

HOUSING

AGENT OF CHANGE

Deborah Spence wants to change the world through real estate



SUBMITTED PHOTO

Deborah Spence firmly believes she can change the world through real estate.

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POTTSTOWN » You don't need to tell Deborah Spence how owning a home changes your life.

One of seven children growing up in the South Bronx when at times, they were homeless, Spence learned as a child what it means to be hungry or to sleep in a car.

Struggling as a young adult to get ahead and working selling \$30 phones for Metro PCS, her life and her perspective changed when her car broke down. The breakdown happened in front of what looked like an abandoned lot in Philadelphia, but the mechanic who came out to help her with her car said on the contrary, that

the "empty lot" was money in the bank, an investment waiting to happen.

"And I looked into it and he was right. The price of real estate in Philadelphia was so low, there was a lot of potential there," said Spence. So for the past 10 years, Spence has been a Realtor. In her first year, she listed 63 properties and sold 31. In her second year, she sold 50 more.

And during that 10 years, she has seen what the Biden administration announced in March is a major problem it has launched a program to address — housing discrimination.

It may not spur people to march in the street, or inspire soaring rhetoric, but the dirty

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Deborah Spence on her way to a home restoration.

Agent

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details of housing discrimination are arguably the biggest obstacle to financial success for generations of Black families.

In America, it is the most common and reliable path to build and pass on wealth to future generations. And for minority families, particularly Black families, it is a path that is all too often filled with obstacles or closed entirely.

“My skin is dark, I mean there is no question that I am an African-American woman, and I have sat there with clients who trust me to sell their house say to me, ‘I don’t want you to sell the house to Hispanics, or to Asian people because their cooking smells funny,’” said Spence.

It’s a bigger problem than just individual sellers, she said.

In her experience in the greater Philadelphia area, she sees it up close every day, moving from one community to the other. “You see the difference in the homes, the school district, the tax base. The poorer and darker the community members, the higher taxes they pay and the lower their quality of life. The wealthier and whiter the community, the better the roads are maintained and the better their schools are funded.”

Her observations are part

of a well-documented bigger picture that has hampered Black homeowners for decades.

The obstacles abound: The discrimination that grew out of, and remains, the racist Depression-era housing policy of “red lining,” using “red lines” on maps to indicate the “best” and worst places to back mortgages.

The policies undertaken by the government-sponsored Home Owners’ Loan Corporation “codified patterns of racial segregation and disparities in access to credit,” according to an article in *The New York Times*. In 2017, “economists at the Federal Reserve Bank of Chicago, analyzing data from recently digitized copies of those red-lined maps, show that the consequences lasted for decades.”

According to *The Times*, “as recently as 2010, they find, differences in the level of racial segregation, homeownership rates, home values and credit scores were still apparent where these boundaries were drawn.”

Still, today, Black homebuyers are routinely denied mortgages at disproportionately high rates.

Some of that proof was evident as recently as Thursday when data for the Philadelphia region presented by the Reinvestment Fund at a hearing co-hosted by the Federal Reserve Bank showed that TD Bank has a 20 percent gap in denial rates between white and

Black applicants. “TD Bank was more likely to approve a mortgage loan for a low-income white applicant than a high-income Black applicant during the same period,” according to an article by WHYY on the report.

“Overall, Black mortgage applicants in Philadelphia were nearly three times more likely to be denied by lenders than white applicants in 2020, according to an analysis done by the Federal Reserve Bank of Philadelphia,” WHYY reported.

Even appraisers, who are 97 percent white nationally, are now being charged and sued for giving lower appraisals to properties owned by Black families.

Spence, who is also a member of the Pottstown School Board, has seen that too.

In a process described as “whitewashing” in a *New York Times* article published Thursday, Spence said she has “told my (Black) clients ‘you need to take down all your family photos, your books, your art and you need to be gone. If you have a white friend, have them come and sit in the living room while the appraiser is here.’”

The result, studies and investigations have shown, is a significantly higher, some might say fairer, appraisal of the value of a home owned by a Black family, a key metric in determining the sale price and thus the profit from the investment.

But if you’ve ever spoken to Spence for more than five minutes, you know that she is not one to be intimidated by obstacles. That’s why, in 2019, she founded Fierce Realty Corp., which has offices in Bala Cynwyd and Collegeville.

As much as a real estate mentorship program and blight-fight crusader as a traditional real estate office, Spence says Fierce is working to diversify not only housing opportunities but the people who help manage those opportunities — namely the Realtors.

Spence operates an apprenticeship program that helps those interested in the career path step by step. It starts with a scholarship program that covers up to \$5,000 in costs connected to the profession. “I pay for them to go to classes, and if they pass their exam, I pay for that. If they get to the point where they are paying their (multiple listing services) dues, I pay for that. It’s staggered and they have to complete each step,” she explained.

She currently has six potential agents taking classes and has had four graduates. All she asks in return is that they work as agents for Fierce for a year. “After that, they’re free to strike out on their own or stay. Whatever works for them,” said Spence.

The program is open to anyone, but Spence hopes it will offer a way for people of color to become Re-

altors and begin to organically lower some of the obstacles homebuyers of the color face; in much the same way school systems are now trying to hire staff who more closely reflect the racial composition of the communities they serve.

“The real estate industry is not really doing enough to address the disparities in housing,” Spence said.

Spence has also partnered with a new non-profit called Level Flat Inc., which seeks to help those who are struggling overcome small barriers that can have a big impact on quality of life. “When I was growing up, we were eligible to get help, but it required my mother to go in for what they called a face-to-face, and whether she was depressed or had a transportation issue, she wouldn’t go. It was a small thing, but we went hungry as a result,” she recalled.

Recently, Spence cut the grass and weeded a Pottstown property on the 400 block of North Franklin Street which was getting repeatedly cited by the borough for the overgrowth. “The fines weren’t getting the grass cut, and they weren’t being paid. The system was not working. I just want to help lower the barriers to getting help,” she said.

Most recently, at the urging of Montgomery County Treasurer Jason Salus, Spence started Jumpstart Pottstown, a program modeled on a successful model undertaken in the Ger-

mantown section of Philadelphia by developer Ken Weinstein, whose business has renovated and restored more than 350 vacant and deteriorated commercial and residential units in the Philadelphia region during the past 30 years.

Simply put, Jumpstart Germantown, and soon, Jumpstart Pottstown, trains and mentors those who live in a neighborhood to revitalize it and remove blight themselves, by becoming entrepreneurs.

“Say you live next to a vacant or abandoned property. It’s affecting your home value and the values in your neighborhood. Rather than rely on the borough, or the county, or the land bank, or some out-of-town developer, you can redevelop it yourself if you know how, and we want to show you how. Wouldn’t we rather that the people who live there learn how to do it themselves, so they and their neighborhood are the ones who benefit?” Spence asked.

The training classes are called steps and the program, which begins Sept. 24, costs \$195 to join to pay for costs surrounding the training.

“We can educate community members on how to remove the blight on their blocks by becoming real estate investors or developers,” Spence said.

“I truly, truly believe we can change the world through real estate,” she says.