



REPORT

THE CITY OF BATTLE CREEK AND FAIR HOUSING CENTER OF SOUTHWEST MICHIGAN

The City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to conduct two systemic housing investigations during the 2017-2018 year. A systemic housing investigation is an investigation of alleged discrimination that is pervasive or institutional in nature, or where the collection and analysis of data to develop a complaint will involve complex issues, novel questions of fact or law, or will potentially affect a large number of persons. The two systemic investigations focus on real estate agents and race discrimination, and rental agents and sex discrimination.

Systemic housing investigations are an investigation of alleged discrimination that is pervasive or institutional in nature, or where the collection and analysis of data to develop a complaint will involve complex issues, novel questions of fact or law, or will potentially affect a large number of persons.

Real Estate Sales Investigation

Background - The Fair Housing Act prohibits discrimination in the sale, rental, and financing of residential dwellings, and in other residential real estate related transactions, based on race, color, national origin, religion, sex, familial status, and disability (protected classes). For this investigation, the City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to investigate discrimination in real estate sales on the basis of race.

A real estate salesperson commits discriminatory sales practices when they take the following actions based on a client's membership in a protected class:

- Refuses to sell after the making of a bona fide offer
- Refuses to negotiate in the sale of a dwelling
- Makes unavailable the sale of a dwelling
- Discriminates in the terms, conditions, or privileges of sale of a dwelling
- Makes, prints, or publishes (or causes to be made, printed, or published), any notice, statement, or advertisement, with respect to the sale of a dwelling that indicates and preference, limitation, or discrimination.
- Falsely represents availability of sale of a dwelling

Currently, and during the time of this investigation, most of the United States and in the City of Battle Creek, real estate sales are at a peak. Therefore, overall access to available dwellings, regardless of race, is very low in comparison to the previous 10 years.

Methodology of Investigation - For each test, two testers were assigned, one Black tester, one White tester. Both testers were assigned to visit a real estate agent and gather information and evidence on the service, treatment, and access to available dwellings. The purpose of these paired tests was to determine whether comparably qualified Black and White prospective real estate sales consumers receive the same information, service, treatment, and access to available dwellings.

Both Black and White tester profiles were composed of two gainfully employed individuals. Both Black and White tester profiles included employment at Battle Creek's major companies, and positions that pay at or above median income for the area. Both Black and White testers were pre approved with a lending institution for a home purchase. Both Black and White testers are looking to purchase a home in Battle Creek. Both testers were looking for the same type of home, with the same amount of bedrooms. In fact, the only difference between the Black and White tester profiles is the Black tester was prequalified for a higher amount.

Structuring the investigation in such a way is meant to rule out potential discrimination on the basis of a client's qualifications. If real estate salespersons consider only testers' specified preferences and indications, of home description and pre approval amount, then Black testers should receive more access to available dwellings.

Table of Analysis - In the following table, the nineteen separate agents investigated are analyzed. Two agents were omitted due to test error. Agents are labeled as 1, 2, 3...and so on, in an effort to maintain anonymity. The table outlines the differences of service, treatment, and access to available dwellings experienced by Black and White testers. For some tests, testers followed up with agents requesting additional options.

Note: for all agencies, testers met with the same agent; automated daily listing updates provided by agents are NOT included in available dwelling analysis--only recommended dwellings are included.

Service, Treatment, and Access	
Agent	Summary of Differences
1	<ul style="list-style-type: none"> ● Agent joked to only the Black tester that the neighbors might call the police on his kind. ● Agent commented only to Black tester that Kalamazoo has more things to do for millenials. ● Agent offered to send only the Black tester additional listings via email. ● Agent sent Black tester over 67 emails, including daily listing updates. ● Agent sent White tester 8 emails, one with listings.
2	<ul style="list-style-type: none"> ● Agent told only the White tester about a one year home warranty for \$55
3	<ul style="list-style-type: none"> ● Agent only asked White tester if he is working with a realtor. ● Agent only told White tester the school district.
4	<ul style="list-style-type: none"> ● Agent offered a better description of the home and its features to Black tester. ● Agent asked only the Black tester if he has a family. ● Agent invited only the Black tester to contact her if he would like to see anything else.
5	<ul style="list-style-type: none"> ● No notable differences determined.
6	<ul style="list-style-type: none"> ● Agent told only the White tester that the home price has been reduced. ● 15 listings were sent to Black tester, located in Zip Codes: 49015 (10), 49017 (3), and 49014 (2). ● 14 listings were sent to White tester, located in Zip Codes: 49015 (9), 49017 (3), and 49014 (2). ● Agent sent Black and White testers 10 similar listings located in Zip Codes: 49015 (7), 49017 (2), and 49014.
7	<ul style="list-style-type: none"> ● Agent commented to Black tester that another person came through with a similar car, and the only difference is you're Black and he's White. ● Agent told White tester that the home is in a good neighborhood, and that the preferred schools are Lakeview and Harper Creek. ● Agent told Black tester that he can show him the pros and cons of different school districts.

	<ul style="list-style-type: none"> ● Agent told White tester that where you live doesn't matter when it comes to schools, because of school of choice. ● Agent told Black tester that people like to choose where they live based on which school district they prefer, but that he is unbiased.
8	<ul style="list-style-type: none"> ● Agent asked only the Black tester his preferred neighborhood. ● Agent asked only the White tester his preferred schools. ● Agent asked Black tester if he likes the location. ● Agent asked White tester if he likes the home. ● Agent sent Black tester 79 listings. Later, agent emailed tester and recommended 3 listings in Zip Code 49014. ● Agent sent White tester 92 listings. Later, agent recommended 3 specific listings in "good school districts" and in Zip Codes 49014 and 49015. ● 12 listings were sent to Black tester only, and 3 of 12 listings were out of the price range of the White tester. Black tester only listings are located in Zip Codes: 49017 (3), 49068 (3), 49033, 49015 (3), 49014 (2). ● 18 listings were sent to White tester only and all listings were within the price range of the Black tester. White tester only listings are located in Zip Codes: 49015 (2), 49017 (6), 49029, 49015, 49014, 49037 (2), 49068 (4), 49245. ● 67 listings were sent to both Black and White testers. Both Black and White tester listings are located in Zip Codes: 49014 (14), 49015 (12), 49017 (15), 49021, 49029, 49033, 49037 (3), 49051, 49052, 49068 (9), 49092, 49224 (6), 49245 (2).
9	<ul style="list-style-type: none"> ● Agent only asked Black tester his price range. ● Agent only offered Black tester to bring his wife back to tour. ● Agent only asked Black tester where he is approved and if it is a conventional or FHA loan. ● Agent only told White tester he has additional listings available. ● On three separate occasions, agent sent Black tester <ul style="list-style-type: none"> ○ 6 listings located in Zip Codes: 49017, 49015, 49014. ○ 1 listing located in Zip Code: 49017 ○ 1 listing located in Zip Code: 49015 ● On three separate occasions, agent sent White tester <ul style="list-style-type: none"> ○ 6 listings located in Zip Codes: 49017, 49015, 49245, 49068. ○ 5 listings located in Zip Codes: 49245, 49033, 49017, 49068. ○ 3 listings located in Zip Codes: 49037, 49068, 49015. ● Agent sent both Black and White testers 6 of the same listings, located in Zip Codes: 49017 (3), 49015 (2), and 49014
10	<ul style="list-style-type: none"> ● 17 listings were sent to Black tester, located in Zip Codes: 49015 (9), 49014 (5), 49017 (2), and 49033. . ● 22 listings were sent to White tester, located in Zip Codes: 49015 (10), 49014 (8), 49017 (3), and 49033.

	<ul style="list-style-type: none"> ● Agent sent both Black and White testers 14 of the same listings, located in Zip Codes: 49015 (7), 49017 (2), 49033, 49014 (4). ● 2 out of 3 of listings sent to Black tester only were out of the price range of both Black and White tester.
11	<ul style="list-style-type: none"> ● Agent only asked Black tester where he is from. ● Agent only asked White tester where he is looking. ● Agent only asked Black tester if it will be a permanent or summer home. ● Agent sent Black tester 30 listings located in Zip Codes: 49015 (8), 49012, 49017 (11), 49014 (7), 49037 (3). ● Agent sent White tester 1 listing located in Zip Code 49017. ● Agent sent 1 similar listing to both Black and White tester located in Zip Code 49017.
12	<ul style="list-style-type: none"> ● Agent showed only the Black tester an information sheet explaining the home buying process. ● Agent only asked White tester if he is currently renting. ● Agent sent Black tester 17 listings located in Zip Codes: 49015 (11), 49014 (5), and 49029. ● Agent sent White tester 58 listings located in Zip Codes 49014 (13), 49015 (17), 49017 (22), 49037 (6). ● Agent sent 12 similar listings to both Black and White testers located in Zip Codes: 49014 (4) and 49015 (8).
13	<ul style="list-style-type: none"> ● Agent told only the Black tester that the house will be inspected. ● Agent asked only the Black tester what his current situation is, and if he is looking for a home. ● Agent told White tester only that the previous occupants were in a land contract. ● Agent asked only the white tester where he is from. ● Agent sent Black tester 32 listings located in Zip Codes: 49014 (6), 49015 (9), 49017 (11), 49012 (5), 49037. ● Agent sent White tester 43 listings located in Zip Codes 49014 (11), 49015 (12), 49017 (12), 49012 (4), 49037 (2), 49033. ● Agent sent 26 similar listings to both Black and White testers located in Zip Codes: 49014 (5), 49015 (7), 49017 (9), 49012 (4), 49037.
14	<ul style="list-style-type: none"> ● Black tester scheduled a tour to see the property of interest, but agent did not show up. ● White tester tried scheduling a tour to see property of interest, but agent did not return phone calls.
15	<ul style="list-style-type: none"> ● Agent only asked Black tester if they are pre approved. ● Agent only asked Black tester if this is the first home they have viewed. ● Agent only asked Black tester who will be living in the home. ● Agent only asked White tester if they have children. ● Agent only asked White tester if they are first time home buyers.

	<ul style="list-style-type: none"> ● Agent only offered White tester services to be a buyer's agent. ● Agent sent Black tester 101 listings located in Zip Codes: 49014 (29), 49015 (42), 49017 (26), 49037 (3), and 49051. ● Agent sent White tester 49 listings located in Zip Codes: 49014 (15), 49015 (20), 49017 (12), 49037 (2). ● Agent sent Black and White tester 47 similar listings located in Zip Codes: 49015 (20), 49014 (15), 49017 (11), and 49037.
16	<ul style="list-style-type: none"> ● Agent only asked Black tester where she is from. ● Agent only asked Black tester if she has a house to sell. ● Agent only offered to re-show the house to Black tester. ● Agent only asked White tester how many children she has. ● Agent only asked White tester how long she has been looking. ● Agent emailed both Black and White tester the same 12 listings located in Zip Codes: 49015 (8), 49014 (3), 49051.
17	<ul style="list-style-type: none"> ● Agent only asked Black tester where her husband works. ● Agent only asked Black tester if she has looked at other homes. ● Agent only asked Black tester her price range and desired number of bedrooms. ● Agent only asked Black tester if she has children. ● Agent only told White tester about the lower taxes of the area. ● Agent only asked White tester her household size. ● Agent sent Black tester 147 listings. ● Agent sent White tester 135 listings. ● This agent plugged in both tester's search criteria and and the same bottom line. Black tester was pre-approved for \$8,000 more than White tester, which is why agent's automated search returned 12 more listings for Black tester.
18	Black and White testers scheduled an appointment with agent to see property of interest. Agent cancelled appointments for both Black and White testers.
19	<ul style="list-style-type: none"> ● Agent discussed with only the Black tester what repairs buyers they should be concerned about when buying a home. ● Agent sent both Black and White tester the same listings.

Comments on Service & Treatment

- Where follow up was requested, agents followed up with both Black and White testers 100% of the time.
- Where follow up was not requested, agents who followed up with Black testers also followed up with White testers, and vice-versa.
- 3 agents offered their business and additional services to Black testers that they did not offer to White testers, while 3 agents offered their business and additional services to White testers that they did not offer to Black testers.
- 2 agents made comments about race to only the Black testers.
- 2 agents asked only the Black testers if they are pre-approved.
- 3 agents only told White testers about perks or ability to negotiate
- 2 agents only discussed preferred school districts with White testers.

Comments on Access to Dwellings & Steering

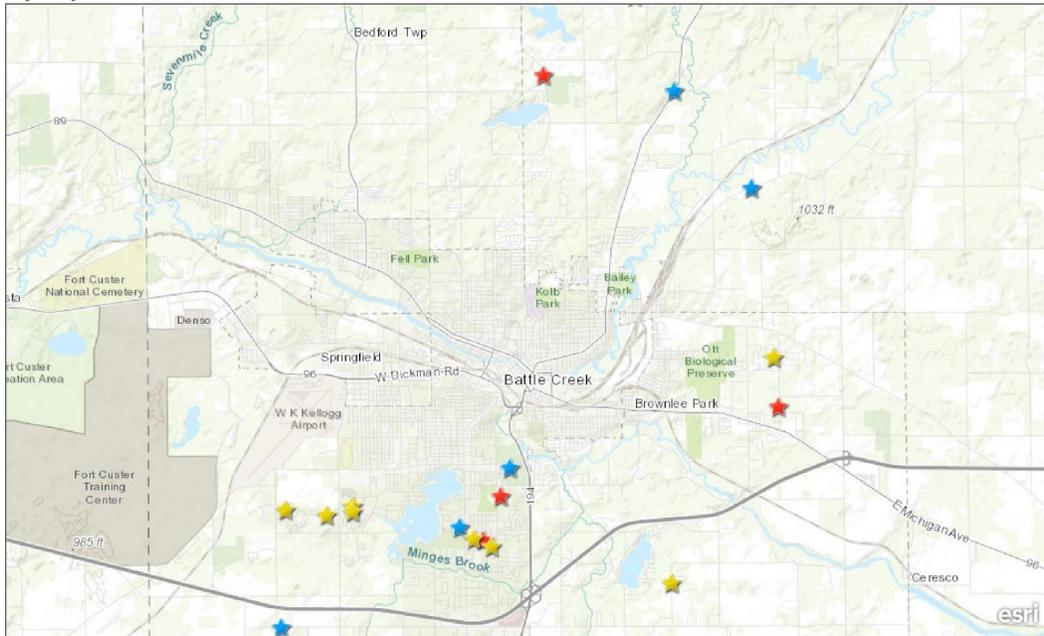
- 1 agent commented to only the Black tester that Kalamazoo has more things to do
- 2 agents recommended good school districts to only the White testers
- Cumulatively (not considering automated daily listing updates), Black testers were provided 460 additional listings
- Cumulatively (not considering automated daily listing updates), White testers were provided 433 additional listings
- Black testers received 185 unduplicated listings
- White testers received 173 unduplicated listings
- The most duplicated (most likely) listings recommended to Black testers were¹:
 - 1139 E Michigan Avenue, Battle Creek, MI 49014
 - 114 N Moorland Drive, Battle Creek, MI 49015
 - 214 Briar Hill Drive, Battle Creek, MI 49015
- The most duplicated (most likely) listings recommended to White testers were²:
 - 143 Lakeshire, Battle Creek, MI 49015
 - 23501 Church Road, Battle Creek, MI 49017

¹ Where Black tester was recommended listing 5 or more times, and White tester less 3 or less

² Where White tester was recommended listing 4 or more times and White tester 2 or less

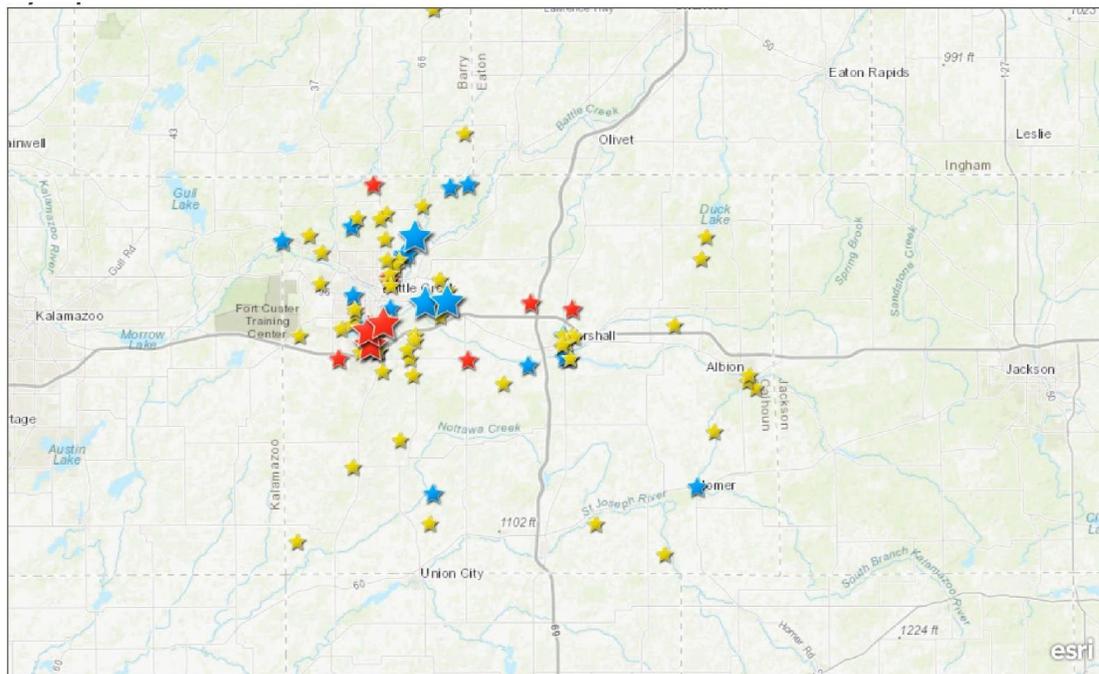
Case by Case Maps of Differences - Real Estate Sales

#6 [k1800160KL]

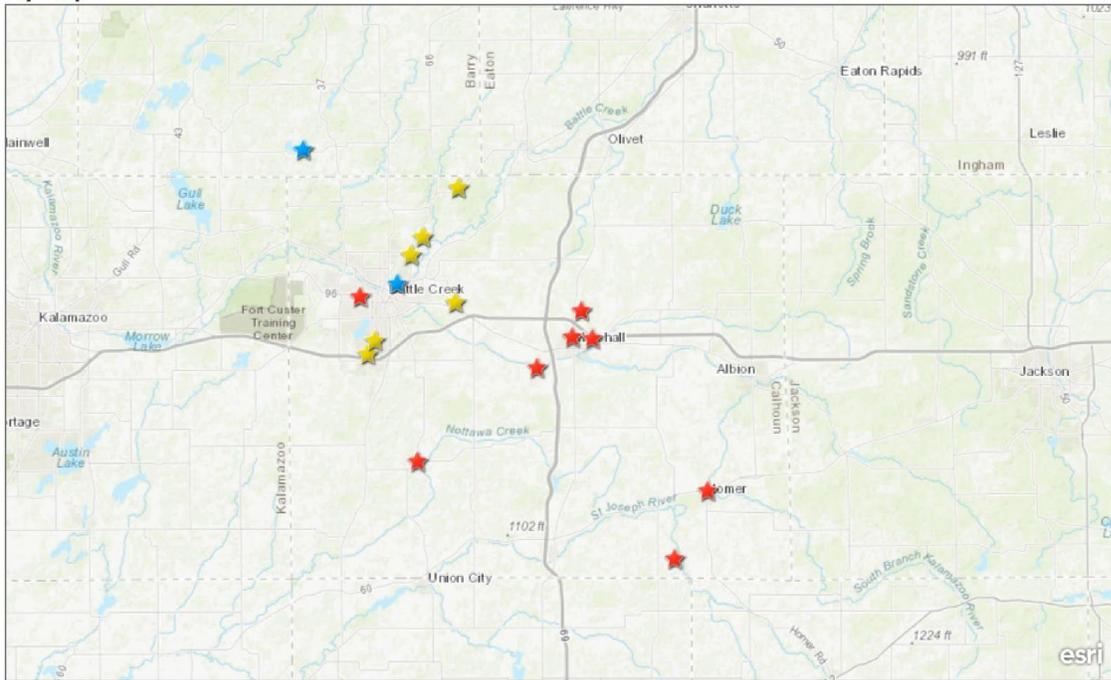


Blue Star - Black Listings; Red Star - White Listings; Yellow Star - Similar Listings [Larger Stars = Recommended]

#8 [k1800160ST]

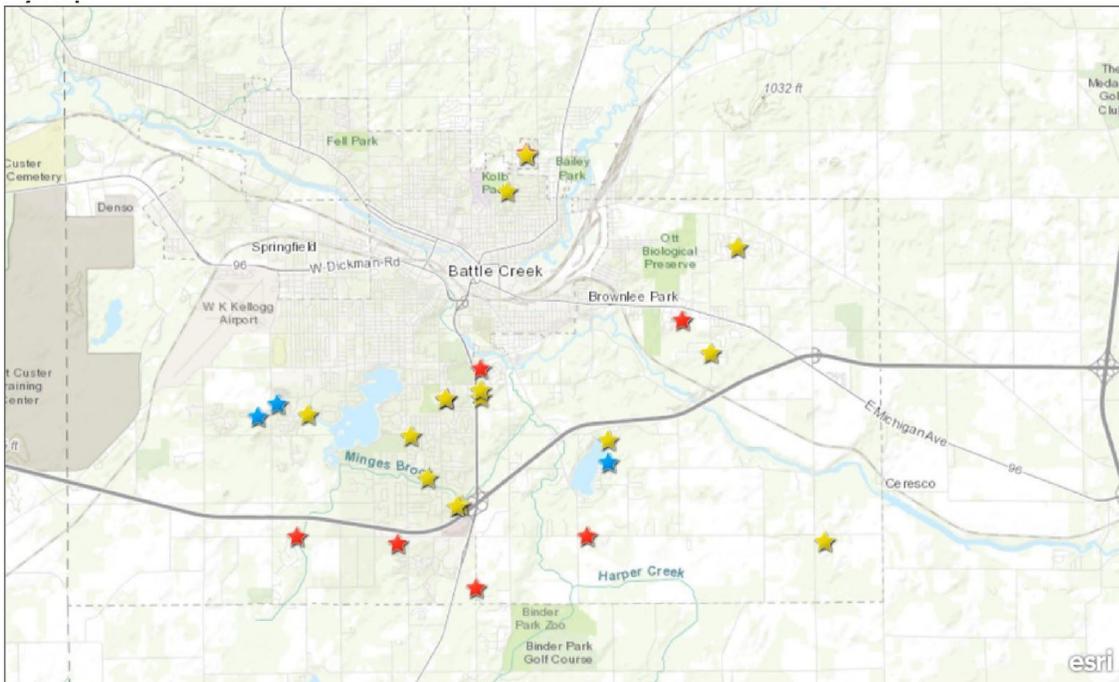


#9 [k1800160UV]

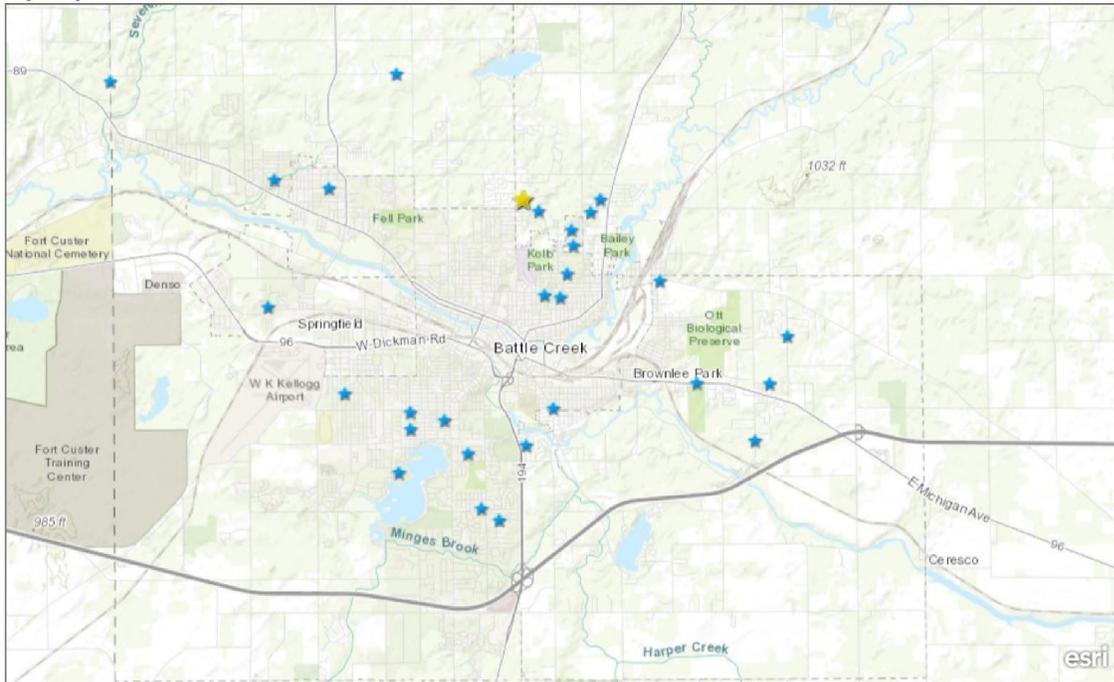


Blue Star - Black Listings; Red Star - White Listings; Yellow Star - Similar Listings

#10 [k1800160WX]

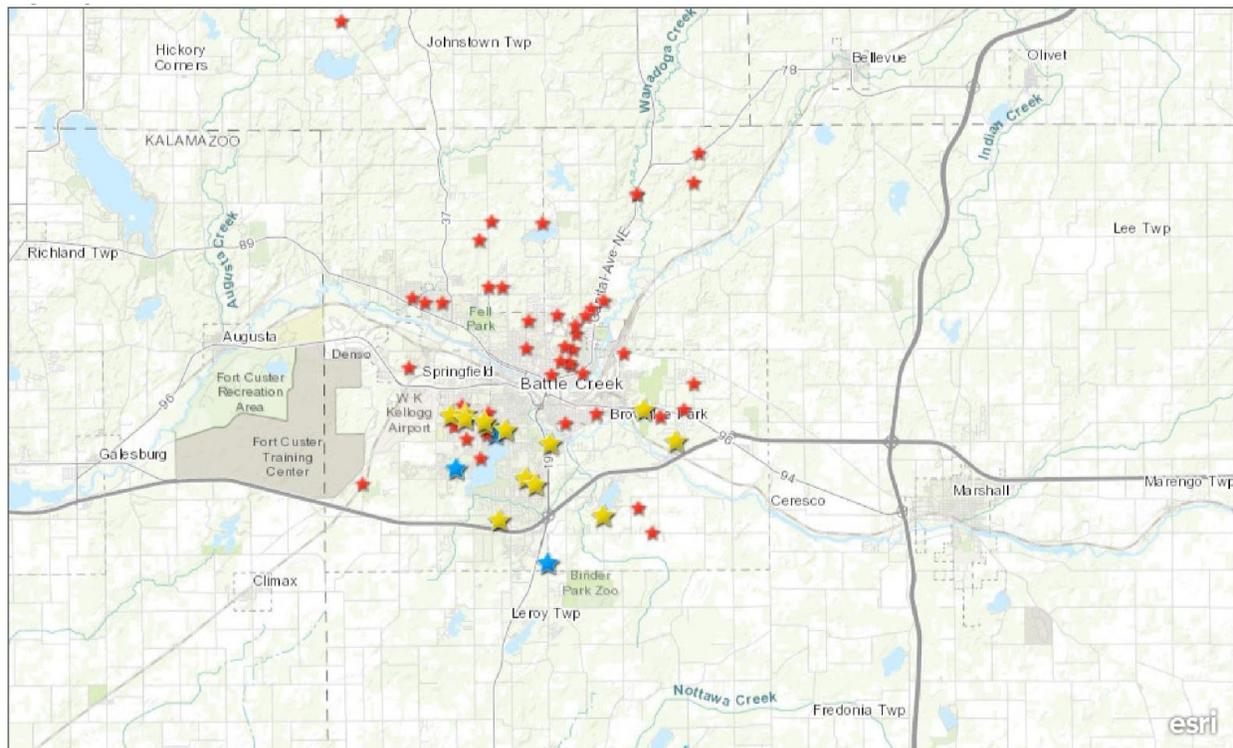


#11 [k1800160YZ]

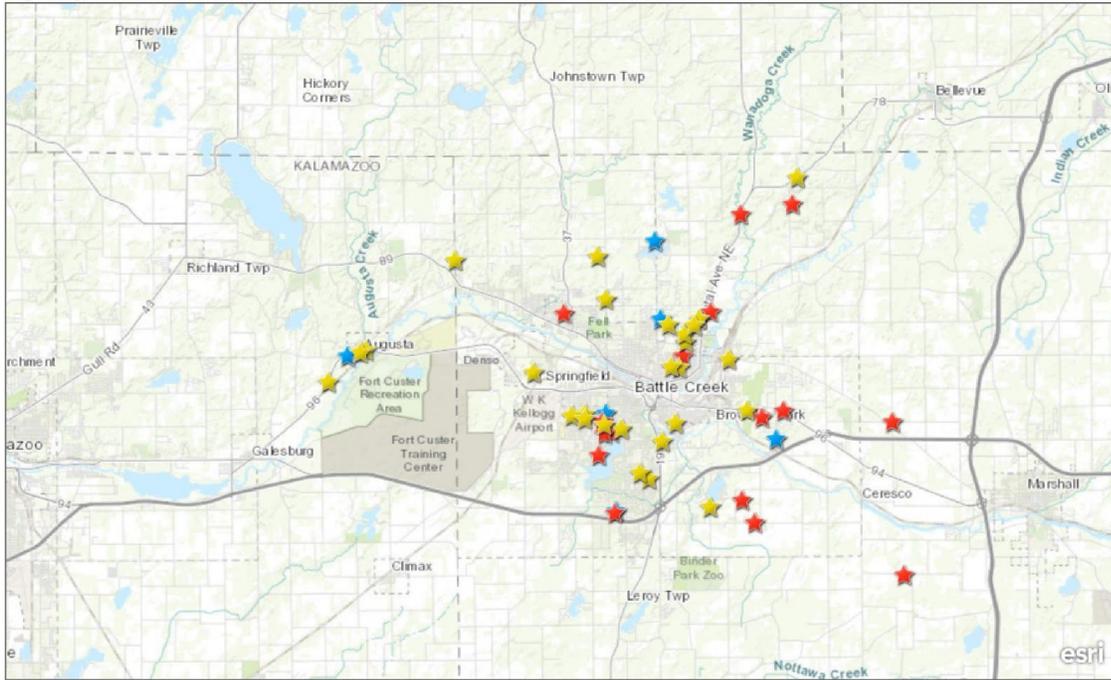


Blue Star - Black Listings; Red Star - White Listings; Yellow Star - Similar Listings

#12 [k1800160AABB]

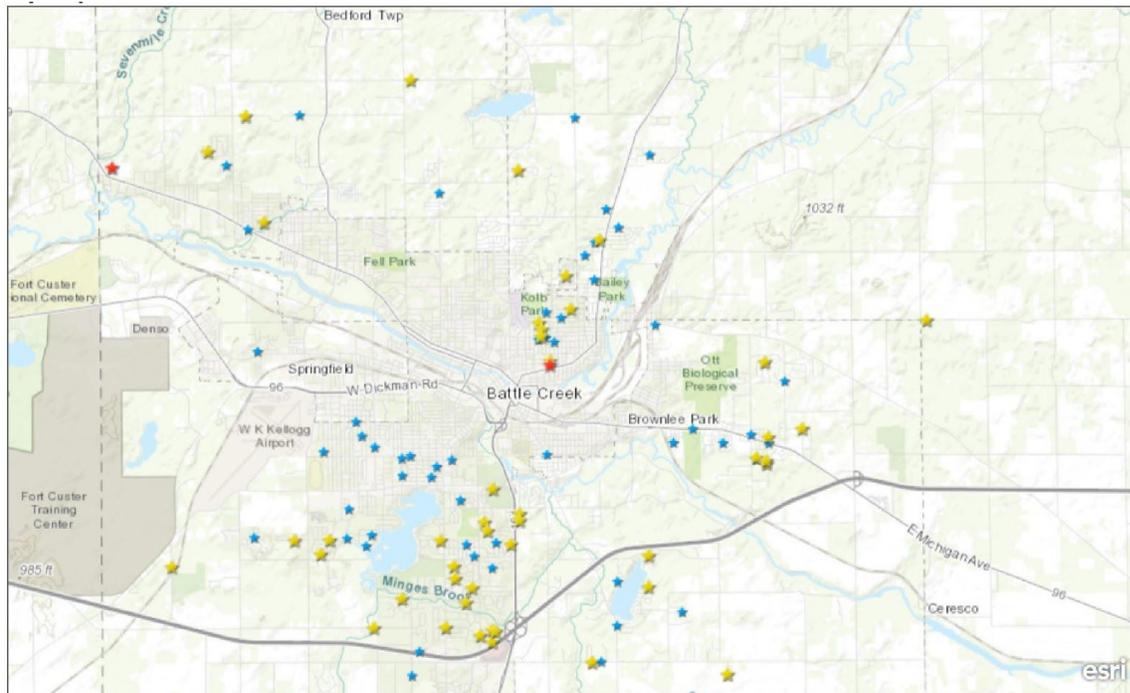


#13 [k1800160CCDD]



Blue Star - Black Listings; Red Star - White Listings; Yellow Star - Similar Listings

#15 [k1800160GGHH]



Real Estate Sales and Race Discrimination Investigation - Then and Now

During the 2015-2016 program year, the City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to conduct a systemic investigation based on real estate sales and race discrimination. In response to the findings from 2015-2016 investigation, the City and its Human Relations Board took proactive strategies to educate both residents and real estate agents of their community. Thus, by the 2018, it is hoped that the information gathered in the real estate sales investigation shows positive changes when compared to the results of 2015-2016.

The following table outlines differences in both methodology employed and findings of the investigations conducted in 2015-2016 and 2018.

Consideration	2015-2016 Investigation	2018 Investigation
Timing & Number of Test Parts	9 month investigation - 38 test parts	4 month investigation - 42 test parts
Housing Market Differences & What it Means for Testing Methodology (Sources: Michigan Realtors & Testing Evidence)	<p>During this investigation, the average number of homes sold per month was 118</p> <p>More listings available to buyers</p> <p>On average, listings stayed on market for longer period of time.</p> <p>Methodology: test parts and follow up contact could be spread out, because most listings lasted longer on the market.</p>	<p>During this investigation, the average number of homes sold per month was 147</p> <p>A “seller’s market”: More buyers than listings³</p> <p>On average, listings stayed on market for shorter period of time.</p> <p>Methodology: test parts and follow up conducted within 24 hours of each other, because most listings did not last long on the market.</p>
Follow up Contact	<p>When follow up was not requested, agents were 2 times more likely to check-in with White testers.</p> <p>Methodology: In some tests, testers were instructed to request follow up information upon their initial meeting.</p>	<p>When follow up was not requested, agents were equally likely to follow up with Black and White testers.</p> <p>Methodology: Testers were not instructed to request follow up information upon their initial meeting.</p>
Pre approval	Agents were 3 times more likely to request	Agents were 2 times more likely to ask about

3

<https://www.battlecreekenquirer.com/story/news/local/2018/06/11/sell-house-battle-creek-sellers-market-real-estate-home-values-prices-recession-preapproved-realtor/686280002/>

	pre approval letter from Black testers.	pre approval with Black testers.
Steering	Agents were 3.9 times more likely to discuss neighborhoods or recommend “good” school districts to White testers.	Agents were 2 times more likely provide recommendations of homes in “good” school district to White testers.
Assumption of Needs & Price Range	Agents were 2 times more likely to falsely assume a lower price range for Black testers.	Agents did not make assumptions about Black or White testers’ price ranges.
Listings Provided	In total, White testers received more listings than Black testers. White testers received 1.78 times more listings.	In total, Black testers received more listings than White testers. ⁴ Black testers received 1.06 times more listings.

⁴ Automated daily listing updates not analyzed where no differences were determined.

Rental Housing Investigation

Background - The Fair Housing Act prohibits discrimination in the sale, rental, and financing of residential dwellings, and in other residential real estate related transactions, based on race, color, national origin, religion, sex, familial status, and disability (protected classes). For this investigation, the City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to investigate discrimination in rental housing on the basis of sex.

A rental housing agent commits discriminatory sales practices when they take the following actions based on a client's membership in a protected class:

- Refuses to rent after the making of a bona fide offer
- Refuses to negotiate in the rental of a dwelling
- Makes unavailable the rental of a dwelling
- Discriminates in the terms, conditions, or privileges of rental of a dwelling
- Makes, prints, or publishes (or causes to be made, printed, or published), any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates and preference, limitation, or discrimination.
- Falsely represents availability of rental of a dwelling

Methodology of Investigation - For each test, two testers were assigned, one female tester, one male tester. Both testers were assigned to call a rental housing agent and gather information and evidence on the service, treatment, and access to available dwellings. The purpose of these paired tests was to determine whether comparably qualified female and male prospective renters receive the same information, service, treatment, and access to available dwellings.

Both female and male tester profiles were composed of two employed individuals. Tester profiles were altered according to the targeted advertised unit, but matched in income and household size for each test. Both female and male tester profiles were assigned with no criminal histories, no pets, positive landlord references, no evictions, and good credit. Both testers were assigned to ask if a unit was available and ask if additional units were available. There were no differences between tester profiles aside from their perceived sex.

Structuring the investigation in such a way is meant to rule out potential discrimination on the basis of a client's sex. If rental housing agents only consider only testers' specified preferences and indications, the female and male testers should receive the same service, treatment, and access to available rental dwellings.

Table of Analysis - In the following table, the fifteen separate agents investigated are analyzed. Agents are labeled as A, B, C...and so on, in an effort to maintain anonymity. The table outlines the differences of service, treatment, and access to available dwellings experienced by female and male testers.

Note: for all agencies, testers contacted the same agent.

Agent	Summary of Differences
A	<ul style="list-style-type: none"> ● Agent only asked female tester if she is employed. ● Agent only asked female tester how many are in her family. ● Agent told female tester they have a 2 bedroom and a 1 bedroom option available now. ● Agent only invited female tester to drive by the unit. ● Agent told male tester they have a 2 bedroom available now.
B	<ul style="list-style-type: none"> ● Agent only told female tester about the recent upgrades to the apartment. ● Agent only asked female tester where she works. ● Agent only asked female tester if her job is going well. ● Agent only told male tester that only one person can live in the unit.
C	<ul style="list-style-type: none"> ● Agent told female tester about 3 available units ● Agent told male tester about 4 available units ● Agent only asked male tester about his rental budget ● Agent told female tester to call early in the morning to schedule a tour ● Agent invited male tester to drive by the properties to check them out
D	<ul style="list-style-type: none"> ● Agent left a message for female tester saying the unit is available and they are taking applications ● Agent left a message for male tester inviting him to call back about the property
E	<ul style="list-style-type: none"> ● Agent told female tester that the unit is available and told her how to apply. ● Agent told male tester the unit is no longer available. Agent did not tell tester of additional units available.
F	<ul style="list-style-type: none"> ● Agent only told female tester about possibility of more units opening up due to multiple evictions. ● Agent only told male tester that he would not offer a tour without first running a “check” ● Agent only told male tester about a 3 bedroom house coming available ● Agent told female tester about an available 1 bedroom ● Agent told male tester about an available 1 and 3 bedroom
G	<ul style="list-style-type: none"> ● Female tester could not reach housing agent. ● Male tester reached housing agent and they set up a time to tour. Agent asked tester to call before the tour to confirm. Tester called but agent did not answer.
H	Both testers could not reach an agent.

I	<ul style="list-style-type: none"> ● Agent only asked male tester if he has kids. ● Agent described the property in detail to only male tester. ● Agent invited female tester to a tour without any discussion.
J	<ul style="list-style-type: none"> ● Agent took female tester's name and number and said he would call when unit was ready to tour. Agent said they would discuss noise issues during an interview. Agent invited female tester to drive by the property. ● Agent did not return the male tester's message of inquiry.
K	<ul style="list-style-type: none"> ● Agent told female tester only that she can stop by at any time. Agent told tester the door is open. ● Agent did not return the male tester's message of inquiry.
L	<ul style="list-style-type: none"> ● Agent told both testers that the unit was unavailable, but that he will have another opening up soon due to an eviction. ● Agent took only the female tester's name in case he has other properties come available.
M	<ul style="list-style-type: none"> ● Agent told male tester only that they would need to check his ID before scheduling a tour <i>Phone had bad reception when female tester called.</i>
N	Agent did not return the phone message of inquiry from male or female testers.
O	No notable differences determined.

Comments

- Agents were more likely to invite female testers to drive by the property
- Agents were more likely to assess male testers' budget
- Agents were more likely to invite female testers to tour the property
- Agents were more likely to inquire about female testers' employment
- Agents were equally likely to ask male and female testers about their family or number of children
- Cumulatively, male testers were told of 7 available units
- Cumulatively, female testers were told of 8 available units
- Agents were more likely to inform female testers about next steps, eg. how to apply
- Agents were more likely to tell male testers about required background check
- Four agents did not respond to male testers' inquiries
- Three agents did not respond to female testers' inquiries
- Agents were more likely to offer a follow up call when a unit came available with female testers
- One agent told male tester about occupancy standards that are unreasonable

Data Suppression Notes:

Test ID	Summary
k1800160MN	TEST ERROR
k18001700P	TEST ERROR

Charts Key

Real Estate Investigation		Rental Investigation	
Chart ID	Test ID	Chart ID	Test ID
1	k1800160A/B	A	k1800159AB
2	k1800160C/D	B	k1800159CD
3	k1800160E/F	C	k1800159EF
4	k1800160G/H	D	k1800159GH
5	k1800160I/J	E	k1800159IJ
6	k1800160K/L	F	k1800159KL
7	k1800160Q/R	G	k1800159MN
8	k1800160S/T	H	k1800159OP
9	k1800160U/V	I	k1800159QR
10	k1800160W/X	J	k1800159ST
11	k1800160Y/Z	K	k1800159UV
12	k1800160AA/BB	L	k1800159WX
13	k1800160CC/DD	M	k1800159YZ
14	k1800160EE/FF	N	k1800159ABCD
15	k1800160GG/HH	O	k1800159EFGH
16	k1800160II/PP		
17	k1800160JJ/KK		
18	k1800160LL/MM		
19	k1800160NN/OO		