Rental discrimination in the multi-ethnic metropolis: evidence from Sydney

Introduction

Disparities in access to rental housing markets may occur if individuals with similar economic characteristics are treated differently based on other personal characteristics (such as race, ethnicity, gender, or family status). While there is a well-established body of research on rental discrimination in the US (Wienk et al 1979; Galster 1990; Turner et al 2002; Ross and Turner 2005; Turner et al 2013; Ewens Tomlin and Wang 2014; Hanson and Hawley 2011), and growing attention to the issue in Europe and Canada (Ahmed and Hammerstedt 2008; Baldini and Federici 2011; Andersson, Jakobssen and Kotsadam 2012; Bosch, Carnero and Farre 2010; Dion 2001; Rich 2010), little Australian research has investigated the role that ethnicity might play in mediating individuals’ treatment in the market. As Australia becomes an even more diverse nation, ensuring fair access to housing markets is an increasingly significant concern. However, we have no benchmark understanding of equity in housing market access. To date, very little systematic research on housing discrimination has been conducted in Australia, despite its growing immigrant population and the intensity of housing market competition in the major immigrant destination cities. Official inquiries into housing discrimination have been undertaken in Western Australia (Equal Opportunity Commission of Western Australia (EOCWA) 2004, 2009) and Victoria (Victorian Equal Opportunity and Human Rights Commission (VEOHRC) 2012), pointing to housing discrimination as an issue requiring scholarly attention. This set of inquiries identified discrimination in relation to both the provision of public housing and within the private rental market. Housing discrimination may be particularly problematic (and likely) in markets with more intense competition for housing, because discrimination in such markets is both less likely to result in lower profits, and less likely to be detected (Yinger 1995).

This paper investigates whether members of two ethnic minorities – people of Indian or of Muslim Middle Eastern origin – are treated differently to people of Anglo origin in the Sydney rental housing
market. These groups were chosen as a result of their reported high levels of racism in seeking accommodation (see Nelson et al. 2015). Research indicates that immigrants, particularly those from non-English speaking backgrounds, report experiencing racial discrimination at higher rates than Australian born survey respondents within a range of different contexts (Markus, 2014). Non-Christians are also more likely to report experiencing discrimination in Australia (Dunn et al. 2009). The Mapping Social Cohesion Surveys have been conducted annually in Australia since 2009 and canvas public opinion on topics of social cohesion and population issues. In the 2014 Mapping Social Cohesion Surveys, 58 per cent of those who indicated they had experienced discrimination reported that it took place in their neighbourhood (Markus 2014). As explained in detail in Nelson et al. (2015), both Muslim Australians and Australians with Indian heritage report perceived discrimination when seeking housing (see also Dunn et al. 2011). The inclusion of an ethno-religious group, Muslim Middle Eastern testers, rather than simply Middle Eastern testers, is a reflection of the way contemporary anti-Muslim sentiment in Australia is racialized (Dunn et al. 2007), meaning that Muslim Australians experience racism in similar ways to ethnic or racial groups.

Identifying discrimination poses challenges for social scientists (Blank et al. 2004). Landlords and agents may not respond accurately to attitudinal surveys aimed at eliciting opinions about ethnicity, either because they recognise some attitudes are less socially acceptable, or because they do not perceive their attitudes as discriminatory. Surveys of potential victims of discrimination are likewise limited by the fact that respondents are rarely able to compare their own treatment to the treatment experienced by others in any particular situation. Studies of complaint rates are likely to capture only a small share of possible incidences of discrimination. To address these difficulties, this study used a paired tester method (sometimes known as a housing audit approach), which, while not without its own methodological challenges, is widely recognised as a robust approach to assessing racial discrimination (Yinger 1998; Riach and Rich 2002; Rich 2010). The paper begins by highlighting key attributes of Sydney’s housing markets, followed by a brief historical overview of research on housing discrimination, including methodological issues raised by paired tester studies.
Next, we explain the study approach in detail before presenting and discussing a selection of key findings, and concluding with implications for the housing industry and for policy makers.

The Sydney housing market

Australian housing ranks among some of the least affordable internationally (in comparisons of the USA, UK, and selected Asian cities). Sydney’s median house price to income ratio (as calculated by Demographia, 2013) ranks fourth worst in this sample, outdone only by Hong Kong, Vancouver, and San Francisco. As a global Pacific Rim city, Sydney has attracted immigrants from approximately 240 different language backgrounds; two out of five residents of the greater metropolitan area were born outside Australia, and one in four speak a language other than English at home. For three out of five Sydney residents, one or both parents were born overseas. Figure 1 summarises the national origins of the metropolitan area’s residents.

Figure 1: Country or Region of birth, residents of Greater Sydney, 2011

The range of immigrant groups, and the range of immigrant pathways (ranging from high skilled migrants with high incomes and assets, to humanitarian migrants who often have low incomes and assets), mean that immigrant settlement patterns are diverse. Sydney does not exhibit similar patterns of ethnic segregation to those evident in US (and some European) cities (Forrest Poulsen and Johnston 2003). While ethnic residential concentration occurs in parts of Sydney, in these areas we see layers of ethnic diversity, with many diverse groups living together, rather than ethnic segregation (Burnley, 2000).

Over the most recent five year inter-census period, median rents (but not mortgage payments) rose faster in Sydney than median household incomes. The proportions of renters, and households paying off a mortgage, increased. Foreign-born residents increased, as did unemployment rates (although these were low in an international context). Average household size did not change, but
the average number of people per bedroom increased slightly. While the census does not report
vacancy rates in private rental properties, SQM Research data reported rental vacancy rates for the
metropolitan area of 1.7% in mid-2011, compared to approximately 2% in mid-2006. Vacancy rates
ranged from .04% to 5% across the metropolitan area during the period of our study, with an
average of 1.9% vacant residential properties (SQM Research,
http://www.sqmresearch.com.au/terms_vacancy.php). Table 1 summarises key housing market
indicators for the metropolitan area.

Table 1: Key Housing market indicators for the Greater Sydney metropolitan area, 2006 -2011

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2011</th>
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<tbody>
<tr>
<td>Median age</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>Median household weekly income</td>
<td>1154</td>
<td>1447</td>
</tr>
<tr>
<td>Median monthly mortgage payment</td>
<td>1800</td>
<td>2167</td>
</tr>
<tr>
<td>Median weekly rent</td>
<td>250</td>
<td>351</td>
</tr>
<tr>
<td>Median rent as % household income</td>
<td>21.66</td>
<td>24.26</td>
</tr>
<tr>
<td>Average household size</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Average people per bedroom</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Residents born overseas</td>
<td>31.7</td>
<td>34.65</td>
</tr>
<tr>
<td>Percent renters</td>
<td>29.7</td>
<td>31.6</td>
</tr>
<tr>
<td>Percent renters with real estate agent as landlord</td>
<td>17.0</td>
<td>19.7</td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>5.3</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011,
Community Profile
Thus, Sydney represents a particularly interesting case, with a much higher proportion of recent immigrants than most of the US or European cities examined in previous studies (with the exceptions of London, New York, and Los Angeles). Table 1 shows that the five year inter-Census period in Sydney was characterised by increasing demand for rental property, increasing proportions of international migrants, and rents that have been rising faster than household incomes. Recent research has also examined the challenges international migrants face in finding suitable affordable housing in the Sydney metropolitan area (Easthope 2015). Such circumstances might facilitate discrimination.

**International research on housing discrimination**

The majority of studies of housing discrimination have been conducted in the United States, as one might expect given its fraught history of racial inequality. Fair housing audits became essential components of a regulatory regime focused on ensuring the housing sector lives up to the spirit as well as the letter of the law. Early efforts to investigate discriminatory practices using paired tests contributed to passage of the Fair Housing Act of 1968. However, the Act was weakened by the limited public resources that accompanied it, its reliance on complaints to trigger enforcement, and the very limited legal damages that discouraged victims from seeking outside legal assistance (Yinger 1995; Galster 1991; Kushner 1992). Fair housing audits in the United States have examined uneven treatment in access to private rental accommodation, the purchase of homes, and access to mortgages for property purchases. For the purposes of this brief review we focus on findings in relation to the private rental market. The Housing Market Practices Survey offered the first national scale test of the auditing approach in 1977, using 300 pairs of testers across 40 metropolitan areas. The study found “Blacks were systematically treated less favorably, with regard to housing availability, were treated less courteously, and were asked for more information than whites... For example, with respect to an index of housing availability – the most important of the discrimination measures reported - discrimination in the rental market was 27% [that is, agents discriminated in
27% of cases]" (Wienk, Reid, Simonson and Eggers 1979, ES-2). While the study’s authors emphasised that no conclusions could be drawn about relative rates of discrimination across the metropolitan areas in the study, the study indicated discrimination may be more likely in some regions.

The United States’ 1989 Fair Housing Amendments and Enforcement Act placed a proactive responsibility on the Department of Housing and Urban Development (HUD) to enforce the provisions of the Act, and part of this responsibility entailed gathering accurate data over time to estimate the extent and nature of housing discrimination. This was the context in which fair housing audits became institutionalised, as a key element of the federal government’s fair housing agenda (Roscigno, Karafin and Tester 2009; MacDonald 2011). Based on a more substantial sample of 3,800 audits in 25 cities, HUD’s 1989 study of housing discrimination found that whites were more likely to be told about other housing available, and were more likely to be offered an inspection; they were likely to be favoured in 26.4% of tests (Turner, Ross, Galster and Yinger 2002). In HUD’s 2000 Housing Discrimination study, the differential had dropped to 21.6% of tests favouring whites (Turner, Ross, Galster and Yinger 2002). Differential treatment had dropped further still (to an 11.4% differential in being told about other housing, for example) in the 2012 iteration of the HUD Housing Discrimination study (Turner et al. 2013).

Audit studies of housing discrimination might be better described as studies of differential treatment; as Massey (2005) argues, paired tests might identify instances of housing exclusion, but they do not capture discrimination directly. Roscigno, Karafin and Tester (2009) investigate the much wider set of discriminatory practices revealed in legal cases where a finding of discrimination has been made, arguing that exclusion from housing is only one part of discrimination.

As a methodology, paired testing has clear advantages over counts of complaints, surveys of attitudes, or model-based analyses of outcomes of housing decisions (Yinger 1998; Riach and Rich 2002; Rich 2010). Nevertheless, it has its limitations. Most audit studies examine only a portion of
the total housing market. Relying on formally advertised properties to draw the sample of properties to be tested means that other informal channels of housing market information, and the segments of the housing market these represent, are not examined. The patterns and incidence of discrimination may be quite different in these market segments (Galster 1990; 1991).

One significant question is whether testers can ever be adequately “matched.” Critiques of the audit approach to investigating discrimination (Heckman 1998; Heckman and Siegelman 1993) have focused on the problem of controlling for unobserved indicators of labour productivity in paired tests of employment discrimination. While the problem is likely more significant for studies focused on hiring decisions (where, one could argue, decision makers are more likely to assess individuals based on a wide range of personal characteristics), it cannot be ignored in designing audit-based tests of housing discrimination. We all place people in a social hierarchy based on the evidence of their education, accent, and behaviour. In what sense can we be confident that differential treatment is attributable to just one observable attribute (ethnicity), when other attributes are also likely to influence perceptions of an individual’s suitability as a tenant? Other critiques of paired testing argue that unless testers are unaware of the purpose of the study, they are likely to be biased, and thus to perceive discrimination where it may not exist (Fix and Struyk 1992). Both of these criticisms raise valid methodological issues for paired test audits, but, as we argue later, they can be addressed through careful study design, tester recruitment and training, and quality control measures to evaluate systematic patterns of responses among testers.

Several recent studies, however, have used these critiques as a justification for a new experimental approach, using email inquiries with ethnically distinctive names to investigate whether landlords respond differently to those from the ethnic minority compared to majority group. The low cost of this method has enabled significant sample sizes (ranging from 5,000 to 14,000) that have offered solid evidence that some ethnic minorities are less likely to receive replies (or positive replies) from landlords (Bosch, Carnero and Farre 2009; 2011; Hanson and Hawley 2014; Ahmed and
Hammarstadt 2008; Ewens, Tomlin and Wang 2012; Baldini and Federici 2011). Similar findings have emerged from studies of rental housing markets in Sweden, Spain, Britain, France, and Italy, in addition to the USA. The email inquiry method offers the opportunity to test for the effect that the provision of different amounts of information may have on agent or landlord response rates, and to test other subtleties such as the effect of different language skills, or different tenant characteristics. While email and internet-based studies offer considerable practical and methodological advantages, they only work in places where the renting process is mediated through this means of communication. In housing markets with very intense competition for housing and more centralised processes reliant on real estate agents offering in-person housing inspections, as is the case in Sydney, they have less practical value.

Data and methodology

The analysis is based on data gathered over a 15-week period in the Sydney metropolitan area (between August and November of 2013). The study sample includes 537 “tests”, of which 369 resulted in completed inspections by both testers. Pairs of testers were matched on age, gender, apparent extroversion, clarity of spoken English, and an overall evaluation of personal attractiveness. Pairs were made up of an Anglo-Australian tester, and either a Muslim Middle-Eastern or an Indian tester (in some cases two minority testers were paired with one Anglo tester). Research Assistants self-identified as being from a ‘Muslim Middle Eastern’ or ‘Indian’ background in response to a job advertisement seeking applicants from these ethno-religious and ethnic backgrounds. A panel assessed the applicants for the tester positions, independently rating applicants on a range of verbal, personality, and physical attributes observable in the interviews, including the likelihood that they would be recognised as belonging to one of the three ethnic groups in casual interactions at home inspections. Of the 150 applicants, 44 were interviewed and 30 were appointed. Testers were offered positions if they could be matched with at least one other person of the same gender and approximate age, with similar characteristics. The socio-economic
background of our testers was surprisingly homogenous; all except six had completed Honours, Masters, or PhD degrees, and each of those six was enrolled in a Bachelor’s degree studying for a professional qualification. While we did not set out to recruit students specifically, the jobs were advertised as “casual research assistant” positions, and thus were likely to attract the attention of people who were currently or had recently been involved in research. We view this as a strength of our study, because it enabled us to test out how relatively “desirable” tenants are treated in local rental markets. It also made it more likely that the testers understood the importance of objective reports of experience as a basis for the validity of the study.

Although our original intention was to conceal the study’s nature from testers, it proved impossible to train testers adequately without disclosing the purpose of the study. Training sessions included role play tasks that asked participants to discuss how they would record particular sorts of interactions. When testers were assigned properties to visit, they were also assigned an appropriate family status, and occupation. Occupational equivalents were chosen to reflect the appropriate income range that would be required to rent the sample property. Assigned family status also reflected the type of property inspected. Testers were also instructed on the importance of objectivity, and of consistency in manner, attire, and discourse, so as to avoid confounding variables.

Properties were sampled from all available rental properties in the metropolitan area each week for fifteen weeks, from one of the main internet sources of rental property listings (Domain). This sample excluded properties advertised very locally (for instance, on flyers), and properties not represented and managed by a real estate agent. We chose to focus on the “formal” rental market, because we expected that informal rental markets may work in quite distinctive ways that we would be unable to capture in our study.

Properties were chosen randomly from the database of available properties across Sydney, including 14 regions across the Sydney metropolitan area. While each region was represented, properties were sampled randomly and as such, regions with relatively high volumes of rental properties
appeared in the sample more frequently than regions with relatively less rental housing. Testers conducted scripted telephone rental enquiries about advertised properties, and either arranged an individual inspection with the agent or attended the next available public inspection. Interactions with agents followed one of three randomly assigned scripts. Testers had no contact with each other during the inspection and travelled to it by separate means. After completing the phone call and the inspection, testers completed detailed surveys to record their experiences (such as whether the agent offered them an individual inspection, what they were told about the property and the application process, and whether the agent encouraged them to apply). The data collection instruments were designed with objective reporting in mind, and testers received training that emphasised the importance of objective recording of their experience. Testers were able to discuss any issues that arose with the project management team prior to and during the experimental period. Debrief sessions were held two weeks into the fieldwork to address any unanswered questions, and again on completion of the data gathering stage.

Of the 537 tests completed to the phone call stage, 369 tests were completed to the inspection stage by both testers. The remaining properties either had been rented before the inspection date, or at least one tester was unable to attend the inspection. Testers did not submit an application to rent the property as the provision of false names on such applications is unlawful while using real names would have been recorded in several industry-maintained tenant databases (e.g. TICA), potentially disadvantaging the testers when seeking rental properties in the future. Of the original 30 testers, 26 completed the study. Survey responses were checked to ensure that testers were completing the surveys accurately, and that there was no evidence of individual bias. In one case, a tester was dismissed for providing incomplete data, and the tests that person had been involved in were discarded. No bias was detected in the responses retained in the data set (based on tests of significance of differences in mean responses by each tester on four key variables).
Several recent studies of housing discrimination (reviewed above) have used internet enquiries in place of in-person contacts. This was not appropriate in the Sydney rental market, given the intensity of competition for rental housing. Local practice is that properties are advertised on one or more internet sites, with listed inspection times (usually no more than half an hour), and agent contact details. Prospective renters attend the inspection if possible, and usually submit a completed application form with all supporting documents if they are interested, either at the inspection or shortly afterwards. A well-priced property in a good location might attract upwards of thirty applications; once the agent has found an acceptable tenant, remaining applicants are not considered. E-mail enquiries are unlikely to be answered.

**Findings**

We analysed differences in treatment between Anglo and minority testers using paired samples t-tests. Each test (phone call, or phone call followed by inspection) was recorded in two surveys, one completed by each tester. Survey responses from the Anglo and minority tester are compared. The paired (or dependent) samples t-test estimates the likelihood that observed differences between pairs are a result of random variation in treatment. Several variables showed statistically significant differences in treatment. We present an overview of the results of this analysis, and focus on four particularly meaningful differences that were also statistically significant, with a probability of less than .01 percent that differences were a result of random variation. These variables are:

1. Offered an individual appointment during the phone call
2. Told of other housing available at the inspection
3. Provided with additional information about the application process
4. Contacted by the agent after the inspection.

Figure 2 shows differences in the treatment of testers at the phone call stage. Overall, agents provided very little information during the phone call, and many differences were not statistically
significant. Testers enquired about other available housing if the property they were asking about was no longer available. Likely due to the small sample size (only 134 tests), the differences in the likelihood that Anglo rather than minority testers would be told about other housing were not statistically significant.

Figure 2: Differential treatment at the phone call stage

Anglo testers were more likely than either Indian or Muslim Middle Eastern testers to be offered an individual appointment to view the property. At this point, the agent would have had relatively little personal information, with the exception of the tester’s name, and accent. As we explained above, we ensured that testers used names that would be seen as ethnically identifiable (in the event that their own name was not ethnically distinctive). Testers were expected to speak in their normal accent, but the ability to speak clearly in English was one of the criteria used to select testers. In the vast majority of tests (79.7%), both testers were treated identically – either offered or not offered the individual appointment they asked for. In 3.5% of tests, the minority tester was offered an individual appointment while the Anglo tester was not. In the remaining 16.8% of tests, the Anglo but not the minority tester was offered an individual appointment to view the property. Essentially, Anglo testers were 4.8 times more likely to be offered an individual appointment.

Figure 3 summarises interactions with the agent during the inspection. The inspection stage revealed several statistically significant differences in treatment. Overall, Anglo testers were more likely to record having contact with the agent during the inspection, although minority testers were more likely to report that the agent introduced themselves, were more likely to be told when the dwelling would be available, and were more likely to be asked for contact details (although, as shown in Figure 5, they were less likely to be contacted by the agent after the inspection).

Figure 3: Differential treatment during inspection stage interactions
One important difference was that Anglo testers were more likely to be asked about their housing needs, and to be told about other available housing. For 66.1% of tests, both testers were treated the same – either told of other housing or not. In 7% of tests, minority but not Anglo testers were told of other available housing. This was reversed in 26.8% of tests, where Anglo but not minority testers were given information about other housing. In this case, Anglos were 3.8 times more likely to be favoured. However, of those told of other housing, minority testers were told about more housing units – an average of 2.65, compared to an average of 2.16 that Anglo testers were told about (this difference however is largely attributable to one test, in which the minority tester was told of sixteen more dwellings than the Anglo tester; in one other case, the minority tester was told of six more dwellings). Overall, of those told about other housing, minority testers learnt of more dwellings than the Anglo tester in 26.9% of tests, compared to 32.7% in which Anglos learnt of more dwellings.

Differences in information provided about the application process are summarised in Figure 4. Testers were asked to record all information the agent provided about specific elements of the application process (such as credit checks and references required). On most of these, there were no significant differences. However, agents were more likely to explain the application form to Anglo testers, and to provide them with additional information beyond the standard elements. In 68% of cases there were no differences. In 7.9% of cases, minority but not Anglo testers were given additional information about the application process while Anglo testers were favoured in 24.1% of tests; they were just over 3 times more likely than minority testers to receive additional information.

Figure 4: Differential treatment in information provided about the application process
Examining the types of additional information provided to Anglo but not minority testers, agents were most likely to mention a deadline to submit the application, instructions on faxing or emailing the application, the need to apply online, or to encourage the tester to call them if there were any further questions. In one case, the agent pointed out where the correct email address was (but did not do so for the minority tester). For one minority tester, the agent suggested that the individual offer a higher than advertised rent. For another minority tester, the agent stated that everyone who will be occupying the dwelling needs to attend the inspection. In the remainder of cases (n=30) where the minority but not the Anglo was provided with additional information, the information was similar to that listed above.

Figure 5 summarises the incidence of agents contacting testers. Agents contacted testers before the inspection in a very small number of cases, and differences were not statistically significant. In 84.8% of cases, testers were treated identically (in the vast majority of these tests, testers were not contacted). In 4.3% of tests, minority but not Anglo testers were contacted. Anglo but not minority testers were contacted in 10.8% of tests. Thus, Anglo testers were two and a half times more likely to be contacted after the inspection.

Figure 5: Differential treatment related to additional contacts from agent

Discussion

The findings presented here suggest that Anglo testers were treated significantly more favourably than minority testers on several meaningful dimensions that may be expected to impact upon rental housing search experiences. As it was impossible to continue the study through to the application and decision stage, we have no information on how actual outcomes would have been differentiated. However, it is reasonable to assume that the differences detected indicate significant differences in housing access.
If agents offer flexible inspection times to some prospective renters but not others, it will be more difficult for renters of some ethnicities to attend inspections, offering more limited information about the full range of housing options. If Anglo renters are more likely to be told of alternate housing than renters of Indian or Muslim Middle Eastern origin, this would also result in minority renters having significantly less information about the housing market. Agents providing differential amounts of additional information about the application process would also result in Anglo renters being better prepared when they submit an application. Finally, if a renter is more likely to be contacted by an agent after an inspection, this implies that renters with some ethnic characteristics are more likely to be encouraged to apply for housing.

While minority testers were favoured over Anglos in some areas, these were on issues less likely to influence housing access. Being told when the dwelling would be available, being told that all adults must sign the lease, having the agent introduce themselves at the inspection, and being asked for contact details (but being less likely to be contacted), would not suggest a systematic advantage in crucial information about housing options. In fact, some of these outcomes (i.e., being told that all adults must sign the lease) could constitute forms of discouragement or disincentive to submit an application.

The differential treatment evident from the paired tests we conducted suggest that Anglo renters are systematically favoured in rental housing searches compared to their Indian and Muslim Middle Eastern counterparts. Adequate and appropriately located housing is critical to the life chances of contemporary urban dwellers. Housing is a scare urban resource, and real estate markets are the main mechanisms used in Australia to match demand and supply. There will be inequalities in the provision of housing reflecting socio-economic variation, and this is inevitable in a capitalist market system. However, differential treatment in such markets, across ethnicity for example, generates unnecessary and avoidable inequalities that may be equated to racism (Paradies et al. 2009).
Conclusions and questions for further research

While the paired testing method offers significant advantages over other methods of eliciting information about housing market experiences, it is not without limitations. The interview and selection process, and the training, ensured that testers were matched as closely as possible, and behaved as similarly as possible. Tests comparing mean scores on four key variables across testers support this argument. The analyses presented above support the argument that the variations in treatment we report are associated with the ethnic backgrounds of our testers.

The study considered the experience of three ethnic groups; it clearly casts no light on the experience of renters of other ethnicities. It was also conducted in a specific set of metropolitan Sydney housing markets under particular housing market conditions. In different locations and at different times, renter experiences may vary from those studied here. Less formal rental markets may also work in very different ways. Where dwellings are advertised in highly localised ways (through word of mouth, in particular languages, and in particular places), the experiences of members of the three ethnic groups we studied may also be quite different. It is also important to reflect on the demographic background of our testers. The research assistants acting as ‘testers’ in this study were highly educated, and hence only represent a subsection of those seeking rental housing, for example the international student population. The experiences of migrants from lower socioeconomic backgrounds and refugees engaged in the housing search may differ. The intersections between ethnic background and class in experiences in the rental housing markets are important avenues for further research.

The results raise several further questions which are not addressed in this paper. One important one is whether the likelihood of differential treatment is influenced by the ethnic background of the real estate agent. While a substantial share of agents (68.4%) were perceived to be Anglo (based on the tester survey responses), the remainder were identified as belonging to several other ethnic groups. Future research should include tests based on Anglo compared to other real estate agents, to
investigate whether differential treatment is influenced by agent group affiliation. Future research should also address the differences in treatment between the experiences of Indian and Muslim Middle Eastern testers.

We also do not address whether these results vary based on geographical divisions – while Sydney rental housing markets were quite tight over the period we studied (with vacancy rates averaging 1.9% across the metropolitan area), there are differences between inner, middle and fringe markets that may influence results. Local culture and demographics may also do so. It may be useful for future research to investigate spatial differences in more detail.

In light of our study findings, the real estate industry may consider introducing educational programs to focus self-evaluation on how practices advantage and disadvantage some groups. Real estate agents have a legal responsibility not to discriminate on the basis of race or ethnicity, under the Racial Discrimination Act of 1975 (Commonwealth), S.12, and the Anti-Discrimination Act of 1977 (NSW), S.20. Our results suggest nothing about how these legal responsibilities are fulfilled, because they deal with the enquiry / inspection stage, not the rental stage. Nevertheless, there is differential access to information, which agent education and training may be able to reduce.

Little explicit policy attention focuses on ensuring fair access to housing, and this is a more complex challenge than merely outlawing housing discrimination. Access to housing is mediated by social and institutional structures that cannot be comprehensively regulated through the legal system. As Australia’s globally integrated capital cities continue to attract immigrants, more explicit attention to equity of access to such key resources as housing markets (which in turn mediate access to other social goods such as jobs, good schools, and liveable neighbourhoods), will be essential to ensure Australia grows in a socially sustainable way.
References


Figure 2: Differential treatment at the phone call stage

Note: *= p <.05; ** = p < .001. In each chart, % minority favoured is on the left and % Anglo favoured on the right.
Figure 3: Differential treatment during inspection stage interactions

Note: *= p <.05; ** = p < .001
Figure 4: Differential treatment in information provided about the application process

Note: *= p < .05; ** = p < .001
Figure 5: Differential treatment related to additional contacts from agent

Note: *= p < .05; ** = p < .001