



Position on Racial Disparities in Homeownership

This statement from the Minneapolis Area REALTORS® Association (MAR) acknowledges our impact on the racial homeownership disparities in the Twin Cities metro area. We apologize for our actions and inactions that contributed to the homeownership gaps among communities of color. We have known of our impact and have not properly addressed this injustice. Let the following statement and forthcoming policy recommendations be our next steps towards a more inclusive and equitable housing market.

I. Racial disparities in homeownership exist in the Twin Cities:

The Minneapolis Area REALTORS® Association recognizes that not all people have equal opportunities to become homeowners. One significant factor in the likelihood of owning a home is one's race, color, or ethnicity. In Minnesota, 76.9 percent of white people own homes, while only 43.6 percent of Minnesotans of Color—including members of the Latino, Pan-African, American Indian, Asian & Pacific-Islander communities—are homeowners. Most concerning is the rate of homeownership among Black Minnesotans. At its peak in the 1950s, their homeownership rate was 46.2 percent, which declined to 25.3 percent in recent years.ⁱ These gaps in homeownership among communities of color are of the most significant in the nation and an unacceptable reality of our real estate industry.

Minnesotans of color are facing compounding barriers to homeownership. The National Association of REALTORS® found that Black applicants were rejected for mortgage loans at a rate 2.5 times greater than white applicants.ⁱⁱ Reports of racial discrimination in the appraisal process across the country are evidence to the fact that Minnesotans of color, particularly Black Minnesotans, are denied opportunities of homeownership compared to their white neighbors.ⁱⁱⁱ These barriers, in combination with a host of other disparate impacts on communities of color (inequities in income, education, healthcare, the criminal justice system, etc.), have led to differences in generational wealth building opportunities between racial groups at the cost of Minnesotans of color.

II. Acknowledgement of historic and ongoing discrimination in the Real Estate industry

It has been well documented that Realtors® directly contributed to residential racial segregation throughout the United States.^{iv} Additionally, Twin Cities Realtors® perpetuated the legitimacy of racially restrictive and religiously restrictive deeds, commonly known as “racial covenants” which almost universally excluded Black people from purchasing white-owned homes in predominantly white neighborhoods.^v Although explicit housing discrimination of people of protected classes is now unlawful, the impact of these historic actions continues to cause barriers to their homeownership today.

Despite the Fair Housing Act of 1968, discrimination against Minnesotans of color continues through the present day.^{vi} Some Realtors® (as well as other industry professionals) practice in discriminatory behavior, knowingly or unknowingly, and benefit from an unequal real estate industry. Ending racial discrimination and eliminating disparity gaps would benefit Realtors® and community members overall. Therefore, Minneapolis Area REALTORS® apologizes to all members of the community who have been burdened, denied service, or ignored by our actions.^{vii}

III. A commitment to redress our discriminatory behavior towards those who have faced disproportionate barriers to homeownership

The Minneapolis Area REALTORS® Association will continue to acknowledge our wrongdoings, never attempting to erase these events from our history. We have begun this work in our own association at the staff and leadership level—all MAR staff and Board members are required to engage in the National Association of REALTORS® Fairhaven simulation, as well as complete education around how racism became institutionalized in real estate. Further, we have enacted significant shifts in our practices, policies, and priorities, using an equity lens to purposefully uplift the voices and experiences of people of color. We will consider all efforts possible to redress our discriminatory behavior by actively working to reduce demographic disparities in homeownership. Our association is engaging community stakeholders impacted by our discrimination to prioritize what they need to achieve equitable homeownership.

As an association, we will work to end all discriminatory behavior now and in the future. If we fall short of this commitment, we will encourage a prompt and appropriate correction of the matter. We will actively speak out when we see discriminatory actions made by other entities, and we will praise policy changes made by other entities which make our industry more equitable. To uphold these commitments in a manner that leads to substantive change, we at MAR commit to ongoing proposals that reflect critical policy changes within our own association as well as change at the local, state, and national levels.

IV. Closing statement:

The Minneapolis Area REALTORS® Association strives to grow vibrant communities as the expert resource and trusted leader in the residential real estate industry. We see our members as leaders in the community who value inclusivity, sustainability, and giving back to our neighbors. Our most impactful contribution to those around us is to promote and support long-term real estate ownership in all its various forms.

Our association is taking these next steps towards being the community leaders we envision with this statement and continuous advocacy for policy change. We are aware that many of our neighbors do not have the same homeownership opportunities as others, and we hold ourselves accountable for our role in these inequities. Our association is eager to work with our neighbors in eliminating the racial homeownership gap.

ⁱ <https://www.minneapolisfed.org/article/2021/systemic-racism-haunts-homeownership-rates-in-minnesota>

ⁱⁱ <https://www.nar.realtor/newsroom/nar-finds-black-home-buyers-more-than-twice-as-likely-to-have-student-loan-debt-be-rejected-for>

ⁱⁱⁱ <https://www.npr.org/2021/05/21/998536881/a-black-woman-says-she-had-to-hide-her-race-to-get-a-fair-home-appraisal>

^{iv} Rothstein, R. (2017). *The color of law: A forgotten history of how our government segregated America* (First ed.). New York: Liveright Publishing Corporation.

^v <https://mappingprejudice.umn.edu/what-are-covenants/index.html#what>

^{vi} https://www.huduser.gov/portal/publications/pdf/hud-514_hds2012.pdf

^{vii} <https://www.nar.realtor/newsroom/nar-president-charlie-oppler-apologizes-for-past-policies-that-contributed-to-racial-inequality>