



2024-2025 REPORT

CITY OF BATTLE CREEK
&
FAIR HOUSING CENTER OF SOUTHWEST MICHIGAN

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EXECUTIVE SUMMARY

The City of Battle Creek contracted the Fair Housing Center of Southwest Michigan (the Center) to provide a comprehensive fair housing analysis of the real estate and rental markets within Battle Creek, Michigan in December 2024. Fair housing laws were enacted to safeguard access to housing and eliminate discrimination within housing practices. This report provides the City of Battle Creek with the findings of the testing investigations the Center conducted, and it provides recommendations to continue to promote fair housing within Battle Creek, Michigan. The goals of the comprehensive fair housing analysis that the Center undertook were to assess the real estate and rental markets in Battle Creek for compliance with fair housing policies and best practices, and to provide the City of Battle Creek with actionable recommendations to help them continue to support fair housing. This report found that there were many instances of differential treatment experienced by testers of different races and sexes while they were interacting with housing providers during the testing. This report also found evidence of possible long-term differential treatment of homebuyers based on mapping analysis and statistical analysis that show many property listings given to testers by real estate agents were in and near predominantly White neighborhoods. This report also found evidence that the property listings that agents gave to testers differed across zip code, zoning code, and school district in a way that was not random. These findings are supported by research into the long-term impacts of housing discrimination experienced by Black homeowners and White homeowners.

Further, the Center has recommended that the City of Battle Creek partner with community organizations to provide continuous thorough fair housing education for all housing providers, brokers, lenders, residents, employees, and landlords to help ensure compliance with and support for fair housing. The Center has also recommended that the City of Battle Creek work to strengthen its relationship with the Battle Creek area Association of Realtors to facilitate the creation of programs that would help potential homebuyers understand fair housing laws. The Center additionally recommended that these programs and educational opportunities work to educate people about how present-day decisions regarding providing equal access across race and sex to different neighborhoods can be connected to the long-term goals of fair housing and decrease housing discrimination in the housing industry for decades to come. The Center hopes this report and its recommendations will strengthen community partnerships, support fair housing efforts, and help housing providers and community members understand how fair housing laws and compliance expand access to housing and improve overall community outcomes.

PURPOSE

The City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to conduct two systemic housing investigations during the year 2024. A systemic housing investigation is a proactive investigation of alleged discrimination that is either pervasive or institutional in nature. It may also involve a situation 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 evaluating the practices of real estate agents and race discrimination, and rental agents on a basis of race and sex discrimination.

The Center performed a number of paired tests for the real estate and rental markets as contracted by the City of Battle Creek. The Center also performed race-based real estate market tests for housing discrimination and race- and gender-based rental market tests for housing discrimination. An additional analysis, including mapping and statistics, was included to provide the City of Battle Creek with a comprehensive report on the fair housing practices occurring within the real estate market, due to the emphasis on the amount of property listings given to testers. In August 2024, the National Association of Realtors adopted a policy requiring Multiple Listing Service (MLS) participants (real estate brokers, appraisers, Realtors) to enter into a written agreement with a buyer before conducting in-person or live virtual home tours. This new policy created testing challenges for the Center, as some agents required testers to sign a “Buyer’s Agreement,” before viewing a property, while others did not require testers to sign an agreement before viewing a property. The Center’s testers are instructed to use aliases and pose as genuine applicants to gather accurate, untainted evidence of potential discrimination while protecting their own safety and future ability to conduct investigations. So, requiring testers to sign an agreement poses significant challenges and testers were instructed not to sign documents to tour properties. In instances where a tester was unable to view a property due to this new policy, the test may have resulted in being inconclusive. As a result, the Center shifted its focus to give extra analysis of the property listings that were given to each tester, and a comprehensive report was provided to the City of Battle Creek that included information about the listings within the City, illustrating location, property type, price, and other real estate factors.

This property listings report supports evidence of differential treatment between the testers because all the preferences of the testers were the same, so they should have been given the exact same property listings if there was no differential treatment exhibited by real estate agents. This is why the Center found it useful to do an extensive analysis of the property listings as well as an analysis of the service and treatment the testers received by the real estate agents. The same mapping and statistical analysis were not done for the rental market tests because there were no property listings given, so the rental market tests focused solely on the service and treatment that the testers received from the agents. The Center was asked by the City of Battle Creek to provide recommendations based on the findings of the fair housing analysis, which the Center has provided at the end of this report.

REAL ESTATE INVESTIGATION

Background Information

As of August 17, 2024, the National Association of Realtors created a “Buyer’s Agreement” document serving as a mandatory contract that a potential homebuyer must sign before viewing a home with a real estate agent. This document outlines the terms of the relationship between the buyer and the agent and details the buyer’s responsibilities during the homebuying process. The real estate agent is required to create and furnish this document for the homebuyer, and they must sign and agree to the terms provided before continuing with viewing a home. This was established as a national requirement.

****Please note: The August 2024 grant start date, combined with the implementation of the “Buyer’s Agreement” on August 17, 2024, had a significant impact and created unexpected difficulties for both the reconstruction of the testing methodology for the investigations and the results of testing. It also heavily shifted the focus in evaluating the results.*

As of December 2024, Battle Creek, Michigan, is considered a seller’s market. This means that there are more buyers available than there are homes for purchase. The median list price for a home in Battle Creek, Michigan is \$187,667, while the median sale price is \$184,583. The median price for houses in Battle Creek, Michigan, has decreased compared to the median price a decade ago, which was around \$210,000.

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 the protected classes of race, color, national origin, religion, sex, familial status, and disability. For this investigation, the City of Battle Creek contracted with the Fair Housing Center of Southwest Michigan to investigate discrimination in real estate on the basis of race.

A realtor commits discriminatory sales practices when they take the following actions based on a client’s membership in a protected class:

- Refuses to sell after making a bona fide offer.
- Refuses to negotiate in the sale of a dwelling.
- Makes unavailable a dwelling.
- Discriminates in the terms, conditions, or privileges of the 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 any preference, limitation, or discrimination.
- Falsely represents the availability of a dwelling.

During the time of this investigation, and as of this report’s publication, the real estate market for the City of Battle Creek, as well as the rest of the United States, is at a competitive 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 and one White tester. Both testers were assigned to visit a real estate agent or office and gather information and evidence on the service, treatment, and access to available dwellings. The purpose of these paired tests¹ was to determine whether comparably qualified Black and White prospective real estate clients 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 major companies in the City of Battle Creek, and positions that pay at or above the 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 were looking to purchase a home in the City of Battle Creek. Both testers were looking for the same type of home, with the same number of bedrooms. The only difference between the two tester profiles was that the Black tester was pre-approved for a higher amount than the White tester.

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

Results of the Real Estate Investigation

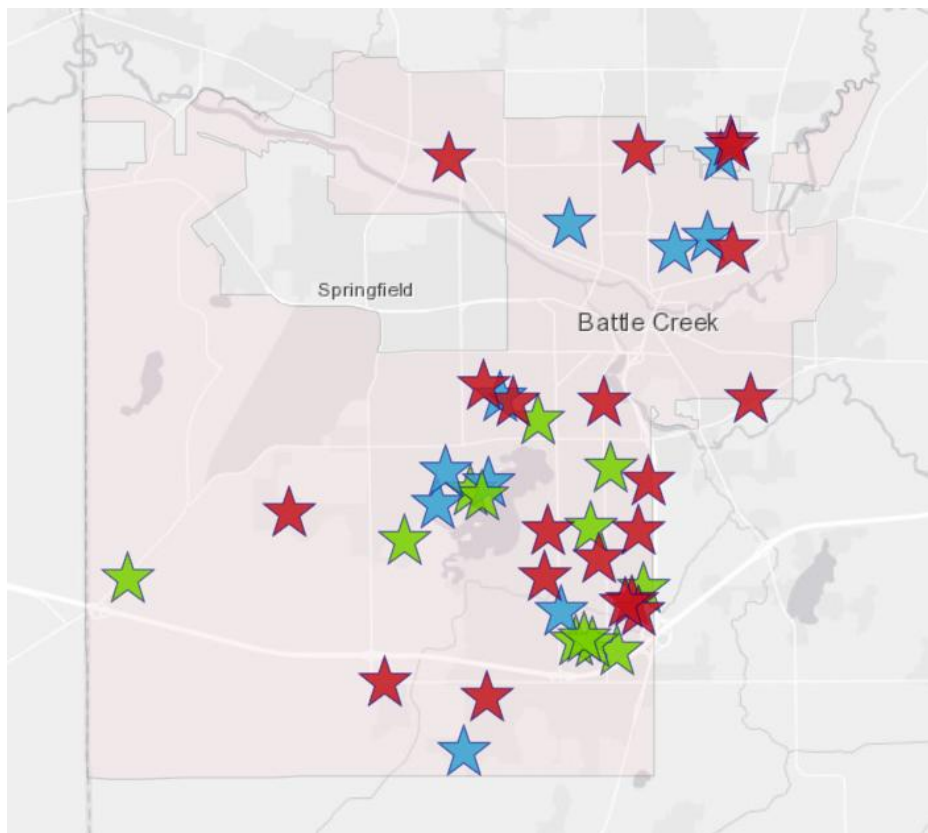
18 realtors and real estate companies were tested and analyzed to determine whether discrimination occurred in real estate sales. The Center found that 15 of the 18 realtors and real estate companies tested exhibited differential treatment, which resulted in discrimination between White and Black testers. 3 of the 18 realtors and real estate companies tested produced inconclusive results. Of the 15 realtors and real estate companies tested, we found that there were 85 instances of terms and conditions discrimination², 12 instances of making housing unavailable, 8 instances of falsely representing availability, 2 instances of discriminatory statements, and 1 instance of discriminatory advertisement. Some of the testers received property listings from the agents during their test, and some did not. Some testers were asked to follow up with agents and ask for extra property listings, and some were not asked to follow up.

¹ Paired tests are composed of two people who are scheduled to visit the same complex, management company, insurance agency, banking institution, or real estate office (and in most cases the same agent) in a similar timeframe. All characteristics of the individuals are nearly the same with the protected class tester being given a slightly more advantageous income than the control tester, unless otherwise noted. After the tests are conducted, the results are analyzed to see if there are any differences in housing options, treatment, service, or other qualifications that violate the tested protected class.

² As of this report's publication, an "Elements of Proof" memo issued by HUD Associate General Counsel for Fair Housing Jeanine M. Worden on September 4, 2018, was still in effect. This "Elements of Proof" memo defines how different types of discrimination should be classified. This classification was completed throughout this report using this memo for purposes such as determining which instances of discrimination and differential treatment could be classified as terms and conditions, making housing unavailable, falsely representing availability, discriminatory statements, and discriminatory advertisements. This memo was used for classification of discriminatory experiences throughout the entire report, including real estate and rental.

Based on this, White testers received listings for 123 properties that weren't repeated, while Black testers received listings for 169 properties that weren't repeated. Of all the property listings that agents gave to the testers that were located in the City of Battle Creek, agents gave 20 property listings to only the White testers, agents gave 10 property listings to only the Black testers, and agents gave 12 property listings to both the White and the Black testers. Figure 1 below shows the map of the property listings given to all testers that were located within the City of Battle Creek. The red stars represent property listings given to White testers, the blue stars represent property listings given to Black testers, and green stars represent property listings given to both testers.

Figure 1: Map of the property listings agents gave to all testers located within the City of Battle Creek, December 2024

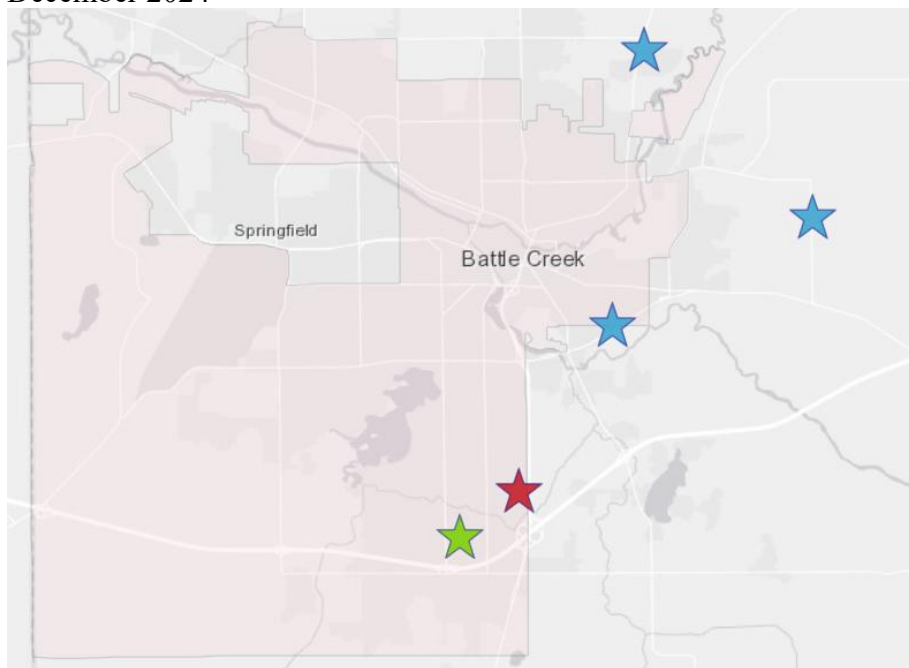


The Center found that two groups of paired testers, K2400499Y&Z and K2400499AI&AJ, spoke with different agents, which could have contributed to the different results. All the other groups of paired testers spoke with the same agent; thus, the service and treatment should have remained the same across both testers in the pair without instances of differential treatment or discrimination. The Center also found that 6 agents requested that the testers either fill out or look at the Buyer's Agreement document before proceeding with a tour of the property, but sometimes the same agent did not require the same thing of both testers. This created a barrier to access and provided evidence of differential treatment by the agents to some testers. The Center also found that the agents were 3 times more likely to send the White tester a

portal to view ongoing listings than the Black tester.³ The Center also found the following differences in service and treatment: agents were 2 times as likely to follow-up with the White tester than the Black tester when the testers were requested to follow-up with the agents; 2 agents made comments about race to only the Black testers; 2 agents asked only the White testers if they were pre-approved; 1 agent asked the Black tester if they were pre-approved; 8 agents only told the White tester about perks or negotiations; and 3 agents only told the Black tester about perks or negotiations.

The Center found the following differences in access to a dwelling: 1 agent commented to only the White tester that taxes and prices were lower in that area than in Kalamazoo; 1 agent asked the White tester about preferred school districts; 1 agent asked the Black tester about preferred school districts; 2 agents asked the White tester about preferred neighborhoods or areas; and the Black tester was intentionally taken to a particular area of the City of Battle Creek 1 time, while the White tester was intentionally taken to a particular area of the City of Battle Creek 3 times. The Center found that the most common listing given to both the Black and White testers across all the tests was: 191 Rebecca Rd, Battle Creek, MI 49015. The Center found that the most common listings given to the Black testers across all the tests were: 840 N Wattles Rd, Battle Creek, MI 49014; 230 E Kingman Ave, Battle Creek, MI 49014; and 133 Alvena Ave, Battle Creek, MI 49017. The Center found that the most common listing given to the White testers across all the tests was: 254 Beachfield Dr, Battle Creek, MI 49015. The map below, Figure 2, shows the most common property listings given to the White testers across all tests (red stars), the Black testers across all tests (blue stars), and both the Black and the White testers across all tests (green stars).

Figure 2: Map of the most common property listings given to testers across all tests, December 2024



³ Automated daily listings were not analyzed when there was no differential treatment found during the test or when the test produced an inconclusive result.

When looking at this map, coupled with the maps in the Artifact Appendix, the Center found that the most common property listing given to the White testers across all the tests was located in the Lakeview School District, and the 49015 zip code. This school district and zip code generally had higher property values than the other zip codes and school districts. The Center also found that the most common property listing given to the White testers across all tests was located between areas that had high concentrations of White people residing within them (White hot spot areas) and areas that had low concentrations of Black people residing within them (Black cold spot areas), according to the maps located in the Artifact Appendix. When comparing this to the most common property listings given to the Black testers across all tests, it was found that those three property listings were located in the Battle Creek Public Schools district and in different zip codes than 49015. This could mean that the properties are valued at a lower rate than the most common property listing given to the White testers across all tests. The three property listings that were most commonly given to the Black testers across all tests were also nearer to areas where high concentrations of Black people resided (Black hot spot areas) than a White hot spot area (according to the maps in the Artifact Appendix), and they were located nearer to areas where low concentrations of White people resided (White cold spot area). The Center found that the trend that can be seen on the map above was consistent with other trends found through the analysis of the property listings. The Center found it was common for the White testers to be given property listings nearer to White hot spot areas and Black cold spot areas than it was for the Black testers to be given property listings nearer to White hot spot areas. This is just one way that the property listings showed that there was differential treatment in the outcomes of agents' interactions with the White testers and the Black testers. The Center found that this result is consistent with different research on housing discrimination, and the differential treatment found when analyzing the property listings agents gave to the testers supports the evidence of differential treatment found from testing.

Below are the maps for the individual paired tester groupings, and the maps show the different property listings the agents gave to the White testers (red stars), the Black testers (blue stars), and both the White and the Black testers (green stars). Based on the maps below, the Center found that almost the entire time that the agents gave property listings to the testers, only one tester out of the pair received property listings from the agents. This is further evidence of differential treatment, especially since almost all of the tester pairs spoke with the same agent.

Figure 3: Map of the property listings given to testers in the pair K2400499E&F, December 2024

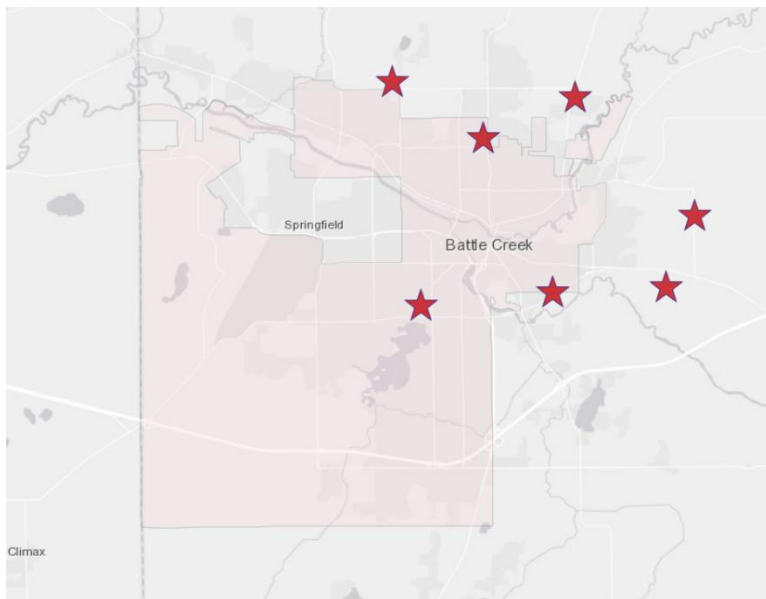


Figure 4: Map of the property listings given to testers in the pair K2400499M&N, December 2024

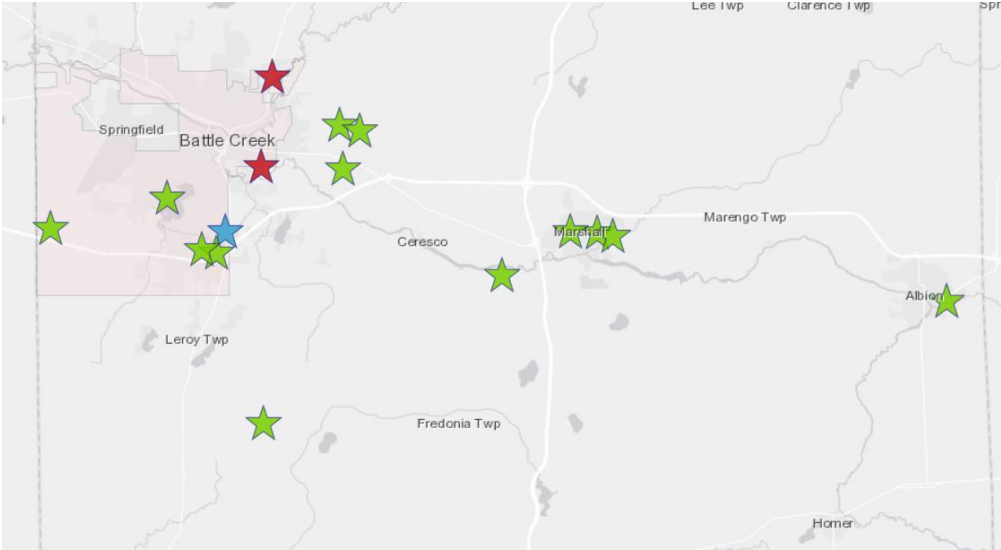


Figure 5: Map of the property listings given to testers in the pair K2400499O&P, December 2024

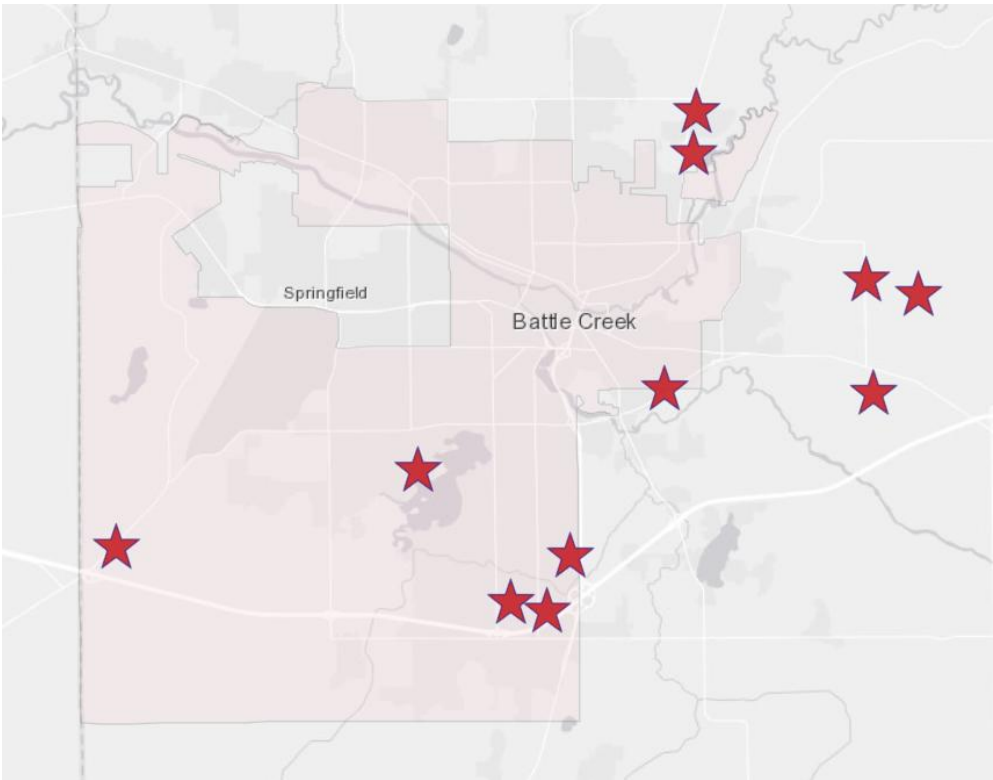


Figure 6: Map of the property listings given to testers in the pair K2400499U&V, December 2024

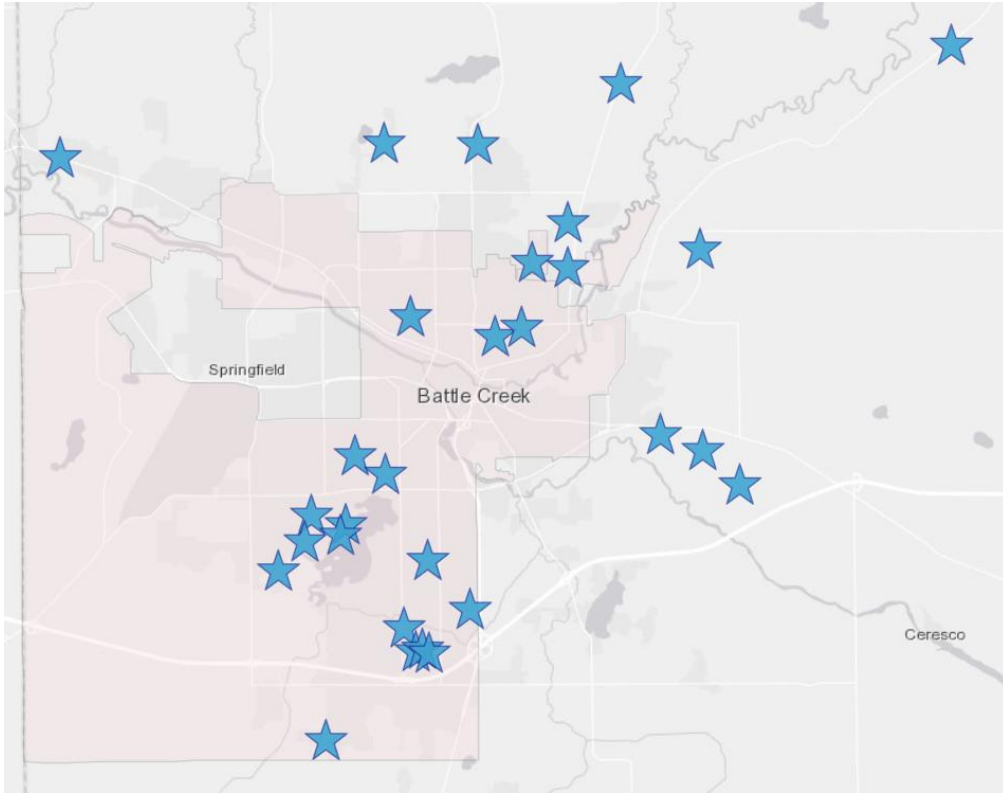


Figure 7: Map of the property listings given to testers in the pair K2400499Y&Z, December 2024

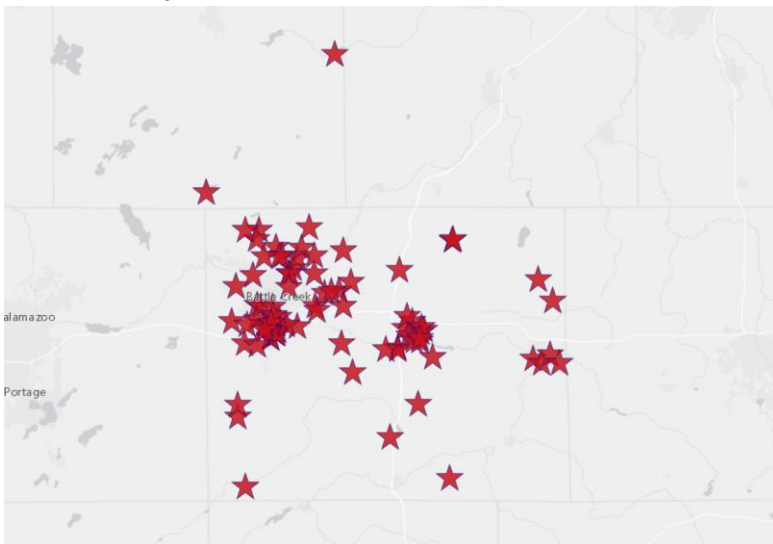
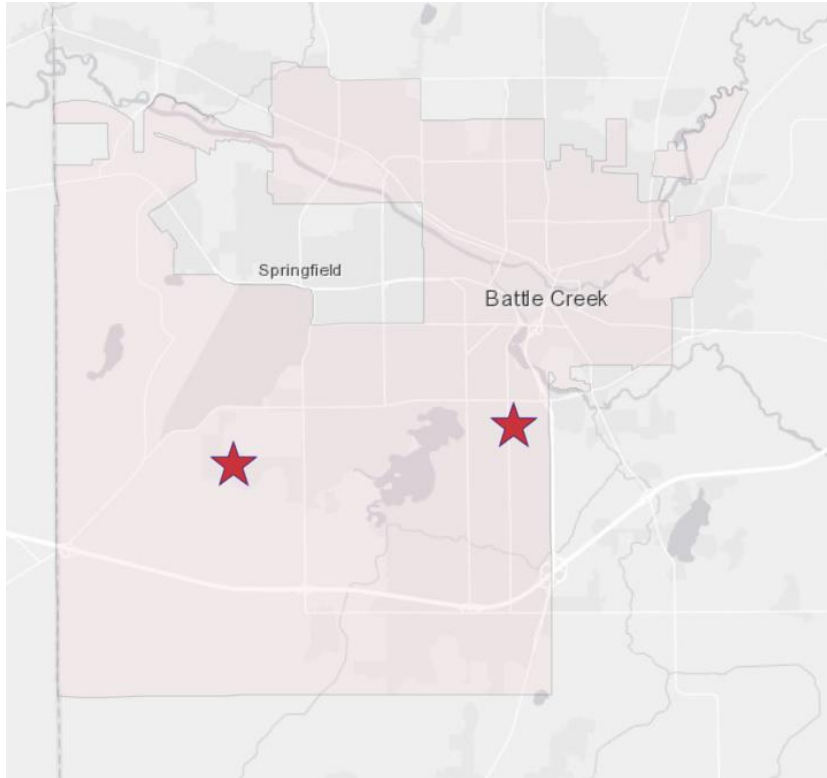


Figure 8: Map of the property listings given to testers in the pair K2400499AI&AJ, December 2024



The additional statistical analysis of all the property listings that agents gave to testers that were in the City of Battle Creek provided further evidence of possible differential treatment that the testers experienced. Some of the statistical analysis revealed that some of the properties were very similar regarding number of bedrooms, number of bathrooms, and square footage, so the questions became, 1) if all of these properties are so similar, why weren't all of them given to all the testers the entire time, and 2) why were some property listings given to the White testers but not given to the Black testers, and why were some property listings given to the Black testers but not the White testers. The Center found evidence that the differences in estimated market value, assessed value, estimated property tax paid, and taxable value were all statistically significant across zip code, zoning code, and school district. If the properties were similar square footage, and had a similar number of bedrooms and bathrooms, then if there was not housing discrimination occurring, it would be assumed that there would be no statistically significant differences among the estimated market value, assessed value, estimated property tax paid, and taxable value across zip code, zoning code, and school district. This means that the differences in the properties' estimated market value, assessed value, estimated property tax paid, and taxable value across zip code, zoning code, and school district are not random, and this could relate to the second question above, asking why some property listings were given to White testers but not Black testers, and why were some property listings given to Black testers but not White testers. The Center found it important to analyze the property listings in this way because of the possibility that the real estate agents were not intentionally discriminating against the White and the Black testers, but the real estate agents could unknowingly be contributing to different outcomes for White testers and Black testers.

This finding is also consistent with research that shows that there are uneven outcomes for White homeowners and Black homeowners regarding estimated market value, assessed value, estimated property taxes paid, and taxable value. The research consistently shows that oftentimes, Black homeowners have worse outcomes than White homeowners when it comes to these specific categories. For instance, it has been found that Black homeowners pay a disproportionately high rate of property taxes when compared to White homeowners, and this is, in part, based on the disproportionately low appraisal and assessment values that Black homeowners are given when compared to White homeowners. The research shows that these elements of owning homes for Black and White homeowners oftentimes end up with Black homeowners not being able to access the true equity in their home, having a lower market value of their home, and possibly losing their home to disproportionately high property taxes when compared to White homeowners. These negative outcomes for Black homeowners when compared with White homeowners are an extension of the differential treatment from the start of the homebuying process based upon potential properties that real estate agents brought White and Black homebuyers to see. Oftentimes findings like these occur across a neighborhood, so if a real estate agent unintentionally takes a White and Black prospective homebuyer to different neighborhoods, this could end up creating different outcomes for Black and White homeowners' years down the road. This is why the Center found it important to analyze the property listings in this way to see if there could be potential for negative differential outcomes years down the road based upon the property listings given to the White testers compared with the Black testers. All of these elements of housing qualify as part of the fair housing process, and this is why the Center prepared a comprehensive report for the City of Battle Creek.

Throughout the comprehensive fair housing analysis, the Center found that agents more frequently gave out property listings located in or near White hot spot areas than they did property listings located in or near Black hot spot areas (all maps can be found in the Artifact Appendix). This finding also correlated with the finding that showed that agents more frequently gave out property listings located in or near Black cold spot areas than they did property listings located in or near White cold spot areas. The Center also found that the majority of property listings agents gave to testers were located in the Lakeview School District, which included many properties with higher property values. The Center also found when analyzing the maps that the Black hot spot areas coincided with historical areas of higher concentrations of Black people residing in the same location. This finding suggests that questions of Black residents' homeownership and mobility should also be investigated when looking into the historical trends of fair housing and Black homeownership compared with present-day fair housing and Black homeownership. The Center also found that most of the property listings agents gave to testers were located in neighborhoods where higher percentages of White homeowners resided, and that fewer property listings agents gave testers were located in neighborhoods where higher percentages of Black homeowners resided. The Center also found that areas where higher percentages of White homeowners lived, fewer percentages of Black homeowners lived, and that neighborhoods where fewer percentages of White homeowners lived, higher percentages of White renters and Black renters lived. All of these combinations of neighborhoods with higher and lower percentages of White and Black homeowners and renters have implications for fair housing in these neighborhoods, and these facts could have unintentionally impacted real estate agents' behavior when giving property listings to White and Black testers.

Ultimately, the Center found that performing a comprehensive mapping analysis and statistical analysis on the property listings that agents gave to testers helped to support the testers’ experiences with the agents and the differential treatment that testers experienced. Even though agents may not have been intentionally giving the White testers and the Black testers different treatment and service, there was still ample evidence of different treatment and service by agents between the White testers and the Black testers. The analysis of the property listings added evidence to the different treatment and service and different access to dwellings based on the possible different negative outcomes between White testers and Black testers. Although real estate agents cannot control the negative outcomes for White testers and Black testers years down the road, real estate agents can control the property listings that they give to White prospective homebuyers and Black prospective homebuyers, which can end up resulting in negative outcomes years down the road. Therefore, it is incredibly important for real estate agents to understand how their treatment and service of White and Black potential homebuyers can influence what happens to White and Black homeowners decades later. Thus, real estate agents should do everything they can to understand the complete context of fair housing and ensure even their slightest behavior is in line with the complete context of fair housing.

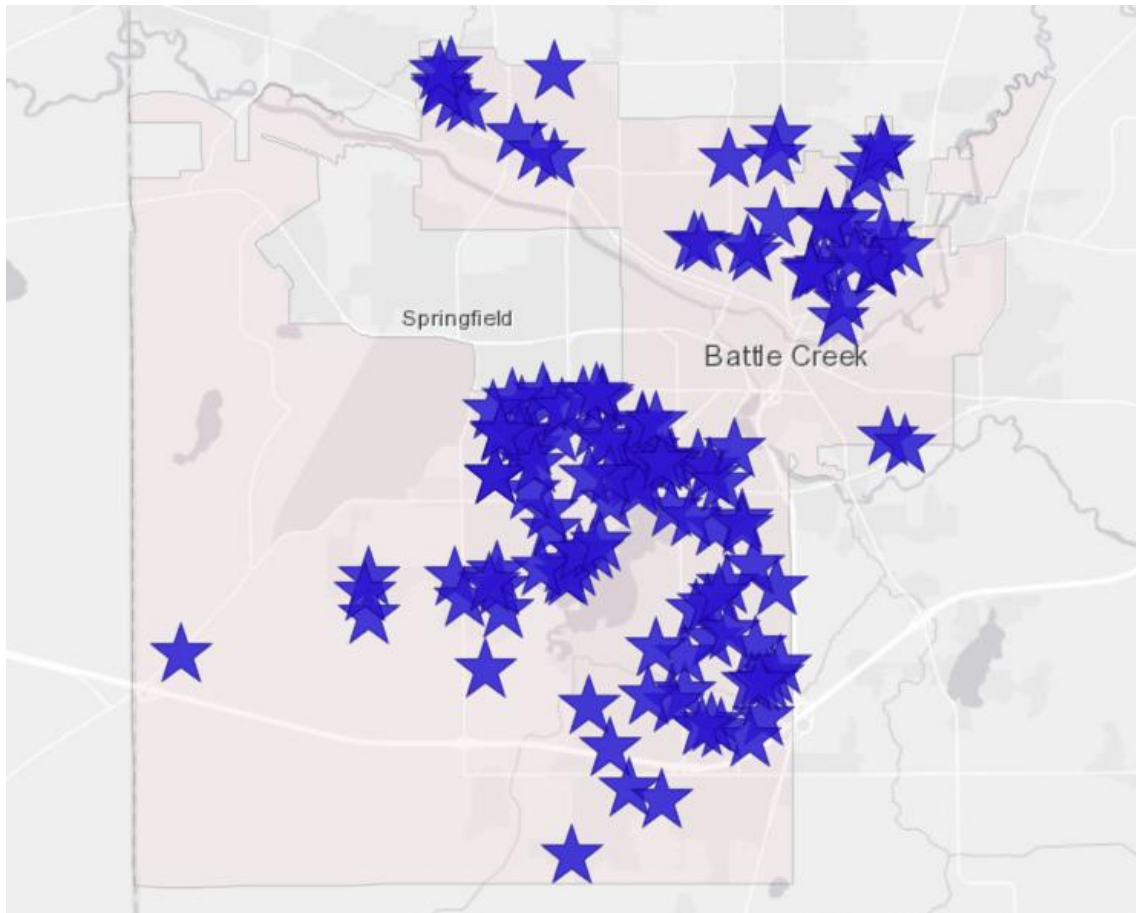
Table 1: Comparison of investigation findings for the Center’s 2015-2016, 2018, and 2024 fair housing investigations

Consideration	2015-2016	2018	2024
Length of Testing & Number of Test Parts	9 months; 38 test parts	4 months; 42 test parts	4 months; 54 test parts
Testing Evidence & Housing Market Differences	Buyer’s market with 118 homes sold per month Contact spread out longer since homes were on the market longer	Seller’s market with 147 homes sold per month Contact within 24 hours since homes were not on the market that long	Seller’s market with 57.8 homes sold per month Contact within 24 hours, and spread out since homes were not on the market that long
Follow-Up Contact	2 times more likely for White testers Some testers instructed to request follow-up information	No difference No testers instructed to request follow-up information	2 times more likely for White testers All testers instructed to request follow-up information
Pre-Approval	3 times more likely for Black testers	2 times more likely for Black testers	2 times more likely for White testers
Steering	3.9 times more likely for White testers	2 times more likely for White testers	3 times more likely for White testers
Assumption of Needs & Price Range	2 times more likely for Black testers	No difference	No difference
Listings Provided	1.78 times more listings for White testers	1.06 times more listings for Black testers	1.44 times more listings for Black testers

The table above, Table 1, shows the different findings and experiences of the three fair housing investigations that the Center has completed for the City of Battle Creek during the years 2015-2016, 2018, and 2024.

Using a link to the real estate MLS portal that was provided to a tester by an agent, the Center looked at all the properties listed on the portal in May 2025. The Center did this to complete a point-in-time investigation into the property listings on the portal to see if there were any changes to the properties that were listed and if there were any new patterns that emerged in the data. The Center found that there were many new property listings, with a total of 328 properties listed, and with 143 of those properties within the City of Battle Creek. The Center completed the same tests as it did with the December 2024 properties, and it found the same results. The Center found that there were more property listings given near White hot spot areas than Black hot spot areas, and it found that the estimated market value, assessed value, estimated property tax paid, and taxable value were all still had statistically significant differences across zip code, zoning code, and school district. This further confirms the findings from the comprehensive fair housing analysis of December 2024. The map below, Figure 9, shows all the property listings that were within the City of Battle Creek on the portal in May 2025. Since all the property listings were pulled from a portal from a single tester, all the property listings are dark blue stars.

Figure 9: Map of the property listings from a portal given to tester K2400499Z, May 2025



RENTAL INVESTIGATION

PART 1

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 race.

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 making 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 the 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 any preference, limitation, or discrimination.
- Falsely represents the rental availability of a dwelling.

Methodology of Investigation

For each test, two testers were assigned, one Black tester and one White 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 Black and White prospective renters receive the same information, service, treatment, and access to available dwellings.

Both Black and White 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 Black and White tester profiles were assigned with no criminal histories, no pets, positive landlord references, no evictions, and good credit, unless otherwise stated. Both the Black and White testers were assigned to ask if a unit was available and ask if additional units were available. The only difference between the two tester profiles was that the Black tester had a slightly higher income amount than the White tester.

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

Results of Part 1 of the Rental Investigation

Part 1 of the rental investigation tested 6 different apartment complexes on their race-based fair housing compliance. Of these six different apartment complexes, differential treatment of White testers and Black testers was found at each complex. There were 35 instances of differential treatment in the terms and conditions⁴ offered to White and Black testers, 12 instances of differential treatment that made housing unavailable to White and Black testers, 5 instances of differential treatment that resulted in falsely representing availability of housing to White and Black testers, and 1 instance of differential treatment from a discriminatory statement to White and Black testers. The Center also found that agents were more likely to tell the Black testers about a preferred employer discount than the White testers; agents were more likely to tell the Black testers to secure the apartment early than the White testers; agents were more likely to tell the Black testers what the credit score requirement was than the White testers; agents were more likely to tell the White testers about income requirements than the Black testers; 1 agent recommended the White tester to another complex, but the same agent did not recommend the Black tester to the same complex; 1 agent told the White tester to avoid a certain complex, but the same agent did not tell the Black tester to avoid the same complex; and the White testers were told about 8 available apartments, and the Black testers were told about 10 available apartments.

The Center found other trends and patterns of differential treatment among the agents between the White and Black testers, including:

- Agents were more likely to ask the Black testers if they were veterans than the White testers.
- Agents were more likely to tell the Black testers about apartment price ranges than the White testers.
- Agents were more likely to tell the Black testers about apartment square footage than the White testers.
- Agents were more likely to have the Black testers fill out a guest card than the White testers.
- Agents were more likely to tell the Black testers about application fee amounts than the White testers.
- Agents were more likely to tell the Black testers about rental availability than the White testers.
- Agents were more likely to ask the Black testers about their budgets than the White testers.
- Agents were more likely to send pictures of the apartment via email to the Black testers than the White testers.
- Agents were more likely to ask the White testers if any other family members would live with them than the Black testers.
- Agents were more likely to tell the White testers about trash fees, snow removal fees,

⁴ Both Part 1 and Part 2 of the rental investigations used the same classification system from the “Elements of Proof” memo issued by the HUD Associate General Counsel for Fair Housing, Jeanine M. Worden, on September 4, 2018, as the real estate investigation mentioned above.

water fees, and sewage fees than the Black testers.

- Agents were more likely to tell the White testers about the hours of operation than the Black testers.
- Agents were more likely to give the White testers a tour than the Black testers.
- Agents were more likely to give the White testers information about amenities than the Black testers.
- Agents were more likely to ask the White testers about their move-in date than the Black testers.
- Agents were more likely to follow up with the White testers than the Black testers.
- Agents were more likely to tell the White testers about rental insurance than the Black testers.
- Agents were more likely to tell the White testers about security deposits than the Black testers.
- Agents were more likely to ask the White testers about their current rental rates than the Black testers.
- Agents were more likely to tell the White testers about floorplan options than the Black testers.

Ultimately, the Center found that these trends amounted to race-based experiences of differential treatment for the White and Black testers, and the Center found that these experiences of differential treatment were experienced at 100% of the apartment complexes that were tested. This suggests that apartment complexes need to learn more about fair housing to ensure that there are no more race-based experiences of differential treatment.

PART 2

Background Information

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 making a bona fide offer.
- Refuses to negotiate the rental of a dwelling.
- Makes unavailable the rental of a dwelling.
- Discriminates in the terms, conditions, or privileges of the 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 any preference, limitation, or discrimination.
- Falsely represents the availability of a dwelling.

Methodology of Investigation

For each test, two testers were assigned, one female tester, and one male tester. Both testers were assigned to either call a rental housing agent and/or visit a site 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 and advertised unit but matched in race, 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, unless otherwise stated. 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 was meant to rule out potential discrimination on the basis of a client's sex. If rental housing agents only considered testers' specified preferences and indications, the female and male testers should receive the same service, treatment, and access to available rentals.

Results of Part 2 of the Investigation

Part 2 of the rental investigation tested 3 different apartment complexes on their sex-based fair housing compliance. Of these three different apartment complexes, differential treatment of male testers and female testers was found at two of the complexes, while one test was found to be inconclusive. There were 7 instances of differential treatment in the terms and conditions offered to male and female testers, 6 instances of differential treatment that made housing unavailable to male and female testers, 2 instances of differential treatment that resulted in advertising to male and female testers, and 1 instance of differential treatment that resulted in falsely representing availability to male and female testers. The Center found that the inconclusive test result came as a result of the female tester speaking with an agent, while the male tester was unable to speak with an agent and did not receive a call back from the agent. The Center also found that one set of paired testers, K2400499C&D, may have spoken to different agents, which may have accounted for some of the differences. The Center found that there may have been varied numbers of testers used for each test, but each test paired followed the same standard of having one male tester and one female tester to compare. The Center also found that agents told the male testers about 7 available units, but the agents told the female testers about 3 available units; and agents gave the male testers 3 rental prices, but the agents gave the female testers 0 rental prices.

The Center found other trends and patterns of differential treatment among the agents between the male and female testers, including:

- Agents were more likely to offer the female testers a tour than the male testers.
- Agents were more likely to offer specific available move-in dates to the female testers than the male testers.
- Agents were equally likely to withhold information from both the male testers and the female testers about the fees involved in the application process.
- Agents were more likely to refer the male testers to a different property than the female testers.
- Agents were more likely to mention nearby schools to the male testers than the female testers.
- Agents were more likely to inform the male testers about the breakdown of internet choices than the female testers.
- Agents were more likely to tell the male testers about rental availability than the female testers.
- Agents were more likely to follow up with the male testers than the female testers.
- Agents were more likely to give specific rental pricing to the male testers than the female testers.

Ultimately, the Center found that these trends amounted to sex-based experiences of differential treatment for the male and female testers, and the Center found that these experiences of differential treatment were experienced at 66% of the apartment complexes that were tested. This suggests that apartment complexes need to learn more about fair housing to ensure that sex-based experiences of differential treatment do not persist.

CONCLUSION

The Center performed a comprehensive fair housing analysis for the City of Battle Creek based on testing, mapping analysis, and statistical analysis for the real estate market and the rental market within the City of Battle Creek. From this, the Center found that there were many instances of differential treatment that occurred amongst housing providers to testers of different races and sexes. The Center substantiated the real estate testing evidence by performing a mapping analysis and a statistical analysis, which found that even if real estate agents weren't intentionally trying to discriminate against prospective homebuyers of different races, the different property listings provided to different testers could have had that effect anyway. The statistical analysis found that the differences in estimated market value, assessed value, estimated property tax paid, and taxable value could not have happened randomly. This finding, coupled with the mapping analysis, which found that a large majority of the property listings agents gave to testers were located in and near White hot spot areas or Black cold spot areas. This shows that even if real estate agents don't intentionally discriminate against potential homebuyers, that the different property listings given to testers of different races could contribute to housing discrimination in the long run. This finding was also in line with findings from research on housing discrimination. Thus, the Center recommends that real estate agents continuously

complete fair housing training to understand the complex nature of fair housing, including how their decisions in the present could impact people in the future, and work to change their behavior during real estate transactions to be more in line with a comprehensive understanding of fair housing laws. This recommendation is in line with best practices to reduce housing discrimination. The testing evidence from the rental investigations also substantiated the housing discrimination that occurs in the rental market, and the Center urges rental housing providers to also abide by the same recommendations and principles that the Center recommended for the real estate agents.

RECOMMENDATIONS

1. Host City of Battle Creek sponsored Fair Housing education annually to support ongoing Fair Housing education and to build a coalition of better-informed individuals; these sponsored sessions should be targeted at groups such as, but not limited to, the following identified groups of individuals, organizations, and sectors:
 - a. Realtors and Housing Professionals: hosting City of Battle Creek sponsored training encourages this sector to go beyond the minimum Fair Housing annual education and to take a deeper dive into areas including, but not limited to, implicit bias training, disability rights, and other topics which will count toward continuing education credits for their license renewal.⁵
 - b. City of Battle Creek Employees: Incorporate at least 3 hours of Fair Housing education annually (topics including basics of Fair Housing, disability rights, and implicit bias training in Fair Housing).
 - c. Residents: Host City of Battle Creek sponsored Fair Housing education sessions, so tenants and homebuyers know their rights.
 - i. Keep the community informed throughout the year through various mediums regarding Fair Housing rights and enforcement.
 - d. Landlords and Property Management Companies: Require companies with properties in the City of Battle Creek to complete at least 3 hours of the City of Battle Creek's sponsored Fair Housing education; this can be tied to permits in the city. Annual education to include the basics of Fair Housing and deeper dives into areas that include but are not limited to implicit bias training, disability rights, and other topics.
 - e. Loan Officers, Real Estate Brokers, and Mortgage Brokers: Hosting City of Battle Creek sponsored Fair Housing training encourages this sector to go beyond the minimum Fair Housing annual education and to take a deeper dive into areas including but not limited to implicit bias training, disability rights, and other topics.
 - f. Host a course specifically for Battle Creek real estate agents, informing them of the proper protocols in distributing the Buyer Agreement Form to potential homebuyers.

⁵ <https://www.nysar.com/education/education-frequently-asked-questions/#:~:text=NAR%20requires%20REALTORS%C2%AE%20to.maintain%20REALTOR%C2%AE%20membership%20eligibility.>

2. To help with the homebuying process, create partnerships with community organizations that serve and reach the various communities and populations in the City of Battle Creek.
3. Strengthen partnership with the Battle Creek area Association of Realtors to understand what opportunities and programs are in place to aid individuals in the homebuying process.
 - a. Work with the Association of Realtors to audit Fair Housing classes that are attended to ensure they meet the standard of Fair Housing education criteria.
 - b. Work with the Association of Realtors to understand the process by which realtors distribute property listings. Identify barriers and beliefs that inhibit the process from being more accessible and partner to ensure that individuals seeking housing are given property listings for all properties in the area and are not restricting the property listings given to specific school districts or neighborhoods.
4. Partner with area housing providers to take classes on how fair housing can have impacts beyond a present-day transaction and to learn how to create systems that proactively support fair housing.

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