

**Rental Audit  
Dallas – Fort Worth Metroplex  
April 2011**

---

North Texas Fair Housing Center  
8625 King George Drive, Suite 130  
Dallas, TX 75235  
Toll-free: (877) 471-1022  
Fax: (866) 591-0787  
[www.northtexasfairhousing.org](http://www.northtexasfairhousing.org)



## Table of Contents

Foreword	1
North Texas Fair Housing Center	2
Rental Audit Summary	3
Methodology	5
Overview of Testing	5
Training of Testers	5
On-Site Rental Testing	5
Target Area Selection	5
Findings	6
Rate of Race Discrimination: African American	6
Rate of Race Discrimination: Hispanic	6
Rate of Discrimination: Familial Status	6
Types of Differential Treatment in Race and Familial Status Tests	6
Difference in rental amount	7
Difference in information regarding the availability of units	7
Difference in security deposit amounts	7
Difference in move-in specials offered	7
Difference in treatment during the on-site appointment	7
Difference in access to the rental application	8
Difference in treatment before and after on-site visit	8
Steering	8
Examples of Differential Treatment	9
Difference in rental amount	9
Difference in information regarding the availability of units	9
Difference in security deposit amounts	9
Difference in move-in specials offered	10
Difference in treatment during the on-site appointment	10
Difference in access to the rental application	10
Difference in treatment before and after on-site visit	10
Steering	11
Recommendations	12
Fair Housing Law	13

## Foreword

The North Texas Fair Housing Center (NTFHC) conducted this Rental Audit<sup>1</sup> to measure the nature and extent of race and familial status discrimination in the North Texas region. NTFHC used testing to gather information about how African Americans, Hispanics and families with children are being treated in the rental housing marketplace in the Dallas – Fort Worth Metroplex.

Forty-three years ago, Congress passed the Fair Housing Act which protects everyone’s right to live free from housing discrimination. The federal Fair Housing Act was passed with two goals:

- To eliminate housing discrimination, and
- To promote residential integration in neighborhoods across America.

Under the Act, it is illegal to discriminate on the basis of race, color, religion, national origin, gender, disability, or familial status in rental housing, real estate sales, lending, insurance, and any financial or other services related to housing.

Having a safe place to call home is a fundamental building block for attaining a high quality of life. For that reason, housing discrimination, whether based on race, gender or because you are a person with a disability, is probably the most consequential form of discrimination. Without housing it is almost impossible to find a job, get an education, or participate in a community.

Today, the goals of the Fair Housing Act are more important than ever and there still much work to be done.

---

<sup>1</sup> This Rental Audit Report was prepared by Frances Espinoza, Executive Director of the North Texas Fair Housing Center. Invaluable assistance was provided by Diana Terry, Fair Housing Specialist and Nashla Kalifa, Fair Housing Project Assistant of the North Texas Fair Housing Center; Anne Houghtaling, Director of Investigations and Enforcement, Katie Sullivan, Education and Outreach Coordinator, Deidre Swesnik, Director of Public Policy and Communications, and Shanna Smith, President of the National Fair Housing Alliance.

## North Texas Fair Housing Center

The North Texas Fair Housing Center (NTFHC) was established in July 2010 by the National Fair Housing Alliance with a grant from the U.S. Department of Housing and Urban Development. NTFHC's mission is to actively support and promote fair housing through education and advocacy to ensure that all persons have the opportunity to secure the housing they desire and can afford, without discrimination based on their race, color, religion, gender, national origin, familial status, disability or other characteristics protected by law.

NTFHC is a private non-profit organization offering the following services:

- Housing Counseling: NTFHC provides clients with information and materials regarding rights and responsibilities under local, state and federal housing laws.
- Housing Discrimination Complaint Investigation: NTFHC investigates complaints of housing discrimination in rental and sales transactions. NTFHC may conduct testing, survey residents or conduct witness interviews to determine whether or not there is evidence to support a claim of housing discrimination.
- Enforcement: NTFHC strives to enforce the fair housing laws by working with local attorneys and federal, state or local governmental agencies with authority to enforce fair housing laws.
- Education & Outreach: NTFHC develops and distributes written materials that describe the applicable protections against housing discrimination and ways to prevent housing injustice. NTFHC also presents workshops and programs to teach communities about their rights and responsibilities under the fair housing laws.

NTFHC's services are free of charge to residents of the following counties: Collin, Dallas, Delta, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Tarrant, Rockwall and Wise.

## Rental Audit Summary

President Lyndon Johnson signed the Fair Housing Act into law on April 11, 1968. President Ronald Reagan signed the Fair Housing Amendments Act of 1988, which greatly expanded the enforcement powers of HUD and the Department Justice, expanded protections to families with children and people with disabilities and eliminated the cap on punitive damages. Congress intended that housing be available free from illegal discrimination. However, NTFHC's Rental Audit of the Dallas – Fort Worth Metroplex leaves little doubt that we have not achieved equal housing opportunity in our community. The Rental Audit documents, describes, and quantifies discrimination against African Americans, Hispanics and families with children in the Metroplex. The Rental Audit measures the extent of discrimination and reveals how owners and agents discriminate in rental housing.

The Rental Audit illustrates that African Americans who are otherwise qualified can expect to encounter discrimination in 37% of their housing searches in the Metroplex. This means that African Americans will face discrimination in two out of every five housing searches. The Rental Audit also shows that Hispanics can expect to encounter discrimination in 33% of their housing searches in North Texas. This means that Hispanics will experience discrimination at least once in every three housing searches. NTFHC also measured discrimination against families with children in the Metroplex. The results of the Rental Audit show that families with children can expect to experience discrimination in 20%, or one in five, of their housing searches. We recognize that people seeking housing make many inquiries prior signing a lease.

NTFHC's Rental Audit is based on 80 rental tests, or 40 paired tests, conducted throughout the Dallas – Fort Worth Metroplex. Of this number, 30 tests measured race or national origin discrimination and 10 measured familial status discrimination. Of the race and national origin tests, NTFHC conducted 27 tests that measured discrimination against African Americans and 3 tests that measured discrimination against Hispanics. NTFHC conducted 26 tests in Tarrant County, 9 tests in Dallas County, and 5 tests in Collin County. NTFHC conducted tests in the cities of Dallas, Fort Worth, Bedford, Mesquite, Keller, Grapevine, McKinney, Arlington, North Richland Hills, Grand Prairie, Plano and Colleyville.

Testers were paired and assigned to visit apartments or instructed to respond to rental advertisements. Testers were not told what type of test they were conducting and did not learn about the treatment of their counterpart. Testers reported on their experiences and NTFHC staff analyzed their reports for differential treatment.

The types of differential treatment documented in the Rental Audit confirm that discriminatory practices in housing can be quite subtle, making it difficult for home seekers to recognize and report suspicious rental practices or policies. For example, it is rare for a landlord or apartment manager to make direct racially discriminatory statements or to outright refuse to rent to African Americans, Hispanics or people with children. Instead, NTFHC's Rental Audit shows that discrimination based on race occurs through different rental terms and discrimination based on familial status takes the form of steering families with children away from buildings where no

children live. These practices are prohibited under the fair housing laws, even though they do not always amount to an outright denial of housing. Simply charging people a higher security deposit or rent for the same unit because of race will violate the law. Not offering rental incentives to all applicants can also violate the law.

The Rental Audit will greatly assist NTFHC in its efforts to educate the community about how to detect housing discrimination. A HUD awareness study, “How Much Do We Know?”<sup>2</sup> found that many persons who felt they had experienced discrimination did not report it. **According to the study, almost one in every five people who believe they experienced discrimination did not report it.** The results of this study concur with the findings of a 2001 study of segregation in Washington, DC by the George Washington University. That study found that, “Out of the 10.9 percent of blacks who reported that they experienced discrimination within the housing market, **more than 90 percent did not take legal action, and one of the key reasons for not doing so was because they thought that nothing would come of it.**” It is our hope that with greater fair housing awareness, more people will report incidents of housing discrimination.

---

<sup>2</sup> Available at <http://www.huduser.org/portal/publications/fairhsg/hmwk.html>

## Methodology

### Overview of Testing

Testing is an enforcement tool used by virtually every private, non-profit fair housing agency as well as the U.S. Department of Justice. The North Texas Fair Housing Center uses testing to determine whether or not housing professionals engage in discriminatory practices in violation of federal fair housing laws<sup>3</sup>. NTFHC generally conducts these tests at the initial stage of apartment hunting when the applicant first inquires about housing. Testing is designed to hold all variables constant except for one's membership in a protected class. For this study, tests were designed to isolate race and familial status as the only basis for differential treatment.

### Training of Testers

All testers that participated in the Rental Audit received tester training from the North Texas Fair Housing Center and the National Fair Housing Alliance. Testers were required to attend a three hour classroom training session. After the training session, testers were required to conduct a practice test.

### On-Site Rental Testing

NTFHC conducted site visits at advertised apartment to measure how landlords and managers responded to inquiries about renting a unit. A test involves a minority group tester referred to as a "protected tester" and a majority group tester referred to as a "control tester" who both visit the same housing unit for rent. The testers are matched on all relevant characteristics. These characteristics include income, family size, length of employment and other relevant factors. Characteristics are carefully chosen to ensure that the protected tester is a superior applicant to the matching control tester with regard to income, number of years at current employer, etc. The matching of testers is important because it removes any financial or business justifications for rejecting the protected group applicant. So in this audit, the African American and Latino testers were more qualified for the apartment than the White testers.

The testers are trained to carefully listen and later objectively record the details of their experiences on the standardized reporting forms. Testers also write a narrative capturing the details of the investigation. NTFHC designed its tester forms to ensure that each tester reports his or her experience in sufficient detail so a Test Coordinator can identify any differences in treatment/information provided and to determine whether the testers remained "similarly situated" during the test.

### Target Area Selection

NTFHC used demographic data to determine where testing should occur. We conducted race tests in predominately White neighborhoods and familial status tests in neighborhoods that were experiencing gentrification with an influx of single professionals.

---

<sup>3</sup> The courts have repeatedly endorsed testing and recognized the important role that testers play in gathering evidence of discrimination in areas where such evidence is particularly hard to come by. [Havens Realty Corp. v. Coleman](#), 455 U.S. 363 (1982).

## Findings

NTFHC conducted 40 paired tests in the Dallas – Fort Worth Metroplex. Of this number, 27 were African American race tests, 3 were Hispanic race tests, and 10 were familial status tests.

### **Rate of Race Discrimination: African American**

When African Americans respond to an advertisement for a vacancy in rental housing in the Dallas – Fort Worth Metroplex they can expect to encounter discrimination 37% of the time. This means that two out of every five times an African American attempts to apply for an apartment, he or she will encounter some type of illegal housing discrimination.

### **Rate of Race (National Origin) Discrimination: Hispanic**

When Hispanics respond to an advertisement for a vacancy in rental housing in the Dallas – Fort Worth Metroplex they can expect to encounter discrimination 33% of the time. This means that one of every three times a Hispanic attempts to apply for an apartment, he or she will experience illegal housing discrimination.

### **Rate of Discrimination: Familial Status**

When a family with children responds to an advertisement for a vacancy in rental housing in the Metroplex, they can expect to experience housing discrimination 20% of the time. This means a family will face illegal housing discrimination in one out of every five times they attempt to apply for an apartment.

## Types of Differential Treatment in Race and Familial Status Tests

The Rental Audit illustrates the way in which housing discrimination is being practiced in the Dallas – Fort Worth Metroplex. The differential treatment observed was broken down into eight categories, which are defined below. In cases where multiple forms of discrimination occurred in the same test, all types of discrimination were recorded.

In rental tests where evidence of discrimination against African Americans and Hispanics was found:

- 55% involved differences in rental amounts
- 64% involved difference in information regarding the availability of units
- 27% involved differences in security deposit amounts
- 36% involved differences in move-in specials offered
- 18% involved differences in treatment during the on-site appointment
- 9% involved differences in access to rental applications
- 27% involved differences in treatment before and after the on-site visit, and

- 9% involved steering.<sup>4</sup>

In tests where evidence of discrimination against families with children was found:

- 50% involved differences in rental amounts
- 50% involved difference in information regarding the availability of units
- 50% involved differences in security deposit amounts
- 100% involved differences in treatment during the on-site appointment, and
- 50% involved steering.

**1. Difference in rental amount**

Agents quoted different monthly rental amounts to African American testers as compared to White testers. In these instances the exact same unit was offered to each tester. Hispanic testers were also offered monthly rental amounts that exceeded what their White counterparts were offered. In familial status tests, agents quoted higher monthly rental amounts to testers with children when compared to their counterparts without children.

**2. Difference in information regarding the availability of units**

This form of differential treatment occurred when an agent told a White tester about one of more available units, but told an African American or Hispanic tester that no units or fewer units were available. Also, rental agents told White testers that units would be available much sooner than they would be for African American and Hispanic testers.

**3. Difference in security deposit amount**

Rental agents offered different security deposit amounts to African American and Hispanic testers when compared to their White counterparts. Sometimes this took the form of an offer to apply a portion of the security deposit to the first month's rent. In familial status tests, the leasing agents offered lower security deposit amounts to testers with no children as compared to testers with children.

**4. Difference in move-in specials offered**

Rental agents offered move-in specials to White testers that were not offered to African American and Hispanic testers. This took the form of offers to White testers of two weeks to one month free rent.

**5. Difference in treatment during the on-site appointment**

There were subtle differences in the way African American testers were treated during the site visit as compared to White testers. This took the form of a leasing agent

---

<sup>4</sup> The term "steering" refers to the illegal practice of rental or real estate agents only showing certain groups properties located in specific areas. An example is a rental agent who steers families with children away from buildings where no children live so that a "quiet environment" can be maintained.

showing more amenities to a White tester and spending more time with the White tester during a tour of the apartment building. The leasing agent also made positive and encouraging statements to the White testers that were not made to African American testers. In familial status tests, agents made negative comments to testers with children as compared to testers with no children. For example, telling a family with children that there are no places for children to play in or near an apartment building.

**6. Difference in access to the rental application**

Leasing agents offered rental applications to White testers as compared to African American testers who had to ask for applications at the end of the visit because no application was offered.

**7. Difference in treatment before and after on-site visit**

This took the form of leasing agents emailing White testers before their visit with helpful information including driving directions to the apartment building. Leasing agents also sent follow-up emails to White testers that were not sent to African American testers. Both White and African American testers left their email addresses with the leasing agents. In one situation, the leasing agent invited the White tester to an event at the apartment building and did not mention the event to the Hispanic tester.

**8. Steering**

In some instances African American testers were steered to certain sections of an apartment building. African American and White testers would visit the same building but were shown units in different sections of a building. In familial status tests, families with children were steered to entirely different buildings run by the same leasing company as compared to testers without children.

## Examples of Differential Treatment

### 1. Difference in rental amount

- An African American and a White tester were shown the exact same 807 square foot unit. The agent told the White tester that the rent was \$908 per month and she told the African American tester the monthly rent was \$990, a rental amount 9% higher.
- A rental agent offered a 3-bedroom unit to a White tester at \$1,375 per month. Just prior to the White tester's visit, the agent had offered the same unit to the Hispanic tester at \$1,495 per month. Within an hour of the Hispanic tester's visit, the rental amount for the unit dropped \$120 for the White tester.
- A tester with children visited an apartment building and inquired about a 2-bedroom unit. The agent offered the unit at \$885 per month. Approximately one hour later, a tester without children inquired about the same 2-bedroom unit and was offered a rent of \$775 per month for the unit--\$110 per month difference

### 2. Difference in information regarding the availability of units

- An African American tester visited an apartment building and was told by the leasing agent, "unfortunately I don't have anything for you to see right now." About an hour later that same leasing agent showed the White tester a furnished model unit.
- An African American tester visited an apartment building and asked about available 1-bedroom units. He was told that only one 1-bedroom unit was available. The White tester was told that there were three 1-bedroom units available that he could see right away.
- A Hispanic tester visited an apartment building and asked about available 3-bedroom units. The leasing agent told the Hispanic tester that there were no 3-bedroom units currently available but there would be one available in a month. When the White tester visited the building that same day, she was told that two 3-bedroom units would be available for rent the following week.

### 3. Difference in security deposit amount

- The White tester was told that if she donated \$25 to the National Kidney Foundation, the \$125 security deposit would be waived. The leasing agent told the African American tester about the \$125 security deposit but did not offer the same deal of waiving the security deposit if she made a donation to the National Kidney Foundation.
- Both the Hispanic and White testers were told that the security deposit was \$375. The leasing agent told the White tester that she would credit \$300 of this amount towards

the first month's rent. The leasing agent did not tell the Hispanic tester that any of her deposit would be credited towards the first month's rent.

- In a familial status test, the leasing agent told the tester without children that the security deposit was \$100. The leasing agent told the tester with children that the deposit was \$200.

#### **4. Difference in move-in specials offered**

- An African American tester was told that the security deposit for a 2-bedroom unit was \$199 and for a 2-bedroom unit it was \$299. The White tester was told that there was a move in special that the security deposit would be waived and \$199 would cover the first month's rent.
- A Hispanic tester was told that there was a move-in special that the first two weeks of rent were free. The leasing agent told the White tester that the move-in special was that the first month's rent was free.

#### **5. Difference in treatment during the on-site appointment**

- A White tester was given a tour of the apartment building during her on-site visit and the leasing agent showed her the gym, the pool and the playground. The leasing agent did not give a tour nor show any amenities to the African American tester.
- A tester with children was told by the leasing agent during her site visit that there was no tolerance for police calls to the apartment building. The leasing agent also asked the tester with children if she had a bad rental history. The leasing agent did not mention police calls nor ask the tester without children if she had a bad rental history.

#### **6. Difference in access to the rental application**

- A White tester was offered a rental application at the end of her on-site appointment with the leasing agent. The African American tester was not offered an application.

#### **7. Difference in treatment before and after on-site visit**

- A White tester and an African American tester made appointments to meet the leasing agent at an apartment building. At the time they scheduled their appointments, they both gave the leasing agent their email addresses. Before the test, the White tester received an email from the leasing agent that thanked her for her interest and gave her driving directions to the building. The African American tester did not receive an email before her appointment. After the appointments, the White tester received a follow-up email that included an application, a list of community features and a coupon that her

deposit would be waived with good credit. The African American tester did not receive a follow-up email.

- A White tester and a Hispanic tester visited an apartment building to inquire about available units. At the end of the White tester's visit, the leasing agent invited her to a "cook-out" that the leasing office was giving for the tenants during the upcoming weekend. The leasing agent did not mention the cook-out or extend an invitation to the Hispanic tester.

## **8. Steering**

- An African American and a White tester visited a large apartment development that is divided into two distinct communities, one called the estates and one called the vistas. The African American tester was only shown units in the vistas and the White tester was only shown units in the estates. A subsequent test showed the same results.
- A leasing company runs two apartment buildings located within a few miles of each other. Both the tester with children and the tester without children visited building #1. The leasing agent showed both testers available units. But the leasing agent did not give the tester without children an application for building #1 and instead referred him to building #2.

## Recommendations

Based on the findings in the Rental Audit, the North Texas Fair Housing Center and the National Fair Housing Alliance make the following recommendations.

1. Before the formation of the North Texas Fair Housing Center in July 2010, the Dallas – Fort Worth Metroplex was the largest metropolitan area in the United States that did not have a private, non-profit fair housing organization. What sets private non-profit fair housing organizations apart from state and local governments is that they conduct testing which is the most effective and compelling corroborative evidence to validate or dismiss a complaint of discrimination. The federal government should continue funding fair housing organizations to strengthen fair housing enforcement. Recipients of Community Development Block grants have a duty to affirmatively further fair housing and providing financial support for testing and education to NTFHC would be an accepted use of CDBG funds.
2. Community groups, social service organizations and state and local government officials should incorporate fair housing goals into their education and outreach efforts so that barriers to fair housing can be addressed.
3. To prevent future incidents of housing discrimination, the housing industry should work with private and public fair housing organizations to educate agents, owners, and managers of apartment complexes. Some housing providers actually conduct self-testing to identify problems and correct behavior so complaints are not filed.
4. The media should work with public and private fair housing organizations to educate advertisers to prevent advertisements that convey, sometimes in a subtle way, an illegal preference for certain groups.
5. State and city governments fair housing offices should work collaboratively with NTFHC to promote fair housing and engage in joint fair housing education campaigns.
6. The real estate industry should undertake affirmative efforts to promote compliance with the fair housing laws and use the self-testing model of the Michigan Association of Realtors

## **The Fair Housing Law**

### **Who is protected by the Fair Housing Laws?**

Fair Housing Act (1968)

- Race
- Color
- Religion
- National Origin
- Sex: Gender or Sexual Harassment (1974)
- Familial Status (1988)
- Disability: Physical and Mental (1988)

Discrimination based on sexual orientation is prohibited in the cities of Dallas and Fort Worth. Fort Worth's local ordinances also protect people from discrimination based on gender identity and expression.

### **What is unlawful under the Fair Housing Laws?**

- Refusal to Rent, Sell or Lease a Dwelling
- Illegal Questions
- Lying about the Availability of a Dwelling
- Differential Treatment
- Different Terms
- Statements of Preference
  - Verbal Statements
  - Advertisements
- Steering