of the effect of non-white entry on property prices.

To illustrate: Sale prices in Area T (test area) for pre-entry period (from the beginning of the study in 1949 until entry in 1951) averaged $8,000 whereas sale prices in Area C (control area) during the same period averaged $10,000. Thus the pre-entry ration of test prices to control prices is .80. But, if for the four quarters immediately preceding the end of the study, prices had averaged $9,500 in Area T and $11,500 in Area C. a ratio would have been .90. Thus, the ratio rose .10 over the period, which is equal to 12.5 per cent of its original level. It is this percentage change in the test-price/control price ratio which is used to indicate the impact of non-white entry on prices. Laurenti considered the impact significant when it rose or fell more than 5 per cent and attributes it to the entry of non-whites into the test area.
In almost half of the price-comparisons made, prices in the racially mixed neighborhood increased significantly, relative to those in the all-white neighborhood. Positive changes in the test-price/control price ratio ranged from 5.1 per cent to 26.3 per cent and averaged 11.7 per cent. Forty-seven per cent of the comparisons showed a relative gain from test-area prices; 38.3 per cent of the comparisons showed no significant change in the ratio. In only one out of seven cases or 14.7 per cent was non-white entry followed by a significant decline in test area prices relative to control area prices. These declines ranged from 5.1 per cent to 9.1 per cent and averaged 6.7 per cent.

These statistics may be summed up as follows: there is no single invariable effect of non-white entry upon prices of property. Therefore, it is completely false to assume that non-white entry always causes residential property to decline in price. Non-white entry caused property values to rise much more often than it caused them to fall. Sales prices in test areas increased relative to those in control areas 3.5 times as often as they decreased. Further, the degree of increase was significantly larger than the degree of decrease. Whether prices of property in transition areas will increase or decrease relative to those in all white areas does not depend upon the magnitude of
the non-white influx. When the study ended, the population in Laurenti's test neighborhoods ranged from 3 per cent non-white to 75 per cent non-white but there was no apparent correlation between the percentage of non-whites and changes in property prices.

Limitation of Study

Two arguments are usually advanced to uphold the belief that non-white entry depresses property prices. The first states that such entry converts neighborhoods from low density and high quality maintenance to high density and low maintenance, resulting in rapid physical deterioration and a depreciation of even those homes that have been well maintained. This argument is completely inapplicable to the neighborhoods in Laurenti's study. In those areas the entering non-whites kept up or improved the standards of density and maintenance that their white predecessors had exhibited. The second argument declared that non-white entry reduces prices because of panic selling. According to this view, as soon as a non-white buys a home in an all white neighborhood many white owners become frightened and try to sell their homes immediately. This floods the market and causes a sharp fall in prices. Contrary to this view, Laurenti graphs reveal no consistent pattern of either relative or absolute price declines immediately after non-white entry. This was true even when entry was completely
un-expected in many areas. There were a few instances in which such panic occurred but even in these cases test area prices usually regained their relative position, and sometimes climbed higher than control area prices. In most areas there was no panic at all; therefore, this argument was not applicable.

Laurenti's methodology is designed to isolate the effects of change upon property prices from the effect of all other factors. Where racial transition is accompanied by increased density or lower levels of maintenance the effect of these factors upon property prices cannot analytically be separated from the effect of race per se. This intermingling of effects may lead people to blame racial changes for results actually covered by other factors. In some cities racial transition may be accompanied by conversion of old single family dwellings to multi-family occupancy. This may cause a rise in population density and rapid deterioration of properties. The while neighborhood becomes downgraded. Such declines are frequently attributed to racial change; whereas they are really caused by higher density and lower maintenance standards. Laurenti escaped the analytical difficulties inherent in such multiple causation by studying only neighborhoods where racial change was not accompanied by increase in density and lowered maintenance standards. He therefore omitted
neighborhoods on the periphery of non-white ghettos and instead selected those into which non-white had "leapfrogged" over sizable distances from the nearest previous non-white residence. This is the limitation as well as the parameter which Laurenti set for himself.

Effects on City Growth

It will be a number of years at least before the findings of Laurenti's research are absorbed into the body of literature on this subject. An even longer period time will pass before the real estate industry accords proper recognition of this data. In the meanwhile the growth pattern or patterns that minorities must follow in acquiring adequate housing will, when they are free from racial prejudice and bigotry, be governed by the old myth.

In examining the pattern of growth and development of some of America's larger cities with a large population of non-whites three patterns become obvious. The first follows Burgess' concentric ring theory, the second follows Hoyt's sector and the final pattern follows the multiple-nuclei theory.

It would be a task beyond the writer at this time to sort out what percentage of these growth patterns are attributable to outright racial prejudice and what
percentage should be credited to a desire to avoid economic losses. For this reason we shall be concerned only with that group of people whose actions were motivated by a desire to avoid economic loss.

Because whites accept the decline theory, they strongly oppose entry of non-whites into all-white areas of decent housing. Such opposition keeps non-whites bottled up in ghettos and forces the density in them so high that whenever a border area opens up for non-white settlement it is flooded with residents far beyond its capacity to house decently. This process tends to confirm the original belief that non-whites entry is accompanied by rising density and falling values. However there is a basic contradiction in this process. As stated earlier, it is very unlikely that densities will be raised and earning power lowered at the same time. See note 31 for an excellent example of what happens when densities are raised. The earning power of these slum areas per square foot of area was almost twice that of luxury elevator apartments. 80

79. This is the stated reason, and the one we are concerned with at this time. It is quite possible that this is a rationalization of some other desire, but until that desire is stated it cannot be argued.

80. R. C. Weaver in The Negro Ghetto states the following:

In Chicago, for example, a report of the city Department of Public Welfare, involving over 1,200 Negro families, stated that Negroes, as a group, were paying much more for housing than any other
A vicious circle is created, which Robert Merton has called "The self-fulfilling prophecy" - a false definition of a situation evoking a new behavior which makes the originally false conception come true. It is interesting to note that as these border areas are absorbed by the ghettos they will generally earn higher rent. This is in direct contradiction to Hoyt's theory stated earlier. The increase in rent is due to the higher density, or rent per room plus the reduction or total absence of maintenance expenses. It is readily understandable why property will deteriorate under such conditions. With this deterioration

80. (continued) class in the community.

The median rental in unheated flats was $20 to $25 for native whites; $15 to $20 for foreign born; and $25 to $30 for Negroes. A similar difference was found in the heated apartments, where the median rental for white families was $55 to $60, but for Negro families from $65 to $70. The Chicago Urban League found (on the basis of a survey of 527 colored families) that dwellings which had been formerly rented for $8 to $20 to whites were bringing from $12 to $45 per month when occupied by Negroes. In Gary, Indiana, where the quality of housing offered Negroes was much inferior to that available to whites, the average rent per room was $4 for whites and $5.64 for Negroes. In Buffalo rents for comparable dwellings were as follows:

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>$7</th>
<th>$50</th>
<th>$26</th>
<th>$50</th>
<th>$20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colored</td>
<td>$25</td>
<td>$45</td>
<td>$55</td>
<td>$70</td>
<td>$28</td>
<td></td>
</tr>
</tbody>
</table>

comes a lowering of the assessment which results in a reduction of taxes collected.

At the same time the tax rate is being reduced, the demand for services furnished by the city is being increased. School are crowded, more police protection is needed, and welfare expenses are higher. This is an instance where the English occupancy tax could be used to advantage. That way the tax would be related to the earning power of the property. (See note 31)

In 1953 the Philadelphia Housing Association did a survey on Negro housing in that area. The information gathered here illustrates this first pattern of expansion of non-whites.

The non-white population increased from 4.9 per cent in 1900 to 18.3 per cent in 1950. Between 1940 and 1950 the population rose from 125,000 to 378,968. The white population increased less than 1 per cent for this decade.

This decade also noted a decided increase in the trend toward segregation and concentration. In 1950, almost 90 per cent of the Negro population was found in these areas. These three areas are tending to merge. See the attached map. The core of these areas, once geographically separated, had historically been settled
PHILADELPHIA
INCREASE IN NON-WHITE HOUSEHOLDS, 1940-1950
CONCENTRATION OF NON-WHITE HOUSEHOLDS, 1950
BY CENSUS TRACTS

Figure 5

SOURCE: U.S. CENSUS 1940 AND 1950
PREPARED BY THE PHILADELPHIA HOUSING ASSOCIATION

EACH DOT INDICATES AN INCREASE OF
APPROXIMATELY 50 NON-WHITE HOUSEHOLDS
CENSUS TRACTS WITH MORE THAN 50% NON-WHITE HOUSEHOLDS, 1950
BOUNDARY OF CENSUS TRACTS WITH MORE THAN 10% NON-WHITE HOUSEHOLDS, 1950

SCALE IN MILES
NON WHITE HOUSEHOLDS, 1950

IN RESIDENTIAL AREAS OF PHILADELPHIA

BY CENSUS TRACTS

Figure 4

PERCENT OF ALL DWELLING UNITS

0% - 1%

1% - 10%

10% - 20%

20% - 50%

50% - 100%

SOURCE: U.S. CENSUS, 1950

PREPARED FOR THE PHILADELPHIA COMMISSION ON HUMAN RELATIONS BY THE PHILADELPHIA HOUSING ASSOCIATION

JUNE 1953

Figure 6
CROWDING, 1950

IN RESIDENTIAL AREAS OF PHILADELPHIA
BY CENSUS TRACTS

MORE THAN ONE PERSON PER ROOM
- 0% - 5%
- 5% - 10%
- 10% - 15%
- 15% - 20%
- 20% - 100%

SOURCE: U.S. CENSUS, 1950

Figure 7

PREPARED FOR THE PHILADELPHIA
COMMISSION ON HUMAN RELATIONS
BY THE PHILADELPHIA HOUSING ASSOCIATION
JUNE 1953

Figure 5
by the Negro. The relation between population increase and concentration is quite obvious:

Philadelphia's Negro population is concentrated in forty (of 404) census tracts, in which Negro households constitute the majority. In these tracts are approximately one-seventh of the city's households, but nearly two-thirds of the Negro households. Here are 40 per cent of the city's substandard dwelling units, and nearly one-third of the crowded dwelling units.

The number of dwelling units occupied by Negroes in these areas increased from 43,686 in 1940 to 66,203 in 1950. Thus nearly 23,000 additional Negro families moved into these tracts during the decade, or nearly two-thirds of the city's total increase in Negro families. In 1940, 55 per cent of all dwelling units in these tracts were occupied by Negro households; by 1950 the ratio of Negro households in these tracts had increased to 76 per cent.

The change in these areas was not simply a process of one white family moving out and a Negro family moving in. While nearly 13,000 white families moved out, 23,000 Negro families moved in...

Nearly two-fifths of the Negro households in these areas occupied substandard dwellings...either dilapidated or without essential sanitary facilities, whereas only about one-fifth of white families in these areas occupied substandard housing.82

The growth of these three Black Belts follows the same pattern discussed earlier. That is - through the spread of blighted and slum areas to adjacent land new territory is made available to non-whites.

The expansion of the non-white population in Chicago is

another example of expansion by blighting. In this
city the expansion was in all four directions, but
the major direction was North-South. See attached
maps. In Chicago racial concentration and segrega-
tion have increased every decade since 1920. Between
1920 and 1950 the population increased from 109,458
to 49,265 - an increase of 10 per cent.

In 1920 there were no Negroes resid-
ing in almost exclusively Negro tracts (cen-
sus tracts in which Negroes comprise 97.5
per cent or more of the residents); but the
proportions of the city's Negro population
residing in almost exclusively Negro tracts
were 19.0 per cent in 1930, 49.7 per cent
in 1940, and 52.9 per cent in 1950.83

The process of residential succession is traced very
thoroughly by these authors. The process was described
in four stages: penetration, invasion, consolidation
and piling up. The penetration and invasion stages
dealt with areas having less than 25 non-white residents.
Consolidation dealt with areas where the census tracts
showed an increase in non-white population and per-
centage of total for city. The piling up stage dealt
with areas whose tracts showed non-whites were above
90 per cent and overcrowding had taken place. Between
1940 and 1950 this succession process continued in all
tracts where the third stage had been reached in 1940.
This furnished ample evidence of the tendency toward

83. O. Duncan and B. Duncan, Loc.cit., p. 95
Figure 8

PROPORTION OF NEGROES IN AREAS OF CHICAGO - 1920
See: Legend page 57-A
PROPORTION OF NEGROES IN AREAS OF CHICAGO - 1950

Figure 10
more segregated concentration for the future of Chicago.

The second growth pattern by which non-white minorities have acquired additional housing follows somewhat the pattern described by Hoyt's Sector theory. It has been called "leap frogging". This pattern has generally been accomplished by non-whites purchasing in all-white areas that are some distance from areas already occupied by non-whites. Once the purchases in the all-white area are completed, the second phase of the operation is begun, that is, displacing the whites caught between the two non-white areas. This was the growth pattern by which Mozley Park, a previously predominantly middle-class white community in Atlanta, Georgia was acquired for non-white occupancy. In Atlanta the non-white population was expanding westward within the city whereas the white population was expanding in the suburbs outside the city.

The early movement of Negroes to the West side was in large measure due to the efforts of Herman E. Perry, an energetic and imaginative Negro promoter. Perry took option on West side land and sold a portion of it to the city for a site for Booker Washington High School, for Negroes in Atlanta. He expected that people would move to the high school area and took option on properties over a wide area. Perry wanted to get hold of the West side before Negroes were fenced in by whites. 84

Map. 1. City of Atlanta and adjacent areas, percent of population nonwhite by census tracts, 1950.

Figure 11

PERCENT OF POPULATION NONWHITE
BY CENSUS TRACTS 1950

LEGEND
- 75 PERCENT OR MORE
- 50-74 PERCENT
- 25-49 PERCENT
- 10-24 PERCENT
- 1-9 PERCENT
- LESS THAN 1 PERCENT

58-A
In the early 1950's when Negro expansion on the West side in and around Mozley Park was approaching white residential and business sections to the south and west, efforts were made to stop the Negro advance. The "answer" eventually arrived at by the city officials was the erection of Joel Chandler Harris Homes, a public housing project for whites. Public housing for whites was used to serve the purpose of Negro containment.

The third pattern of acquisition that has developed out of the "myth" corresponds closely to the multiple-nuclei theory of city growth. In this pattern small groups of non-whites have purchased residential property in all white areas. These small groups have not been followed by large numbers of other non-whites and whites in the area have not panicked and moved out. This was the pattern that Laurenti studied. We have already reviewed the effect of the race of these new neighbors on the neighborhood. Again the expansion of non-whites has been within the city whereas white expansion had taken place mainly in the suburbs. The resistance to expansion of land space available to non-whites has most recently resulted in abandonment of segments of the central cities to them. A number of factors have played a part in this.

The federal government through Federal Housing Administra-
tion had facilitated construction, and low down pay-
ments and a longer period for mortgages had made a large part of this available to middle and lower-middle income families. At the same time, F.H.A. accepted the concept of homogeneous neighborhoods and until 1947 the instru-
ment of the racial restrictive covenants. Money saved during the war and continued prosperity following the war made it possible for people to make down payments and keep up the monthly notes.

At the same time government housing policy made home ownership more attractive than rental and practically all new construction was in lily-white suburbs.

Under these pressures non-whites were forced to buy in older and grey areas of the city. Even where sales were not profitable the availability of non-white purchases and renters greatly accelerated the liquidation of property in the central city and the acquisition of new homes elsewhere on the part of previous residents in the core area. To a degree, this greater effective demand for housing on the part of non-whites sustained property values in many parts of the central city and accelerated

the purchase of new homes by whites who were replaced by non-whites, many of whom paid higher prices than could otherwise have been secured. If segregation had been any less acute it is certain that more non-whites would have moved to the suburbs. 88

While it is true only in a general sense that successive expansion of non-white living space has followed the three patterns discussed above it is significant to note that:

Within both Negro and white communities, high station groups tend to share residential areas and to be residentially segregated from lower-status groups. Apparently, the selective forces which produce differentiation of residential areas in the urban community operated in somewhat the same way upon the Negro and white population. This is also in line with the finding that pattern of inter-area differentiation with respect to physical characteristics of the area and social and economic characteristics of the residents tend to be maintained under the impact of succession from white to Negro occupancy. 89

89. Duncan and Duncan, Loc.cit., p. 298
Conclusion

The purpose undertaken in this paper is very suitably described by George and Eunice Grier:

Powerful forces must be present to make decent people behave in such unfriendly ways toward other human beings. Social scientists have explored the broad problems of prejudice and discrimination for decades. They have concluded that some of the basic reasons are very deep indeed, and rooted far more in emotion than reason. We shall not attempt to summarize the body of knowledge on the subject here. However, we shall discuss some of the reasons which people advanced, at least on the surface, as justification for practicing discrimination against members of other groups in the field of housing. We shall also explore the known facts behind these reasons. 90

In the exploration that followed the Griers listed the following as areas of known facts:

1. Fear of Loss in Property Values
2. Fear of Inundation
3. Fear of Conflict
4. Fear of Loss of Status
5. Profit and Politics 91

The process of instituting segregation as both a housing policy and a housing pattern for minority groups has developed out of the attitudes of whites to non-whites. As noted above these attitudes are rooted more in emotion than reason. All of the fears enumerated by the Griers as well as by Weaver and Abrams have

91. Ibid., pp. 27, 30, 33, 34 and 36
played a part in justifying this attitude.

One of the most successful arguments used to justify the segregation of non-whites is that they have a depressing effect on property values. Non-whites (primarily Negroes) have been particularly susceptible to segregation with this theory as its justification. This has been true for several reasons. One of the most outstanding reasons is that this is what some of the most respected housing economist had stated as fact. A second reason is the association of slum conditions with the Negro. This condition "proved" what the experts had said.

The experts had failed to take into account many of the reasons the Negro had been forced to, or in some cases chose to live in Black Belts or Ghettos. They failed to or deliberately did not take into account the general shortage of adequate housing. In times of shortages it is always the most disadvantaged person or group that must do without. The Negro due to his status as former slave, his work and his income is certainly the most disadvantaged group in America today.93

The Negro was the last as well as the most permanently identifiable migrant to the city. During the first stages of the shift of the Negro population from the rural South to the Industrial North he chose to live among other Negroes. This choice was not made because of existing pressures or prejudices, but rather in many cases they were the same reasons that had caused Italians, Irishmen, Scots and various other groups to live together. The prosperity or the illusion of prosperity of the Negro community at the time of the first shifts from rural to urban areas was one of the most deciding factors for the Negro in the choice of where to live. By the time the illusion proved to be an illusion the Black Belt had become the pattern of housing for the Negro in the city. In the years that followed most authorities concerned with the housing question operated on the assumption that this had always been the pattern of housing for Negroes.

As the number of Negroes increased the Black Belt grew larger and deteriorated even more. With the presence of more people of color in the city the awareness of differences between whites and non-whites received a larger share of public attention. This attention for many took the form of unreasonable fear and finally

resulted in a cultural pattern and economic behavior rooted in mythology and based on entrenched racial prejudice.

The development of theories that relate the value of a piece of real estate to the race of the occupant was one such myth. It is clear, at least in some minds, in historical perspective that these theories were not objective fact but personal opinion. In most cases these opinions have been proven to be false. It has been shown that they are created and used to justify a greater evil, racial prejudice.

The results of the mythological relationship between race and property values have had a very destructive effect on the growth of the central city in almost all of America's large cities. Gunnar Myrdal has formulated the most descriptive results of this myth. He terms it concentration-segregation. The description given is one of segregated areas where Negroes are permitted to live. The lack of additional space forces the segregated areas to become concentrated. The danger to the city here is the formation of the seeds of a Black City within most Northern cities with an increase in Negro population. Such a condition is the logical result of the extension of a policy of concen-

95. E. and G. Grier, Loc.cit., p. 27
tation-segregation. The housing inadequacies, over-crowding and the increased cost of social services of the Black Belt today attest to the economic, social and political catastrophe that would result if the Black City ever became a reality.

One of the most important questions relating to the Negro and the housing problems of their country has seldom been asked. If we assume for this instance that it is true that non-whites do have a depressing effect on property values, what then is going to be the policy that will determine what housing shall be available to non-whites?

Whatever the effect of race on property value may or may not be, this effect in itself is a totally insufficient base for a housing policy for minority groups. Under a system of free enterprise, the purchaser is supposed to be guaranteed free access to the supply in the total market, at the same time that the seller is supposed to be assured access to the total demand. As the result of the interplay of these forces, the purchaser is supposed to be assured of the lowest possible price. A similar process is said to protect the interest of the seller and yield the highest possible price. Neither of these processes occurs in the housing market open to Negroes.
America is a nation wholly committed to a capitalistic economic system. One of the principal appeals of this system of free enterprise is that it is said to enable the individual to increase his earnings and command of consumer goods and services on the basis of his individual ability. It has taken the Negro 80 years to modify slightly the color occupational system in this country. According to the promises and theory of the economic system we have chosen to live by, this should bring better living and decent housing desirably located. But residential segregation has prevented such results. This is not a temporary situation for non-white Americans. Even when there has been an appreciable increase, as there has been since World War II, in the total supply of adequate housing, non-whites, regardless of their incomes, will still not be able to compete freely in the housing market as long as the existing myth is allowed to exist as one of the justifications for a segregated housing policy.
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