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## Subtle Forms of Discrimination Still Exist for Minority Homeseekers

HUD regularly sponsors a decennial study to monitor discrimination in the rental and sales markets. [Housing Discrimination Against Racial and Ethnic Minorities 2012](#), the fourth study in the series, estimates current discrimination against black, Hispanic, and Asian homeseekers compared with white homeseekers and explores the incidence of sales steering, variations in discrimination, and unequal treatment of minority homeseekers in specific metropolitan areas. HUD and local fair housing organizations use the data collected from this study to inform future efforts to combat all forms of housing discrimination.

### Paired Testing Measures Differential Treatment

These discrimination studies use the paired-testing methodology. During the testing, one minority and one white individual tester of the same age and gender pose as homeseekers with similar family circumstances, jobs, and education levels. Both applicants are unambiguously well qualified for the advertised units in terms of income. The test identifies differential treatment between minorities and whites by housing providers by recording instances in which whites were favored and those where minorities were favored, and presents the difference between the two as a net measurement of discrimination against minorities. Researchers acknowledge that the testers are not representative of the average minority renter or homebuyer — in many metropolitan areas, minority residents have lower average incomes than white residents. In addition, this measurement takes into account instances of potential reverse discrimination, lowering net discrimination against minorities.

Paired testing was used to evaluate the treatment of homeseekers during three phases in the rental and sales processes: making the rental/sales appointment, meeting with rental housing providers/sales agents in person, and inspecting available rental units/for-sale homes. Testing was conducted in 28 metropolitan areas around the country to gain current national estimates of discrimination and in the 8 largest black and 8 largest Hispanic metropolitan areas to gain valid local estimates of rental discrimination.

### Housing Options for Minorities Are Limited

Researchers found that across the study areas, taking all three phases of the paired-testing process into account, minorities are at a disadvantage compared with whites primarily in two of the three phases:

During the rental inquiry process, black, Hispanic, and Asian renters were as likely as white renters to be able to arrange meetings with rental agents. Black renters learned about 11.4 percent fewer available units during these meetings and were shown 4.2 percent fewer units than equally qualified white renters. Hispanic renters learned

about 12.5 percent fewer available units and were shown 7.5 percent fewer units than whites. Asians learned about 9.8 percent fewer available units and were shown 6.6 percent fewer units than whites.

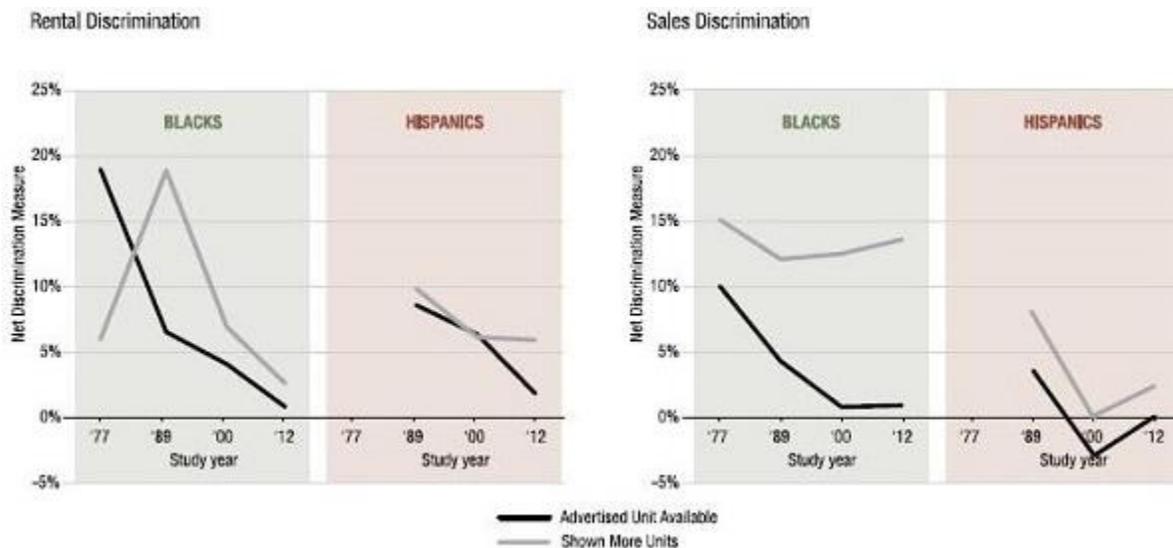
During the inquiry process for homebuyers, Hispanic and Asian homebuyers were as likely as white homebuyers to be able to obtain an appointment with a sales agent; however, black homebuyers were slightly less likely than white homebuyers to do so. Black homebuyers learned about 17 percent fewer homes and were shown 17.7 percent fewer homes than equally qualified white homebuyers. Asian homebuyers learned about 15.5 percent fewer available homes and were shown 18.8 percent fewer homes than whites. Hispanics did not learn about or view a significantly different number of homes than whites.

Minority homeseekers whose ethnicity was easily identifiable experienced more discrimination than did minorities who could be mistaken for white. In terms of steering, most available homes for rent and purchase that were shown to the testers were located in majority-white neighborhoods; however, the difference in the neighborhoods' racial makeup (percentage of white residents) shown to minority homeseekers and white homeseekers was not significant. Similarly, no significant differences existed in the incidence and severity of discrimination by metropolitan area or region. Overall, having their searches limited by rental and sales agents' discriminatory practices increases the cost and time minorities need to spend on finding a suitable home and constrains the choices available to them and their families.

### Tracking Discrimination over Time

Although researchers could not use the 2000 and 2012 studies to make direct comparisons of discrimination because of changes in the testing methodology and in the housing market (including the steep rise in Internet use when searching for a home), researchers have been able to use the reports to summarize general trends since 1977, as shown in figure 1.

**Figure 1. Long-Term Trends in Discriminatory Treatment of Blacks and Hispanics**



Source: U.S. Department of Housing and Urban Development, [Housing Discrimination Against Racial and Ethnic Minorities 2012](#), exhibit V-3.

In 2012, homeseekers were much less likely to be denied access to available units than in 1977. (Because Asian homeseekers have been included in the studies only since 2000, long-term data are not available). Discrimination against Hispanics in general has dropped to fairly low levels since 1989, the year the first study of discrimination against Hispanics was done.

The study attributes part of the positive changes in housing opportunity to the Fair Housing Act as well as to changes in rental and sales agents' social views. Although these changes have curtailed the most severe types of housing discrimination, more subtle forms of discrimination still exist in the rental and sales markets, and these forms of discrimination are almost impossible for individuals to detect themselves. The researchers suggest that targeted fair housing enforcement and education can address these discreet forms of discrimination. Local fair housing organizations can conduct similar paired testing — especially in the sales market, where greater levels of discrimination are present — to expose unequal treatment in specific neighborhoods or by specific companies. Such efforts have historically focused on black communities; expanding their use in Hispanic and Asian communities could be particularly beneficial. This report continues HUD's ongoing efforts to understand the discrimination that still exists for minority homeseekers and can help to inform strategies to promote fair and equitable housing opportunities for all.