

A Fair Housing Violation Could Ruin a Real Estate Professional's Career

From my first classes in real estate, back in 2002, I was made aware of our obligation under law as well as under the Realtor Code of Ethics, to avoid even the hint of racial and other discrimination, including "steering" buyers to or from neighborhoods based on race or other criteria.

We continue to be warned about "testers" from the U.S. Department of Housing & Urban Development who pose as buyers to see whether we are in fact engaging in steering or other discriminatory practices.

I am reminded of this topic by an article in the current issue of Realtor Magazine about "The Gentrification Conversation." You are probably familiar with this term, which refers to the upscaling of traditionally poor and usually minority neighborhoods, resulting in the displacement of minority homeowners and tenants as they are priced out of their long-time neighborhoods.

More People Are Considering Electric Cars and Trucks

2020 will be a "watershed year" when it comes to the adoption of electric cars and trucks. By the end of this year there will likely be twice as many models of EVs being sold, including by the major automakers.

Ford, for one, is now selling the Mustang Mach E, an electric crossover with up to 300 miles of range, selling for \$43-50,000. Tesla is now delivering its Model Y, a crossover built on the same platform as the successful Model 3. It too boasts a range up to 300 miles and sells for \$43-56,000. I predict it will be Tesla's best-selling model so far.

Mercedes is bringing its EQC 400 4-matic crossover to market this year, joining the already successful Jaguar I-Pace and Audi e-tron. Volvo is bringing to market the XC40 Recharge SUV, as well as the Polestar 2 sedan, which is marketed in partnership with the Chinese firm Geely.

Rivian is bringing out both an SUV and its electric pickup this year. Another electric pickup is coming next year from Bollinger, when the Tesla Cybertruck is also expected.

The Porsche Taycan is already in its second year of production.

Mini Cooper has already started selling its electric SE. Hyundai is in the second year of selling its Kona electric, which has a 258-mile range and sells for just under \$37,000. The latest Nissan Leaf has a range up to 226 miles for \$38,200. Chevrolet continues to sell the Bolt.

The newer brands of electric vehicles still enjoy the \$7,500 federal tax credit plus the \$4,000 Colorado tax credit, making them less costly than equivalent gas-powered cars.

Personally, I recommend buying used EVs, which are as good as new (because they have so few components that can fail), for under \$10,000 to \$30,000+. Call me for additional advice!

While we don't see a lot of gentrification in our suburban counties, it has been and remains an issue in inner cities such as Denver, and I see it a lot in West Denver, between Sheridan Blvd and I-25.

The Realtor Magazine article talked about the large-scale gentrification taking place in Detroit and about the deployment of HUD testers:

"An investigation by *Newsday* [a Long Island daily newspaper] published in November found disparate treatment and evidence of fair housing violations when undercover testers posing as home buyers visited real estate agents throughout Long Island, N.Y. A total of 93 agents were tested

over three years, and the probe found un-equal treatment occurred 49% of the time with black testers, 39% with Hispanic testers, and 19% with Asian testers. Unequal treatment included showing minority testers fewer properties, steering testers toward certain neighborhoods, and refusing to serve minority testers who weren't pre-approved for financing but not requiring the same for white testers. Agents also used euphemisms to communicate the racial makeup of an area and imply racial bias.

"[National Association of Realtors] President Vince Malta says he was deeply troubled by *Newsday's* findings.... 'NAR maintains its strong support of fair housing testing to unmask housing discrimination and hold our industry to the highest standard,' he says."

It should be noted that race is only one of several "protected classes" under both state and federal laws. The federal Fair Housing Act of 1968 also prohibits discrimination based on sex, color, religion or creed, national origin and disability. Colorado law goes further, prohibiting discrimination based on sexual orientation (including transgender), gender identity, and familial status (single, married, having children under 18, being pregnant, etc.).

Avoiding fair housing violations can be tricky. Did you know that hoarding and peanut allergies are classified as disabilities? Or that age discrimination is not prohibited in Colorado? Or that drug addiction is protected as a disability, but illegal drug activity isn't? Or that you can't discriminate based on how a person earns their income? Or that you can be held liable for violating the Fair Housing Act even if you did not in-

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tend to discriminate?

The Realtor Magazine article provides guidance on how to avoid committing a fair housing violation. For example, we cannot answer questions about a neighborhood's demographics, but we can provide a neighborhood report from Realtor Property Resource (RPR) which does provide such information. We cannot characterize a neighborhood's level of crime, but must refer the buyer to the local police department.

We can avoid "steering" by entering the buyer's search criteria into the MLS and letting the computer pull all listings matching those search criteria. We can enter geographical criteria such as city or draw an area on a map, as long as we are following the buyer's request and are not knowingly avoiding one area or another based on discriminatory preferences.

If a buyer asks us to help them identify areas based on discriminatory criteria, we are advised to decline to serve that buyer. Since I have never had a buyer make such a request, I would suspect such a buyer to be a HUD tester.

The trickiest conversation to navigate would be one asking about the trends in a given neighborhood. Is it "going up" or "going down"? All we should do is provide actual statistics about the past few years, just giving the numbers, but no interpretation of them that could include demographic changes.

I can't recall dealing with a buyer who presented a fair housing challenge, and I make an effort to stay aware of fair housing laws and understand the importance of non-discrimination. However, it can be a challenge keeping up with current housing laws, as suggested by those questions I posed above.

Interested in Net Zero Living?

I love showing homes in Arvada's Geos Community to buyers individually, but there's a live Zoom presentation sponsored by First Universalist Church next week which will teach you all you need to know about this great community.

Register for that meeting (Tuesday, May 26, at 7pm) by going to https://bit.ly/FirstU_GEOS.

The homes and townhouses in this community are not only "net zero," they are "net positive," creating more energy than the homeowners use, including when they charge an electric car. The homes are so well insulated that they need no furnace, only a CERV (Google it to learn more), which also maintains indoor air quality.

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