

Executive summary

1. Introduction

This study analyses discrimination in the Belgian private rental market. First, we draw upon a literature review to describe the Belgian housing market and the issue of discrimination. Next, we discuss the methodology used for the empirical research.

In a second part, we discuss discrimination in different phases of the rental process. We tested as many discrimination grounds as possible. However, these always have to be operationalized through a specific profile. This profile can influence the measurement of discrimination. For instance, we tested ‘handicap’ with visually impaired people, not with people using wheelchairs. Table 1 provides an overview of the various research steps (sections), the discrimination grounds under scrutiny and the specific profiles connected to them.

A first section, based on a screening of 8026 advertisements, distributed across the three regions, discusses discrimination through advertising. A second section measures discrimination at the moment of contacting the landlord over the phone or by mail, using a sample study. For this, we developed behaviour tests: a sample of 684 paired behaviour tests for contacts over the phone, and 1769 emails through a random assignment procedure. A third section discusses the various forms of discrimination at the moment of visiting the dwelling. Here we combined mystery shopping based on a small sample (124 tests), with interviews of landlords and focus groups with tenants. A fourth section deals with discrimination at the moment of signing and executing the lease. Finally, the specific role of real estate brokers is discussed. This is again based on the focus groups and interviews, as well as mystery shopping.

A third part is based exclusively on qualitative research and digs deeper, beyond the act of discrimination. A first chapter assesses, based on interviews, the landlords’ motives for and discourses about discrimination. A second chapter analyses the experiences and reactions of discriminated tenants on the basis of small focus groups.

Finally, we formulate recommendations for further barometer-research and for a more effective policy against discrimination.

Table 1: methodology per chapter

chapter	methodology	Discrimination ground tested	operationalized
Introduction: Housing market	Literature review	/	/
1. advertisements	Web search and discourse analysis 8026 advertisements	Financial resources Age Gender Handicap Racial discrimination	Data driven
2. contact	688 paired	Racial discrimination	People of

	behavioural tests by phone/ 1769 random assignment tests email	Gender + financial resources Handicap Financial resources	Moroccan/Turkish origin single mother people with visual impairment People receiving benefits/disability benefit
3. house visit	124 mystery visits	Idem	Idem, except for financial resources: people receiving unemployment benefit/low income
4. rental contract	15 focus groups and 58 interviews	See 7	See 7
5. role of real estate brokers	600 mystery calls	Racial discrimination Financial resources	'foreigners' 'Unemployed people'
6. motives of landlords	58 interviews		
7. tenant experiences	15 focus groups	Racial ground religion age sexual orientation financial resources Family composition	People of Sub-Sahara- African/Eastern- European origin Muslims Young people LGBT People receiving benefits Single parent families/ Large families

2. The Belgian housing market and discrimination: a structural problem

Decent housing is a constitutional right incorporated in the Belgian Constitution in order to guarantee a dignified life to everyone. This constitutional right assumes minimum housing quality standards which are operationalized in (regional) legislation. Yet the structure of our housing market, being highly susceptible to market dynamics, constrains the execution of this constitutional right. Through pricing, demand and supply adjust; the higher the price, the higher the housing quality suppliers are willing to provide; the higher the quality, the higher the price clients are willing to pay.

Low income groups face problems on the housing market. The demand for housing (quality) depends on income and people with a low income are not always able to pay the price the market sets for good quality housing. For the price they can pay, few providers are willing to offer good quality

housing. Therefore low income groups have difficulties accessing affordable, good quality houses. Their bargaining position on the housing market is weak which renders them liable to discrimination.

In this study we **distinguish between discrimination and the selection of tenants**. Private landlords own the right to select a rental candidate to enter a lease with. They are allowed to base this selection upon their assessment of the tenant's capacity to pay the rent and to maintain the property in good condition. Discrimination starts when tenants are being excluded on the basis of criteria unrelated to this. Discrimination might be based on aversion for a certain group, as with xenophobia, homophobia, sexism,... This is what we call 'preference-based discrimination'.

Sometimes discrimination is based on prejudices or extrapolations of previous experiences. Tenants associate specific characteristics (e.g. skin colour, family composition, source of financial resources, gender, handicap, religion,...) with the risk of default or bad maintenance. Landlords are unable to gather complete information about this risk; hence they use other, more visual characteristics as a risk-indicator. This kind of discrimination is called 'statistic discrimination'. As for 'financial resources', we speak of discrimination in case exclusion is based on the source of financial resources (e.g. social allowance) instead of the level of financial resources. Indeed, the source of financial resources does not indicate on itself a payment risk.

Discrimination takes place **throughout the rental process**, from the advertisement till the execution of the lease. Hence in the following part, we discuss for each phase the variety of practices and strategies of discrimination applied. We do not distinguish empirically between statistic discrimination and preference-based discrimination, as in practice, these are often strongly related. We do make a distinction between direct and indirect strategies of discrimination: sometimes, certain groups are explicitly refused; often however, a secondary criterion is used to heighten the threshold for specific groups. The prohibition of dish antennas could for instance decrease the quality of living for tenants with a foreign origin to a level that they will avoid the residence. While indirect discrimination is hard to tackle through legal proceedings, we do analyse it in this report, to better understand the relationship between both types.

3. Analysing discrimination in each phase of the rental process.

3.1. The advertisement

With an advertisement, landlords pursue a first selection on their quest for desirable tenants. They do so on the one hand, by selecting a publication channel, but above all through the formulation of the advertisement. Discrimination in ads is based predominantly on **the source of financial resources, age and family composition**. Discrimination on the basis of origin or handicap rarely occurs.

Probability of detection and familiarity with anti-discrimination laws seem to play a role. Real estate agents use discriminating phrases less often than private landlords. Discriminating terms are used more in window ads, and less in newspapers or on the internet. Publishers and website administrators try to filter discriminating expressions.

Additionally, discriminatory ads are found more frequently on rental markets which are considered to be more risky for landlords, i.e. rental markets in bigger and smaller cities, in areas with diffuse urbanization and with cheaper rental housing.

3.2. Contacting the landlord

Table 2 offers an overview of the test results. We distinguish between the data collection method used (telephone/e-mail) and between gender (total/male/female). The numbers show the chance (in a hundred) of discrimination of a specific group. The significance level indicates the level of certainty we have about the results. When a discrimination measure is considered 'significant' 'at 1%, this means that the chance that we draw a wrong conclusion about reality on the basis of the sample results is lower than 1%. In case the discrimination level of a sample remains below 1%, we can claim with almost (more than 99%) certainty that the given result reflects reality. When the chance to an erroneous statement is higher than 10%, we did not show the results (as they are 'not significant' or 'n.s.'). Evidently, men have not been interviewed in relation to the discrimination basis of 'single mother'.

Table 2: Overview of discrimination levels based on receiving an appointment.

% discrimination	TELEPHONE			E-MAIL
	Total	Women	Men	Men (except for single mother)
Racial basis	n.s.	n.s.	13.8**	12.7***
Single mother	5.5**	5.5**	/	6.1*
Handicap	n.s.	n.s.	n.s.	7.2**
Source of financial resources	12.4**	17.0**	n.s.	13.5***

*** significant at 1%; ** significant at 5%; * significant at 10%; n.s.: non-significant

We found that discrimination regarding private rental tenants exists and affects some prospective tenants more than others. Prospective tenants with a **social allowance or disability benefit** are treated most adversely. On 100 e-mail tests, they are discriminated 13,5 times in comparison to the control group. For people with a social allowance, the discrimination level is even 15,8 (1 in 6 times). However, the tests could not exclude that in certain cases, the level of financial resources played a role (next to the source). Discrimination on a **racial basis** could not be detected through a telephone survey at the level of the total testing group (men and women). However, Turkish and Moroccan men did run a high risk of discrimination, both by telephone (13,8) as by e-mail (12,7). The other two profiles (**single mother and handicap**) also faced discrimination, albeit to a lesser degree. Their level of discrimination is about half of the other two groups.

As shown by the telephone survey, the total numbers are hiding significant **gender differences**. Only men are clearly discriminated on a racial basis, while only women are clearly discriminated on the basis of their source of financial resources. In the e-mail survey, we can expect similar differences but they were not tested for.

The **type of contact** has an effect too. Discrimination levels for "handicap" and "source of financial resources" for the telephone approach are smaller than for the e-mail approach. The threshold for landlords to respond negatively appears higher on the phone.

3.3. House visit

Through house visits, owners assess the risk of accepting a tenant. Moreover, attempts are made to scare off unwanted rental candidates. Both private owners and brokers use a **range of strategies**.

Often a file is composed about the rental candidate. Not only are candidates requested to fill out an information form, often written proofs are demanded as well. A copy of the ID, a proof of financial resources or employment and references of the previous landlord are the most frequently requested documents. This is done to inform the landlord, but also to deter unwanted candidates. Additionally, some candidates are rejected because their financial resources are not considered high enough for the rent, or letting is made conditional upon a third party payment guarantee.

Behavioural tests revealed how these strategies are deployed more often with test individuals of a non-Belgian background, test individuals receiving benefits, or test individuals with a visual impairment. Test individuals with a non-Belgian background were treated worse during a home visit. They were screened before, on the phone, and were received with less enthusiasm. Test individuals who receive benefits were also asked for more information and proofs of their solvability, compared to the control group; sometimes file- and reservation costs were charged. Through extra costs and warrants, **people with visual impairment** were deterred during the visit. Often however, they were also treated in extra helpful ways.

A test group of **single mothers** experienced little overt discrimination; this group were mainly requested proofs of solvency, like paying reservation costs or a warrant.

3.4. The lease

Some groups of tenants are charged extra at the lease. By requesting a specific lease warrant (in cash or Korfine), the weak bargaining position of the tenant is abused. The OCMW/CPAS warrant is avoided or sometimes outright refused, excluding OCMW/CPAS-clients from renting. Some groups of tenants are only offered a short-term contract, as a 'test period'. Finally, tenants also mentioned mistreatment during the lease period.

3.5. The role of real estate brokers

Collaboration with real estate brokers facilitates the discrimination of certain groups of tenants. Our tests revealed that brokers had no problem with a landlord's request to exclude 'foreigners' (42%) or 'unemployed people' (61%). A tiny share (14%, resp. 7%) refused explicitly, a somewhat larger share puts the responsibility in the hands of the landlord (34%, resp. 24,3%). The reactions of real estate agents often reveal that they are well aware of anti-discrimination laws (in relation to origin), but sometimes they also suggests ways to circumvent them. As intermediaries who can hide behind impersonal procedures, real estate brokers are often considered a 'buffer' between landlord and potential tenant, making it easier for landlords to discriminate.

Is it possible ... to avoid? (percentages)	'Foreigners' N=300	'Unemployed'
Yes	42.3	61.3
No	14.0	7.3
No, the landlord has to choose (list)	34.0	24.3
This has to be discussed with the manager	1.0	0
This cannot be discussed over the phone	2.7	1.7
The question is avoided	1.7	0.3
The procedure is explained (e.g. salary documents,	1.0	2.7

inquire with the previous landlord,...)		
The procedure is explained, including a pre-selection by the real estate office on the basis of solvency	0.7	1.3
Other	2.7	1.0

4. Motives for and experiences of discrimination

4.1. Motives for discrimination

Welfare recipients, Muslims or people with a foreign background were often refused out of **aversion**. Often however, discrimination is (also) statistic discrimination, with landlords associating certain traits with the risk of default or bad maintenance.

Tenants on **benefits** are usually associated with payment problems, as well as bad maintenance of the property. When the warrant is arranged by the OCMW/CPAS, landlords expect difficulties to claim the money in case of damage. A small group refuses to rent to welfare recipients, considering them 'profiteers'.

Concerning **family composition** families with children are often avoided, fearing nuisance, but also difficulties to kick out families with children. Furthermore, single parents/mothers are associated with payment problems.

Some landlords refuse to rent to **young people**, for fear of nuisance or solvency doubts ; others prefer young tenants above older ones because they expect young beginners on the housing market to be better payers than older 'stayers' on the rental market.

People of **foreign origin** are sometimes also associated with payment difficulties, bad maintenance or problems with the neighbours. Based on specific experiences, landlords distinguish between nationalities or regions of origin.

4.2. Experiences and strategies of tenants

For most interviewees, discrimination is a strong and emotional experience. When experienced regularly, the impact is large.

How interviewees deal with such experiences appears to be diverse. On the one hand, **direct reactions** often remain limited to orally questioning the lies of landlords; stronger reactions are relatively not more efficient according to interviewees. In hindsight, one feels responsible to reveal the discrimination and punish the perpetrator through reputational damage. Existing reporting procedures or legal actions are rarely mentioned.

Victims of discrimination draw lessons from their experience. Based on ideas about actors, services, the personal network and characteristics of residents and the housing market, a complex typology of regions, neighbourhoods and housing types is produced to assess the risk of discrimination. This **classification** orients interviewees' quest for a home and is co-produced by landlords who 'orient' prospective tenants to 'suitable' housing types or areas.

In addition to a pre-selection of potential dwellings, other individual strategies to avoid discrimination were mentioned. Rental candidates try to make **face-to-face contact** with the landlord (and avoid real estate agencies): private landlords are supposed to be more open to negotiation and clarification. This allows one to raise sympathy, disprove stereotypes and confront illegal practices. A

second strategy is to **mask or silence** the personal situation as long as possible. Thirdly, the 'free market' is avoided by searching a dwelling through **intermediaries** who can consolidate a landlord's confidence. A final strategy is to involve **welfare agents or friends** in the quest. Hence, personal traits are hidden, and support and protection vis-à-vis landlords is found.

Tenants claim their reliance on individual strategies is a consequence **of deficient support and protection by the authorities**. Existing supporting services are unknown, or do not always offer the support needed. Declaring a house as uninhabitable or the processing of discrimination claims are ineffective and risky for the tenant. Moreover, they rarely directly help in the search for a dwelling. Negative stereotyping by media and politics are also mentioned. In Flanders/Antwerp in particular, interviewees believe the government does little to change the mentality, and even stimulates negative stereotypes as a consequence of a rightward shift in politics and language policies.

5. Recommendations for the continuation of the barometer

We encountered several methodological issues that need to be taken into account if the housing barometer research is continued in the future.

-Split up combined discrimination grounds

Often we tested *combinations of discrimination grounds* (e.g. source of financial resources, gender and family composition). The problem is that the result cannot be distinguished according to the separate grounds. To ascertain statements about a discrimination ground, it would be better to test them separately. A single mother with a child would be controlled for by a single woman without a child. A separate test for discrimination of single fathers could also be deployed (with single men without children as a control group).

A specific combination was used when testing discrimination *on the basis of financial resources*. Since benefits are often low, it is not clear whether discrimination (based on the type of financial resources) or selection (based on the level of financial resources) is measured. This would require a control profile with a similar level of financial resources from employment, while the experimental group would receive their financial resources in a different way. That would render the source of financial resources different, allowing us to speak of discrimination.

Third, to better filter *statistic discrimination*, for instance with racial discrimination, the exact level of financial resources and other relevant socio-economic characteristics which could influence the decision of the landlord would have to be mentioned to the landlord before he decides if the dwelling can be visited.

-Take larger samples

To discuss results at *smaller geographical scales* (e.g. areal differences between urban vs. suburban), the number of tests should be increased. A low number of observations makes it difficult to distinguish statistically significant differences.

-analyse all phases of the rental process

In this research, we could only make statistical statements in relation to discrimination in advertising or at the moment a contact was established. Since the qualitative research revealed that

discrimination also happens *in later phases* of the rental process, and policies can cause shifts between phases, it would be good to also submit these later phases to more systematic tests. This could be done, for instance, through a longitudinal panel study on the rental experience of groups of tenants.

-combine email and telephone tests

Although the email-approach definitely has some methodological advantages compared to the telephone test, contact by phone is sometimes used more often in markets where high responsiveness is needed. For some groups, this can also decrease discrimination as more personal contact increases the threshold for landlords. In email-contacts, the problem of non-assignable mail & telephone reactions needs to be solved to avoid losing too many observations. One might compensate for this loss by sending a higher number of emails.

-use multivariate analysis

Since multivariate analysis allows a more correct estimate of the degree of discrimination than a bivariate analysis, this method should be continued and eventually expanded, in particular by including other relevant variables (more housing characteristics, or characteristics of the landlord).

-analyse the same housing market niche

Finally, we would like to remark that the present study's statements are only valid for a certain segment of the housing market (rental housing within certain price limits), not for the total housing market. If similar measurements are made in the future, and an evolution in discrimination/selection is to be measured, a similar market segment needs to be analysed.

-critically assess the stories landlords tell in interviews

Landlords liked to cooperate in this study. Nonetheless, they remained wary and were not happy to discuss every subject. As the barometer becomes known, prudence of interviewees will increase.

-also use mixed focus groups

In this study we opted for homogeneous focus groups. As a consequence, interviewees did not make comparisons between discrimination grounds. Mixed focus groups would stimulate discussions about this.

6. Policy recommendations

6.1. Combat discrimination

Our study reveals how awareness raising and increasing the risk of being caught helps against discrimination. Racial discrimination, a topic heavily discussed in the media, is much more sensitive amongst landlords than discrimination on the basis of the source of financial resources, for instance. Similarly, real estate brokers are much more alert and even appear to warn landlords for legal repercussions.

Therefore we advise the following actions:

-Intensify awareness raising campaigns

The Centre for Equal Opportunities already runs campaigns to raise awareness about discrimination. These could be expanded and tailored to the housing market.

-Develop codes of ethics with professional associations

Real estate websites and agencies already practice self-censorship on the basis of self-imposed codes of conduct. The *Centre for Equal Opportunities could coordinate this* in order to agree upon codes of conduct for each professional association (BIV/IPI, Landlord Union). The thesaurus of discriminatory formulations in advertisements could be provided to website administrators and newspaper publishers to support them in installing an automatic anti-discrimination filter.

-Increase the risk of being caught by setting up situation tests in different phases of the rental process

Situation tests are suitable instruments to increase the risk of being caught throughout the different phases of the rental process. Discrimination moves from the advertisement and contact phase to less publicly visible phases of the rental process such as the house visit or the negotiation of the lease contract; only situation tests can penetrate into these phases of the rental process.

6.2. Structural reforms of the housing market

Punishment alone will not eradicate discrimination. Above-mentioned measures will need to be supported by *more structural measures*.

These should be oriented in the first place to the provision of *affordable housing*. A shortage of affordable housing allows landlords to be picky and impose (strict) requirements on rental candidates. If we aim to tackle discrimination of minority groups, providing affordable housing is crucial. If demand and supply are more in balance, landlords will do less cherry picking. We cannot count on the market to solve the affordable housing supply shortage. Decent housing for a lower price is not profitable. The only structural solution is to increase the social housing stock. However, adjacent measures to increase the private rental market can contribute too:

-Build more social housing

-Create opportunities to place un- or underused houses on the market.

To counter discrimination on the private rental market, both parties on the private rental market have to be recognized: both tenants and landlords have needs that should be taken into account. The role of the private landlord needs to be acknowledged: without them the private rental market would be inexistent. Landlords need to be supported and stimulated to keep or place their dwelling on the private rental market. The *rental risk is real* and is an important motive for (statistic) discrimination and selection. Minimizing the rental risk is minimizing the risk on discrimination. However, the *tenant* too needs support and the government needs to take up responsibility to guarantee vulnerable households on the private rental market access to affordable quality housing:

-Expand the rent premium and deposit system, targeting it to groups risking statistical discrimination.

These measures reduce the risks run by landlords and decrease their urge to discriminate.

-To prevent rent premiums from raising rents, rents need to be regulated.

When rent premiums lead to rising rents, the vulnerability of prospective tenants increases.

-Give social real estate agencies a bigger role in the market.

These agencies do not only provide answers to the needs of tenants (affordability, quality, housing security), but also reduce the risk for landlords: tenants are accompanied, rent payment is guaranteed and there is supervision on the maintenance of the dwelling.

6.3. Structural changes in society

Finally, the private rental market cannot be considered in isolation from the wider society. Here too, action can be taken to reduce discrimination on the housing market. Since statistical and preference-based discrimination are both based on stereotypes and prejudices, it should be emphasized that spreading such prejudices also affects the attitudes of landlords with respect to specific groups of tenants.

-Fight the spread of stigmatizing messages on ethnic minorities, welfare recipients, youth, or people with disabilities in the media and political discourse.

We revealed how housing discrimination mostly affects those who demonstrate high social vulnerability in general.

Hence, growing social polarization and a stricter control and reduced support for unemployed people forms a breeding ground for increased discrimination. General actions against poverty and social exclusion will prevent discrimination on the housing market as well. More specific actions can play a role too. OCMW/CPAS being increasingly strict towards welfare beneficiaries undermines their position on the housing market. Restrictive OCMW/CPAS measures, for instance related to the warrant, turn OCMW/CPAS clients into 'risks' for landlords, increasing their risk of being discriminated against.

- fight poverty and social exclusion

-Give OCMW/CPAS more (budgetary) leeway to improve their clients' position on the housing market.

-Standardize the way OCMW/CPAS operate as intermediary between client and landlord, amongst others concerning the warrant, in consultation with professional organizations of private landlords.