

Discrimination in the Lowell and Merrimack Valley Housing Rental Market

Between June and September 2004, the Fair Housing Center conducted a study of housing discrimination against home seekers in the greater Lowell and Merrimack Valley area rental markets. The audit tested for discrimination against African American, Asian, Latinos, and families with children. The study relied on telephone and in-person testing of housing providers. In all, the Fair Housing Center conducted 66 matched pair tests at 40 locations, both real estate offices and property management offices. Overall, testing showed evidence of discrimination 31 of the 66 paired tests conducted, or 47%. The prevalence of discriminatory behavior varied widely between the groups covered.

What follows is a description of the process and a report of the findings, providing examples of the types of discriminatory behavior encountered by testers.

About Testing

Testing is a controlled method of measuring and documenting variations in the quality, quantity and content of information and services offered or given to various home seekers by housing providers. Testers are matched on personal and home seeking characteristics so that the only significant difference between them is the factor being tested. The test counts described throughout this report refer to a matched set of testers –commonly called a paired test. By comparing their experiences we are able to identify any differences in treatment and/or information given.

Testing has become a common and accepted practice in several arenas. Testing has also been used for self-compliance monitoring by the real estate industry and lending institutions. Many agencies and management companies use ‘shopping services,’ a form of testing that allows them to determine if their leasing staff are complying with fair housing laws. Additionally, testing is commonly used in response to a complaint filed by an individual home seeker. This complaint-based testing is used to determine whether or not there is evidence to support or deny an individual’s claim of discrimination. The legitimacy of testing evidence in housing discrimination cases has been long upheld by the courts. In fact, in 1982 the Supreme Court in *Havens Realty Corporation v. Coleman*, 102 S.Ct. 1114, held that testers who are discriminated against or receive false information from housing providers have standing to sue.

A rental audit is a systematic investigation of housing discrimination in the rental housing market for the purpose of gauging the prevalence and types of discrimination at play in the market at a given point in time. In order to address housing discrimination — both in terms of education and enforcement — we need an accurate picture of how it occurs, who it affects, and where it is happening. As has been proven elsewhere in the country, the rental audit is one of the most effective tools for taking a region’s discrimination temperature. The findings establish the foundation for future enforcement efforts and serve to heighten awareness among seekers and providers of housing of their rights and obligations under existing fair housing laws.

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Methodology

For this project, the Fair Housing Center selected cities and towns in the Merrimack Valley and the Lowell Metropolitan Statistical Area that have a significant rental market of houses, apartment complexes and/or condominiums. We also looked specifically at practices in towns that neighbor cities with significant population of color. To reflect the variety of housing sources in the region, testers were sent both to apartment complexes and to real estate agencies to inquire about available units.

Findings

Of the 66 paired tests conducted, 31 revealed evidence of discrimination (47%).

Latino testers experienced the highest incidence of discrimination- 63%. Of 11 pairs of Latino and white testers, 7 showed evidence of possible discrimination.

29 tests paired white and African American testers, and evidence of discrimination was found in 15 (52%).

13 tests paired white and Asian testers, of which 5 showed evidence of discrimination (38%).

12 tests for discrimination based on familial status--the presence of children-- showed 4 instances of discrimination (33%).

Examples of discriminatory behavior

Compared to the overt practices of the past, discrimination today is often more subtle and revealed only through testing. Of the 66 paired tests in this project, there was not a single instance in which one of the testers was told outright that he or she was being turned away because of race, national origin, or because he or she had children. However, our analysis of testing evidence shows that more subtle forms of discrimination are still common practice in the greater Lowell real estate market.

As stated above, testers are matched on personal characteristics and housing requests so that the significant difference between them is the factor being tested, such as their race or the presence of children. In fact, test assignments are designed such that in a discrimination-free environment, the tester of color or tester with children would have the advantage over the control tester. For example, the person of color would have a more prestigious job than the white tester or the parent would have a higher income than the childless tester. Despite this, the Fair Housing Center found the following examples of differential treatment while conducting this audit:

Access to Agents

The first step toward gaining housing is contacting a housing provider. Even at the level of contact, people of color already experience discrimination that makes their housing search more difficult. There were multiple instances where both white testers and testers of color left

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messages for housing providers, but only the white tester received a call back. In one instance, an African American and white tester called the same office to inquire about housing. The white tester's first call was answered and the tester received information about available units. The African American tester left three messages and received no return call -- the tester was not able to speak to an agent at all.

Information About Available Apartments

People seeking housing are told by housing providers what units are available. Compared to white testers, people of color frequently received information about fewer available units, if any. This difference in treatment occurred in 28% of the tests, giving testers of color access to dozens fewer apartments than less qualified white testers. In one example, a Latino and a white tester called the same office. The white tester received information about three available units, the Latino tester was told about just one. In another test, the white tester was told about five units available in four adjacent towns. The African American tester was told about one unit only.

Steering

There were four clear incidents in which testers were only shown apartments in neighborhoods predominately populated by people of their race or national origin. African American testers were shown units in predominately African American neighborhoods, Asians in Asian neighborhoods, and Latinos in Latino neighborhoods. Their white counterparts were not shown or told about these apartments but instead were shown units in white neighborhoods. This occurred across town lines, as well, with one agent in a suburban town only showing a tester of color apartments in the adjacent city, but showing his white counterpart units in the town itself. Another agent told a tester that she knows she's "not supposed to steer, but wants people to live where they'll feel comfortable."

Rent and Specials

In one out of every nine calls, housing providers quoted higher rents and did not offer special discounts to people of color and families with children. In one test, the agent told the tester without children that there was a special going on for \$500 off the first month's rent. The tester with children was not told about this special. In another, an Asian tester was told that rents at a particular building started at \$750, while a white tester was told that the lowest rent at that building was \$700. *If these had been actual home seekers, the Asian tester would have paid \$600 more a year for the same housing.*

Application Process

20% of the time, housing providers subjected testers of color to a more strenuous application process and imposed different terms and conditions than they did for white testers. Agents were much more likely to ask testers who were African American, Asian, or Latino about their income and occupation than white testers. For example, a Latino tester was told she would need approved credit check and current landlord validation to get the special for one month free rent, and the minimum income for two people was \$35,000; the white tester was not told any of this. At another housing provider, an African American tester was asked where she worked, why she

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was moving, how long she had been at her at job, and told that credit and background checks were needed. The white tester at the same office was not asked or told any of those details.

Follow-Up Contact

Home seekers rarely complete their search in one phone call to a housing provider. Housing providers often call back to follow up, or provide their out of office contact information, in order to encourage home seekers to view apartments through them. In one instance, after the initial call the white tester received a call back from the agent to see an available unit and was given the agent's home telephone number without asking for it. The African American tester who called the same office was told no units were available and the agent would call if anything became available, but she never received a call. She was also not given personal contact information for the agent. In another example, the tester with children never received information about available units -- the agent was to call back with the information but did not. The tester without children received two calls back from the agent and was told about several available units.

Each of these examples illustrates the injury caused to actual people by housing discrimination. Not all cases involved treatment that would necessarily rise to the level of sustaining a formal complaint. But even “minor” abuses or “trivial misdeeds” can have serious consequences in a housing market such as ours. Discrimination in housing not only takes away our freedom to choose where we live, it also limits the variety of people with whom we can interact and the opportunities available to us in our own neighborhoods. Where we live often determines the quality of our children’s education and our access to jobs. Overall, the differences in treatment served to advantage white testers over testers of color, and single testers over testers with children. The Fair Housing Center’s discrimination testing audits have documented that racial discrimination is the norm rather than the exception for people of color attempting to rent or purchase homes in our region.

Recommendations

The findings lead the Fair Housing Center to make a number of specific recommendations.

- There is an obvious and glaring need for comprehensive training to ensure that housing providers are aware of their responsibilities under the fair housing laws. Housing providers must make sure that they and members of their staffs know and understand that they cannot treat people differently because they have an accent.
- Realtor associations in the region and the Fair Housing Center should negotiate partnership initiatives that employ fair housing experts to conduct education, training, and outreach programs, and expand voluntary compliance to include the use of testing.
- There is an equally obvious need for a comprehensive program of ongoing training on fair housing rights and responsibilities designed specifically for landlords, including both large and small property owners.

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- While all of the Fair Housing Center of Greater Boston's callers were fully conversant in English, housing providers should provide written materials in a variety of languages and avail themselves of services like the Language Line. Housing providers should consider pooling resources for this purpose or look to their board of realtors for support.
- The myriad discriminatory practices revealed by the audit underscore the need for extensive outreach and education for Latino and Asian home seekers about their rights under the fair housing laws and the resources available to secure those rights.
- The various existing enforcement agencies - Federal, state and local -- must continue vigorous efforts to enforce the laws. They must complete investigations of valid fair housing complaints in a timely and efficient manner. These enforcement agencies must be allocated sufficient funds to carry out this work.
- All jurisdictions that have conducted Analyses of Impediments to Fair Housing - regional as well as local - should thoroughly review those documents, evaluate performance to date, and implement those recommendations not yet addressed. This includes coordination with non-profit organizations and housing authorities. Jurisdictions should specifically address barriers to fair housing choice encountered by Latinos and other home seekers of color.
- Public and private organizations in each of the region's cities and towns must organize efforts to address the community tensions implicit in the widespread discrimination documented by this audit. These efforts should include a range of activities designed to ensure that communities are welcoming, open and accessible.
- The frequency and subtlety of the discriminatory practices revealed during the Fair Housing Center of Greater Boston's testing audits underscore the need for ongoing systemic and complaint-based discrimination testing.

About the Fair Housing Center of Greater Boston

The Fair Housing Center of Greater Boston was founded in 1998 by local housing and civil rights professionals and works to eliminate housing discrimination and promote open communities throughout the region. The Fair Housing Center pursues its mission in Suffolk, Norfolk, Middlesex, Essex and Plymouth counties through education and outreach, public policy analysis, research, and enforcement and seeks to promote fair housing for all protected classes under federal, state, and local laws. Our current programs target discrimination based on race and national origin, family status (the presence of minor children), and source of income (particularly use of Section 8 housing subsidies). We focus on these groups because of the prevalence of discrimination against them, as well as the lack of focused resources for their defense. Beginning in 2004, the Fair Housing Center is devoting special attention to the City of Lowell and the surrounding communities in the Merrimack Valley. Lowell is the Commonwealth's fourth largest city and second only to Boston in the Fair Housing Center's service area. For more information about the Fair Housing Center and our programs, contact the Fair Housing Center of Greater Boston at 617-399-0491 TTY users, please call the MA Relay Service at 1-800-439-2370. or log on to www.bostonfairhousing.org.