

Fighting Anti-Black Discrimination in Real Estate

By: Tamar L. Pierre - Louis



Effect of Racism on Employment

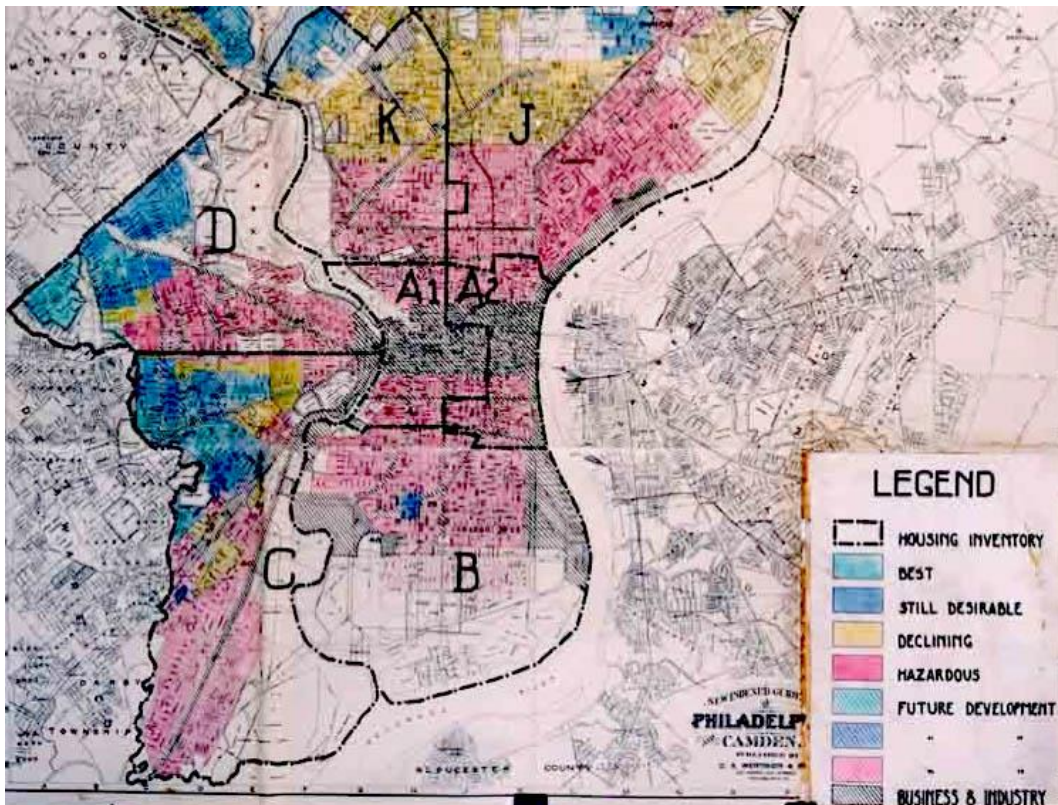
BLACKS ARE SHOWN
**18% FEWER
HOMES &
4% FEWER
RENTAL UNITS THAN WHITES.**

AFRICAN-AMERICANS ARE
**2X
AS LIKELY TO BE
UNEMPLOYED.**



- Systemic racism is a form of racism that enforces discrimination in employment, housing, health care, criminal justice, etc. Housing discrimination is a main focus for the Black community.
- **Systemic racism goes back to the early 1850s** when "New York City lawmakers used eminent domain to **destroy a thriving predominantly Black community** in Manhattan displacing thousands of residents in order to **create the public space known today as Central Park**"(Cusick Julia et al.).
- Because of the history of Black people and the laws and systems put in place to keep them in low-opportunity neighborhoods, they are less likely to come to own a home. They shift toward renting which can sometimes also become a burden because they're not offered good jobs in those low-opportunity neighborhoods.
- Many of them can't even get hired because of the biases and stereotypes against them. **"In 2021, the unemployment rate of African Americans in the United States stood at 8.6 percent. This was over the national average of 5.3 percent"** (Statista Research Department).

Other Factors Affecting Home Ownership



- **Housing segregation** also causes employment rates to be low, high rise in poverty levels, and poor income in Black neighborhoods which "**did not happen by accident**, but rather through **intentional** public policy, **such as redlining in the 1930s** where Black and Brown areas were **labeled** by the government as "**hazardous,**" "**subversive,**" "**undesirable,**" "**inharmonious,**" and "**lower grade**" populations" (Opportunity Starts at Home).
- Because of redlining, White people live in more high-opportunity neighborhoods in which they're less likely to be at risk of eviction, homelessness, instability, etc.
- Redlining allowed **73.7 percent of White families to own their home in the first quarter of 2020** according to the Census Bureau whereas only **44 percent of Black families owned theirs** (Lerner Michele).

What are the factors that play into more Black people being in search of a home?

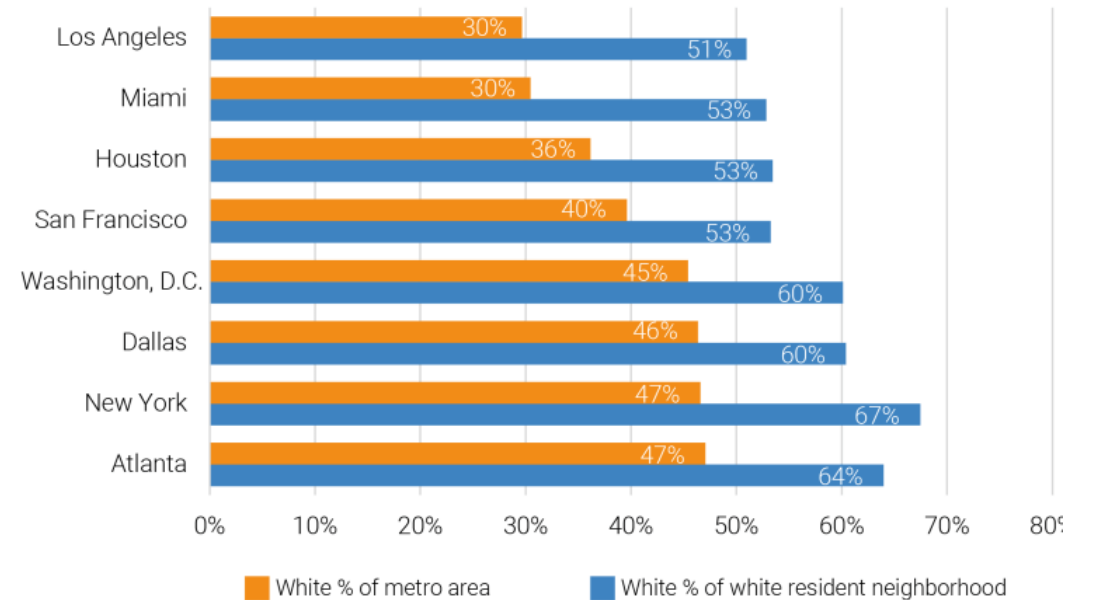
- Many Black people are in search for homes in better neighborhoods because they want to provide their children with better living opportunities and to also build generational wealth. The requirements for Black people who reside in poor neighborhoods when in search of a home are almost impossible to overcome because the system is bound to set them back.
- For example, good credit is needed to potentially be qualified as a home buyer. With worse jobs, it becomes harder for African Americans to obtain a good credit score. **Many of them don't even know how credit is supposed to work because of the lack of education they get on them in those poorly funded neighborhoods.**
- Black people are less likely to be given mortgages for houses compared to White people because their income is much lower, and banks don't trust that they'll pay them back.
- **Research also shows that African Americans go into greater debt for less valuable homes and receive less of a return on homeownership than Whites** (Asante-Muhammad Dedrick).
- "Such price differences would never have occurred if not for segregation, redlining, and legal housing discrimination which were baked into law because of racist rhetoric and beliefs about Black people" (Perry Andre).



Does this also depend on the neighborhood?

- Because White people's privileges allow them to dominate homeownership in the real estate industry, many of them require to live in neighborhoods that are predominantly White or almost White (Douglas-Gabriel Danielle). A lot of them refuse to live in neighborhoods composed of Black people because of the stereotypes placed upon them.
- Dorothy Brown, an Emory law professor said, "when more than 10 percent of families in a neighborhood are Black, home values fall because the community becomes less attractive to white buyers" (Douglas-Gabriel Danielle).
- Such neighborhoods include Detroit, Baltimore, Milwaukee, Boston, Los Angeles, and Philadelphia. "Each of the six has sizeable Black populations" and "despite a demographic shift, the redlined portions of these cities still exhibit negative economic outcomes" (Perry Andre and David Harshbarger).

Figure 2. White percentages of metropolitan areas and neighborhoods of average white resident 2015-2019



Source: William H. Frey analysis of 2015-2019 multiyear American Community Survey



Are there laws that try to encourage diversity in the real estate industry or prohibit discrimination?

- **The Fair Housing Act**, also called Title VIII, created in 1968 by the U.S federal legislation is to "protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities" (U.S. Department of Housing and Urban Development).
- Although there's a law in place that encourages diversity in the real estate industry and prohibits discrimination, it doesn't change much because unfortunately, **that law does not stop the real estate industry from treating Black people unfairly when it comes to owning a home.**

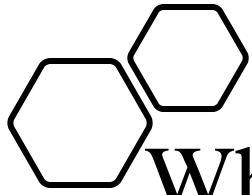
New Regulations that Could Prevent Housing Discrimination for Black People

- **Creating and preserving dedicated affordable units:** develop more affordable housing through incentives, make housing available with the same benefits in the low-income neighborhoods, lower the costs of development and make rent more accessible by lowering the cost of land (Local Housing Solutions).
- **Promoting affordability:** align supply with market and neighborhood housing conditions which can cause development to be lower, and change the policies of the use of land to make rent more affordable (Local Housing Solutions).
- **Helping households access and afford private-market homes:** fund the areas that have been excluded and add more rentals there, allow families with children to rent single-family houses, and create programs that will focus on the groups of people who continually face housing discrimination so their homeownership opportunities could increase (Local Housing Solutions).
- **Protecting against displacement and poor housing conditions:** create policies that will keep the renovations of condos from affecting the unprotected classes (Local Housing Solutions).





- Black people have and continue to endure the hardships they encounter when it comes to buying a house.
- With all those non-spoken policies put in place by the system against them, the Black community won't be able to advance towards better opportunities for themselves.
- Therefore, serious and immediate actions need to be taken to promote fair housing for the Black community.



What actions can the real estate industry take?

The real estate industry needs to take more time to act on the matter by:

- Not diminishing nor discouraging Black people as they give them house tours
- Answering all their questions without the interference of realtors' biases
- Allowing them to have access to whatever they want to explore
- Providing all the help and resources Black people need to get the best options
- Treating them with the same respect given to White people while being attentive to their needs

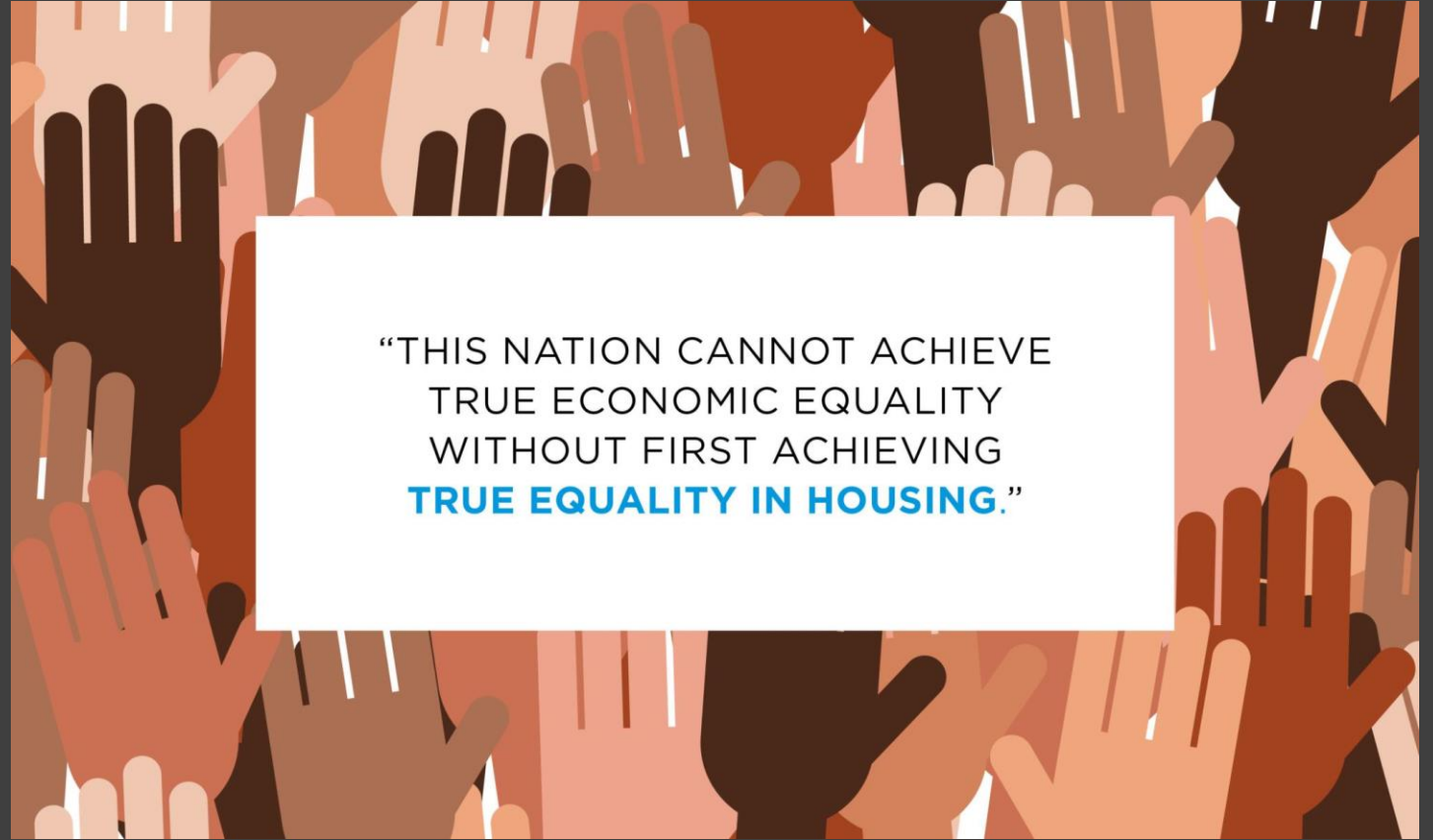


What can the government do?



The government needs to stop tossing the situation aside and start creating policies like:

- Investing in the Black neighborhoods
- Banning redlining
- Renovating the low-income neighborhoods so more opportunities are open to Black people
- Creating programs that educate them on homeownership and credit score
- Backing mortgages to Black people



“THIS NATION CANNOT ACHIEVE
TRUE ECONOMIC EQUALITY
WITHOUT FIRST ACHIEVING
TRUE EQUALITY IN HOUSING.”

Coming up with solutions like these can help the Black community benefit from the many things that could be offered to them, especially when looking to own a home. **It's an important issue within society and it should be prioritized.**