

# Summary

## **Ethnic minorities and the rental market – equal opportunities?**

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The aim of Norwegian housing policy is that every citizen have the possibility to obtain adequate housing. However, according to various surveys, we know that housing is distributed very unevenly throughout the population.

Population and housing census, as well as statistics on the living conditions of the immigrant population show systematic differences in housing conditions. These differences vary according to ethnic background. There exist dividing lines between the majority and the minority population, as well as between ethnic groups. An important issue is whether these differences are due to personal preferences, economic and social resources, or social exclusion. This report elaborates on the latter issue.

Statistics on living conditions (2005/2006) among the immigrant population stated that 27 percent of tenants with such background were sure and 11 percent believed they had been rejected from a rental because of their background. There were big differences between ethnic groups. More than 40 percent of Somali and Iraqi tenants thought they had been rejected because of their ethnic background.

This report focuses on experiences of discrimination in the rental market. Self-experienced discrimination is understood as rejections that house-hunters with minority background interpret as discrimination. Statistics on living conditions, as well as focus group and individual interviews, are data sources on self-experienced discrimination.

The study reveals that the rental market has sorting mechanisms that results in different access to different segments of the rental market, dependant on the tenants' ethnic background. In order to get insight into these sorting mechanisms, we have gathered data from both the demand and supply side. Various kinds of landlords and tenants with different ethnic backgrounds are interviewed. The vast material and the different approaches resulted in surprisingly convergent results.

The summary focuses on the requested inquiries commissioned by the State Housing Bank.

*Barriers for prospective tenants with ethnic minority background hunting for a house to rent*

In order to get insight into the ethnic minorities own experiences in the rental market, statistics on living conditions among the immigrant population, as well as interviews with four ethnic groups, are analyzed. The four groups are tenants with Bosnian, Chilean, Iraqi and Somali background.

According to statistics on living conditions, 44 percent of Somali and 42 percent of Iraqi tenants, claim that they have met discrimination in the rental market. Tenants with Bosnian and Chilean background, on the other hand, reported discrimination less frequently from the rental market.

#### *Barriers experienced by the tenants.*

Tenants with Somali background experienced that colour of skin indeed were a barrier to the rental market. National background was a hinder for both Somalis and Iraqis. In addition, some landlords in the study made clear that tenants with Muslim affiliation were not wanted. Chileans as well as Bosnians, reported to a small extent to have encountered such hindrances.

#### *Actual barrier*

Informants from both the Somali and the Iraqi groups frequently experienced that the rental dwellings they could afford, did not match space requirements for their actual household size. However, the majority of the Somali households are small or medium sized, though the landlords thought all Somalis lived in big households.

#### *How can unequal treatment be explained across different ethnic minority groups?*

Firstly, Bosnians and Chileans have, to a larger extent, household sizes that suit the supply side in the rental market, compared to Somalis and Iraqis. Moreover, Bosnians and Chileans have lower unemployment levels, and are relatively more socially integrated. Somalis and Iraqis on the other hand, experience great difficulty in integrating in the Norwegian labour market. This can partly be explained by shorter time of residence and the fact that refugees from these countries are still arriving. Unfavorable media publicity is possibly a contributing factor. The latter probably entails that it is more difficult for landlords to regard house-hunters from these groups as attractive, even when economic merits are satisfactory. Usually house-hunters from these groups are rejected on the first encounter on the basis of presumed group characteristics, before they had the chance to present themselves as individuals.

Another aspect of importance is how the persons that get rejected interpret the rejection. Every Somali and Iraqi gets a lot more rejections than Bosnians and Chileans. Somalis and Iraqis have a tendency to interpret the multitude of rejections as discrimination, while the Bosnians and Chileans are less inclined to interpret their fewer rejections as discrimination.

#### *How do the landlords account for their choice of tenants? To which degree is any unequal treatment explained by the landlords understanding of ethnic minorities or by the landlord's priorities?*

Somalis and Iraqis often experience being rejected at their first housing enquiry. Some private landlords express openly that they don't want tenants that are foreigners (with a non-western background). Other landlords make the rejection more subtle, by holding the opinion that the foreigners don't fit their notion of suitable tenants. Suitable tenants, according to their view, are working or studying, and capable of paying the rent. They also stress the importance of tenants' ability to take care of the dwelling and otherwise not causing any concern. In addition, the landlords prefer tenants that they believe they can communicate with.

Another important aspect is that small households are often preferred, because the dwellings also are small. In addition few or no children cause less wearing and tearing. When the landlords make their choice, using their intuition, it seems like it is easier for the landlord to find suitable tenants amongst tenants with a Norwegian or Western background. They are more recognizable. Thus, conscious or unconsciously, notions of immigrants in general and of specific ethnic groups, influence their choice. The exception is the commercial landlord who sometimes makes his or her final choice by drawing lots.

*Are there structural characteristics connected to the way in which the housing associations and municipalities implement and organize their letting, which leads to unequal treatment and possible discrimination of ethnic minorities?*

A limited selection of housing associations and municipalities with rental housing, within the same municipalities, are included in the study. A relatively high percentage of the population within these municipalities has a non-western background. The housing associations and the municipalities have criteria for selecting tenants which are intended to be neutral. Ethnic background should not be relevant when it comes to the possibility for renting a dwelling. In the municipalities, disadvantaged households get priority. In the housing associations, young households which are members, get priority. The question is if the general criteria, procedures and housing supply are adapted to the diverse group of tenants, facing different disadvantaged situations in the housing market.

We have found that a considerable part of tenants that get municipal dwellings have immigrant background. However, when assessment is used, in addition to criteria, it might seem that households with a specific immigrant background are more often excluded.

Some of the criteria are however to a lesser degree adjusted to the situation of the disadvantaged with a minority background. Requested residence time in a municipality to be permitted to apply for a dwelling is an example of such criteria. The criteria affect the immigrants, because they move more often than the native population. Other criteria, such as age and limitations on time of residence in housing associations, don't consider the fact that households with a minority background can settle down at any age during their lifetime. In addition, some households prefer to stay as permanent tenants in the housing associations. Their ambition is not to become homeowners, which is the common housing career in Norway.

Beyond this, there was a need for municipal, non-discriminating housing services which could strengthen the household's ability to compete in the private rental market. One example is assistance in finding housing for households with their own income. Another example is economic arrangement that doesn't make the landlord aware of the fact that the household received housing allowances. The reason for this is that landlords prefer tenants with their own income.

Neither the municipalities nor the housing association have adjusted their supply to a more diverse group of tenants. The supply mostly consists of small dwellings, which are not adapted for household with several children. Contracts and information material are mostly in Norwegian. There are limited efforts to strengthen households and neighborhoods in the multicultural housing areas where people are tenants.

*Is there unequal treatment in the contractual relationships?*

It was difficult to get access to the tenants' contracts in the rental market, except for a few that lived in municipal dwellings.

These households had ordinary, municipal contracts, but they were assigned to substandard dwellings. Based on the study, it is difficult to say whether this was arbitrary or systematic.

However, the study indicated that tenants with Somali and Iraqi background in the private rental market often experienced that they had to pay more than was stated in the contract in order to get the contract. They also experienced frequent changes in the rent and unfair dismissals. These kinds of experiences were also known in the Chilean community, but to a far lesser extent.

*When should unequal treatment of ethnic minorities in the rental market be denoted as discrimination?*

When tenants with an immigrant background are instantly rejected as possible tenants when they first encounter the landlord, this should be categorized as direct discrimination. It is also discrimination when tenants with a specific immigrant background are allowed to rent under the condition that they pay more than what is stated in the contract. In addition it should be regarded as discrimination in the rental market when tenants with an immigrant background systematically are offered worse dwellings in less attractive areas than tenants with a Norwegian background.

However, discrimination is complex, and it is difficult to establish its occurrence. On the other hand, different indicators can together play a part in indicating the extent of discrimination, and in detecting areas in the rental market where tenants with an immigrant background systematically get worse results compared to ethnic Norwegians. Worse conditions can be the result of conditions and mechanisms that are discriminating. But it is important that the results are interpreted in a proper way. The advantage of indicators that are based on statistics, are that they also give information about the areas in which tenants of different ethnic backgrounds possibly are not discriminated.