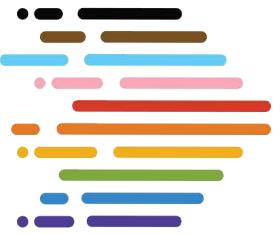




In Partnership With



DISCRIMINATION AND ITS IMPACT ON LGBTQ+ COMMUNITY: REAL ESTATE PROFESSIONALS AND CONSUMERS

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Second Annual LGBTQ+ Real Estate Report

Letter from DAVE GERVASE

Welcome to the LGBTQ+ Real Estate Alliance's second annual Housing Policy Symposium Report. This year we have focused on a variety of critical topics including the frequency of discrimination against LGBTQ+ professionals within the real estate industry, the impact of same-sex marriage on the housing industry, and how housing discrimination against our community shows itself.

As a gay man who has endured too many instances of hatred and lived through the challenges of the AIDS/HIV crisis, I am thrilled to see that so much has changed for our entire LGBTQ+ community. The real estate industry has taken so many positive steps to help eliminate discrimination based on sexual orientation and gender identity. But we cannot afford to just sit back and enjoy our progress. This report shows we have so much more work to do.

Clearly, we are living in disparate times. On one hand, societal acceptance levels of the LGBTQ+ community are at an all-time high, allowing for a record number of American adults to self-identify as being part of the LGBTQ+ community. But at the same time, we have far too many elected officials and candidates at the local, state and federal levels actively working on anti-LGBTQ+ legislation.

The LGBTQ+ Real Estate Alliance Housing Policy Symposium LGBTQ+ Real Estate Report found similar positives and negatives throughout the real estate industry.

While our member survey reports that there has been a noted increase of DEI (diversity, equity and inclusion) efforts, instances of discrimination against LGBTQ+ professionals, homebuyers and renters remains all too common. Here are several examples:

- More than 20% of Alliance members reported real estate agents were the top culprits in where housing discrimination against LGBTQ+ people showed itself.
- Nearly 20% of respondents shared that they experience at least high levels of unconscious bias within their local real estate industry, almost double the 11% who report similarly about their own company.
- While 68% of respondents said blatant discrimination at the company level was extremely rare or non-existent, only 40% felt that way about their local real estate industry.

Real estate needs continued educational efforts so Realtors® can become more welcoming to our community. This should include more of them becoming Alliance Certified Allies™. Along with it being the right thing to do, this report shows that the LGBTQ+ community is becoming a larger force on the housing front.

Thank you for your support of the LGBTQ+ Real Estate Alliance and I hope you find this year's report enlightening.



DAVE GERVASE

2022 National President
Chairman of the Board
LGBTQ+ Real Estate Alliance

LETTER FROM FREDDIE MAC

At the core of Freddie Mac's mission is providing affordable, equitable housing to help build and preserve strong, sustainable communities. Our All for HomeSM approach aligns industry collaboration toward this shared goal. To overcome some of the nation's greatest affordability and accessibility challenges, we rely on trusted partnerships throughout the housing ecosystem. We appreciate the opportunity to work with lenders, housing intermediaries and diverse realtor organizations, such as the LGBTQ+ Real Estate Alliance (Alliance), to share perspectives and propel progress.

Freddie Mac recognizes the importance of real estate professionals and their role as trusted advisor within the homeownership journey. From educating clients on the complex homebuying process to connecting them with mortgage experts to finding the right solutions, real estate professionals make a critical difference in homebuyer success. To ensure that they are supported with relevant insights, solutions, resources and educational opportunities, we've established a dedicated team focused on outreach, education and business growth. We share the Alliance's vision of a world free of housing discrimination. In 2018, our first-of-its-kind study of LGBTQ+ homeownership explored the community's experience with housing in the United States. It showed that the LGBTQ+ homeownership rate was 49%, lower than the overall U.S. homeownership rate of 64%, and that 13% of LGBTQ+ homeowners experienced discrimination within the homebuying process. In 2022, as this Alliance report details, discrimination remains a challenging part of the industry. At least half of Alliance members see examples of unconscious bias routinely, with enough blatant discrimination to warrant concern.

Less than 10% of transactions involving LGBTQ+ clients utilize a down payment assistance program, according to more than half of Alliance members. Freddie Mac will continue its outreach and education efforts in the LGBTQ+ community about down payment assistance program availability with the goal that these funds do not go unused each year.

The Alliance is leading impactful efforts to empower the LGBTQ+ community throughout the homeownership journey. For more than 50 years, Freddie Mac has been making home possible for millions of families. We are proud to continue to partner with the Alliance and contribute research, thought leadership, educational resources and innovative business solutions to enable our partners and clients to help more Americans make the dream of homeownership a reality.



A handwritten signature in black ink, appearing to read "D. Gardner".

DANNY GARDNER

Senior Vice President, Client and
Community Engagement,
Single-Family



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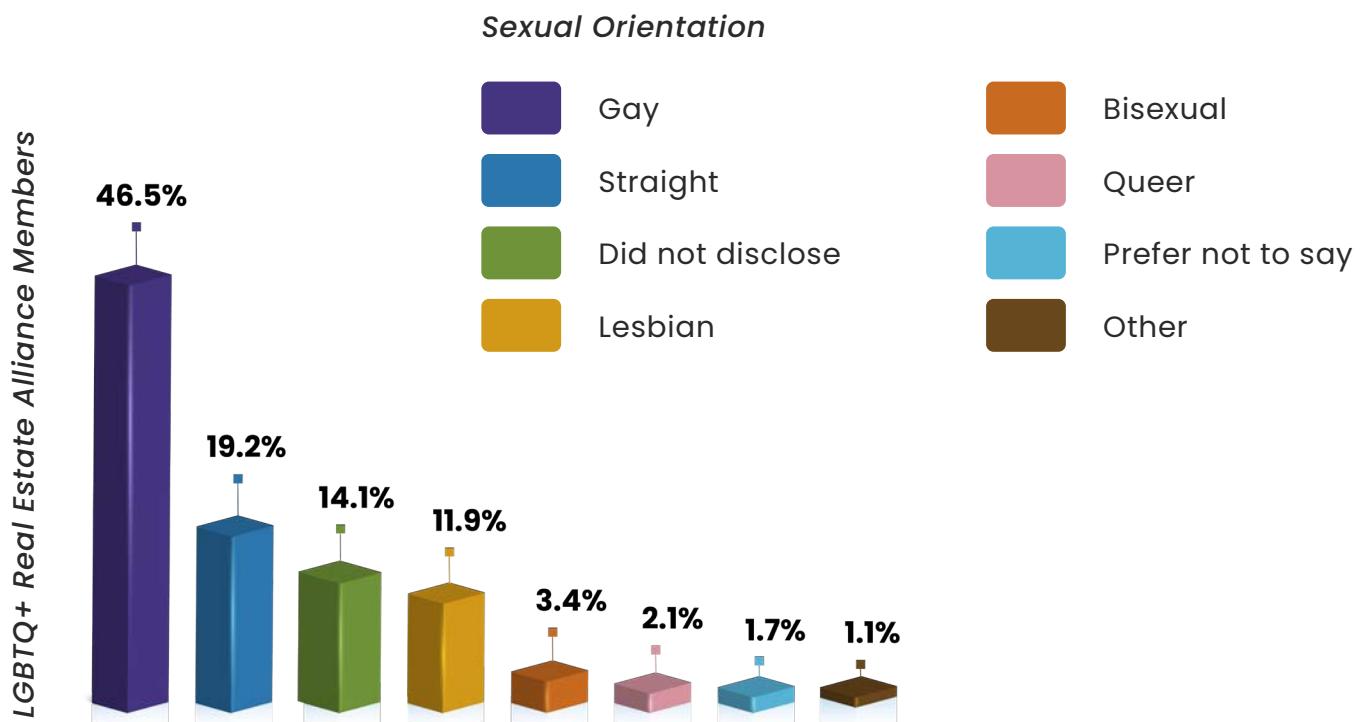
LGBTQ+ REAL ESTATE ALLIANCE DEMOGRAPHICS

The LGBTQ+ Real Estate Alliance was formed in June 2020 and launched on October 1, 2020. It has quickly grown to more than 2,200 members as one of the leading LGBTQ+ trade organizations in the nation.

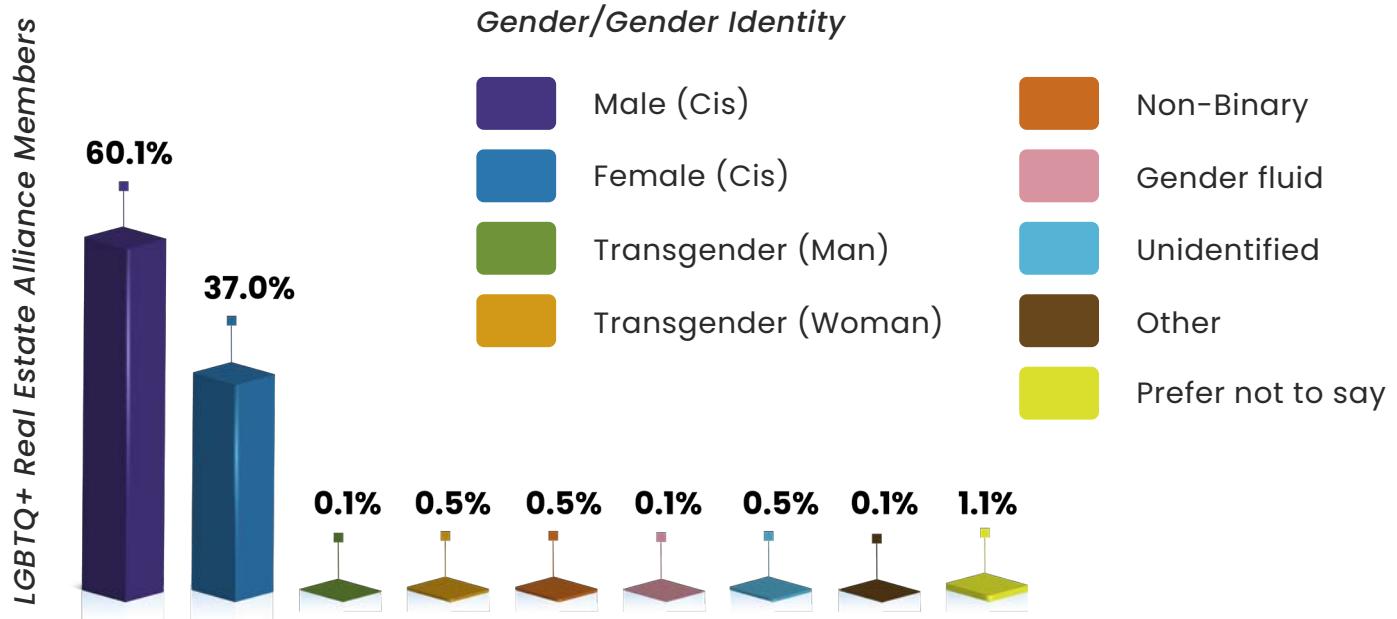
Alliance members are more experienced than the overall Realtor® population¹ with 72.9% in the business for more than 6 years compared to 67% for all Realtors®. This experience is likely why members produce more sales volume than overall Realtor® members¹ with 32% generating at least \$5 million in sales volume compared to 26% for all Realtors®¹.

Alliance members also dwarf all Realtors® in gross income with 45% reporting they generate \$150,000 or more compared to just 16% of all Realtors®¹.

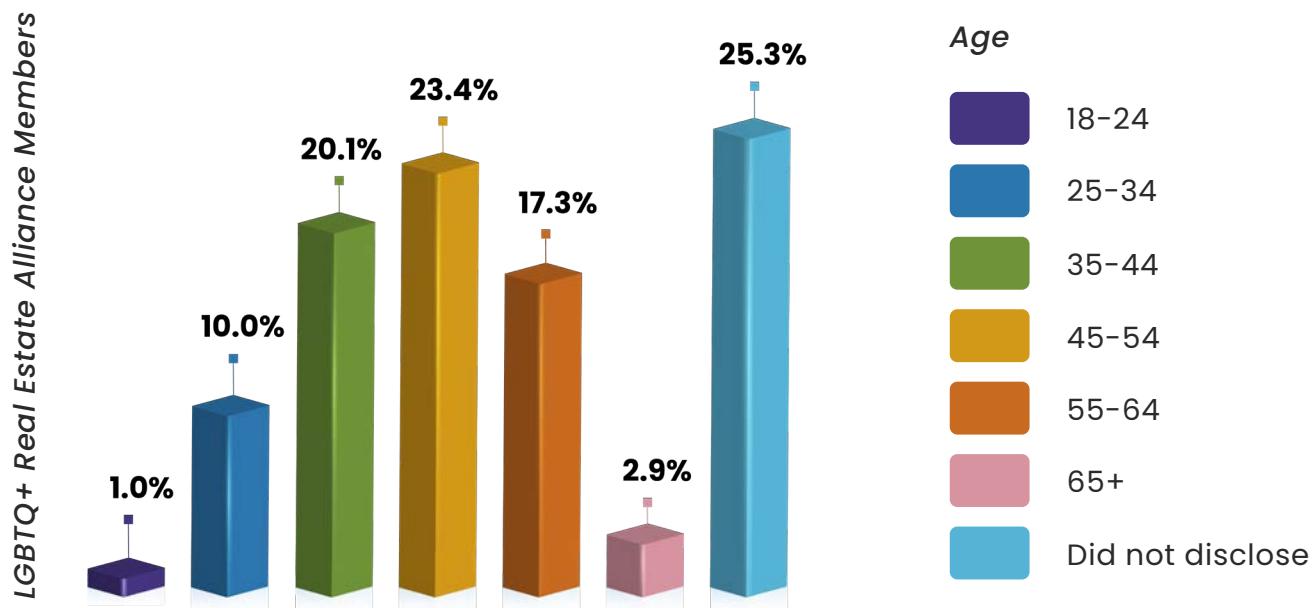
Member Sexual Orientation



Member Gender/Gender Identity

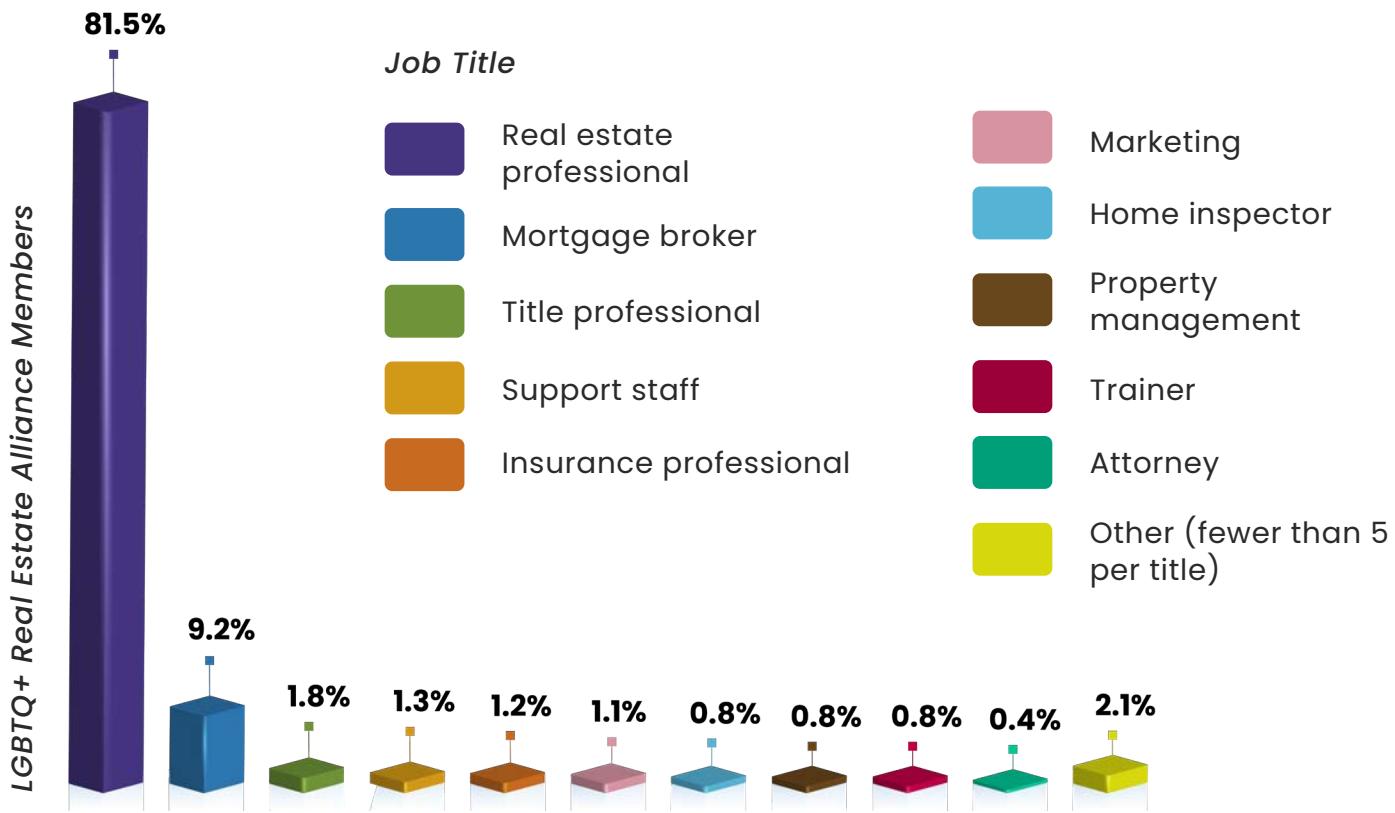


Member Age

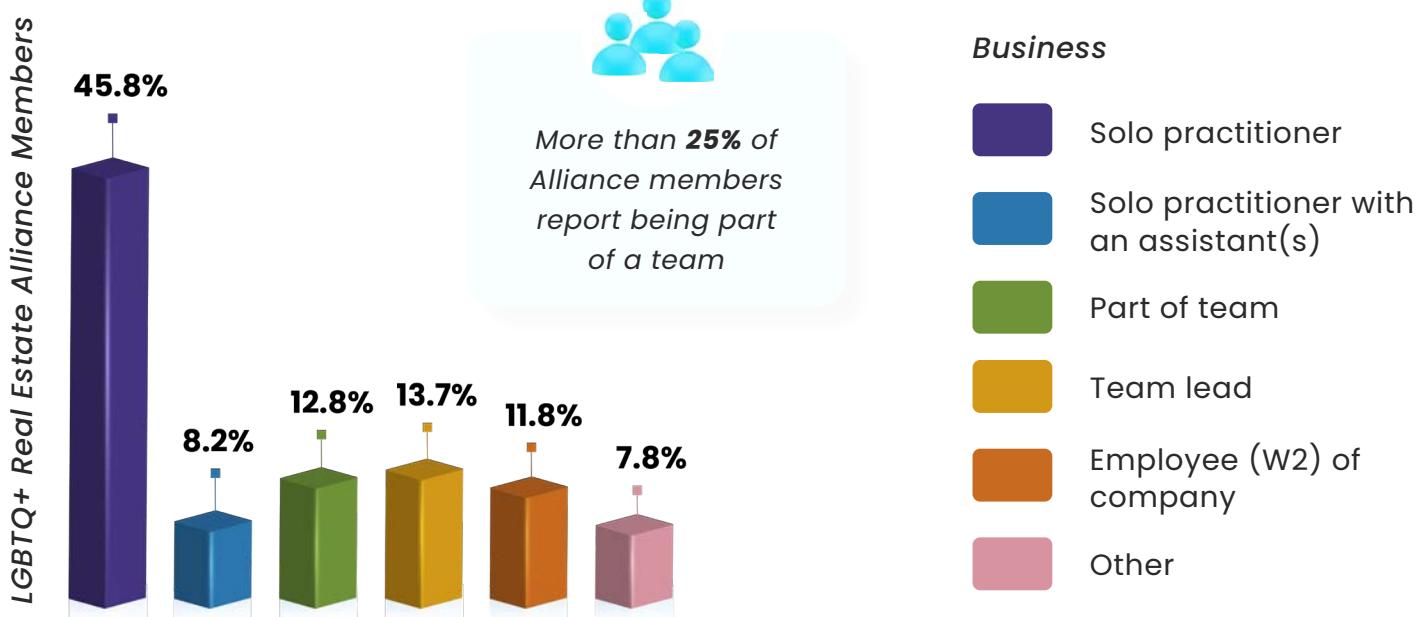




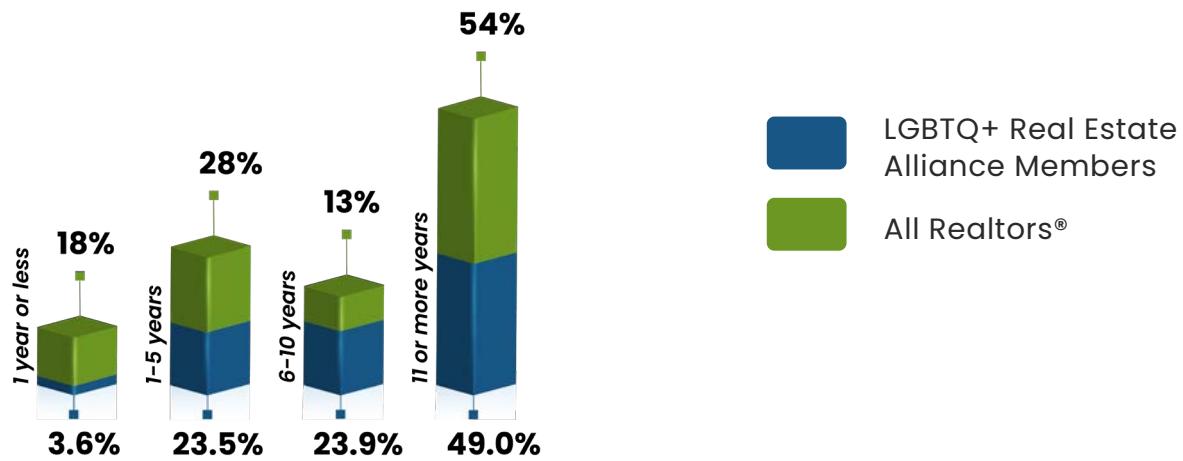
Member Primary Job Title



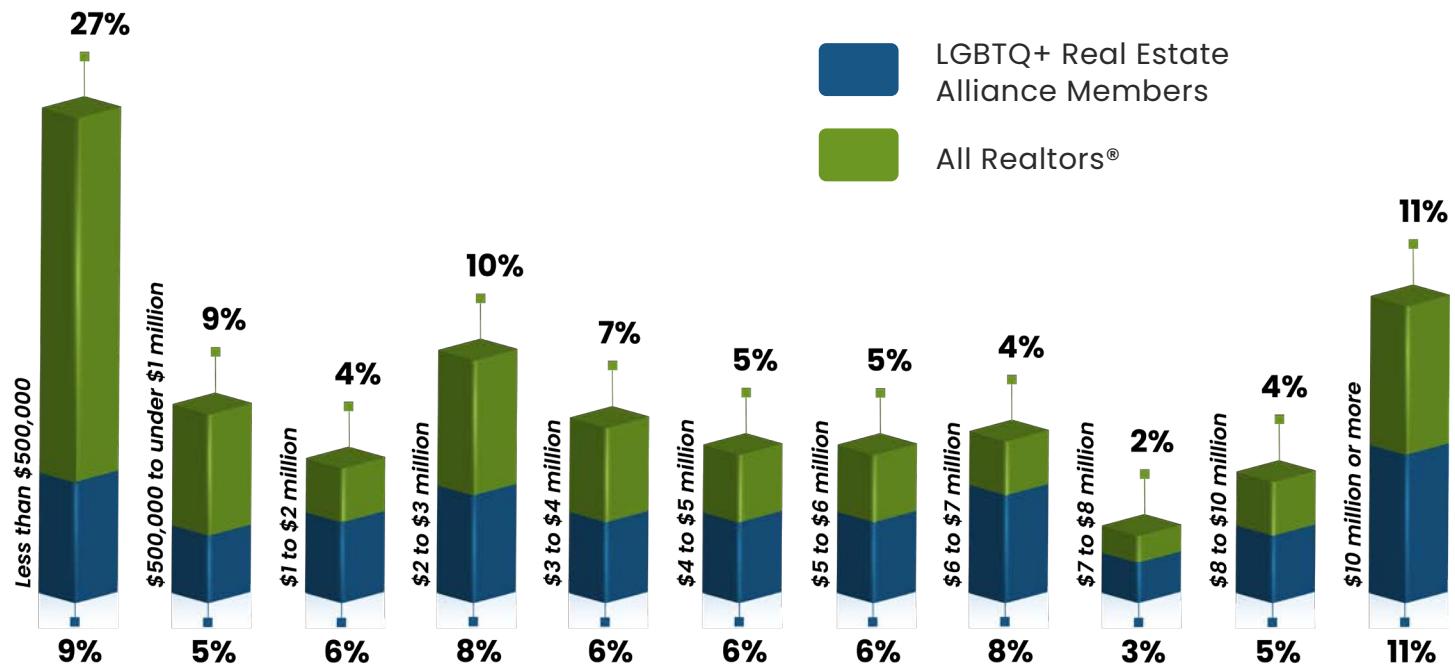
Member Business Operation



Member's Years in Real Estate vs. All Realtors®^①

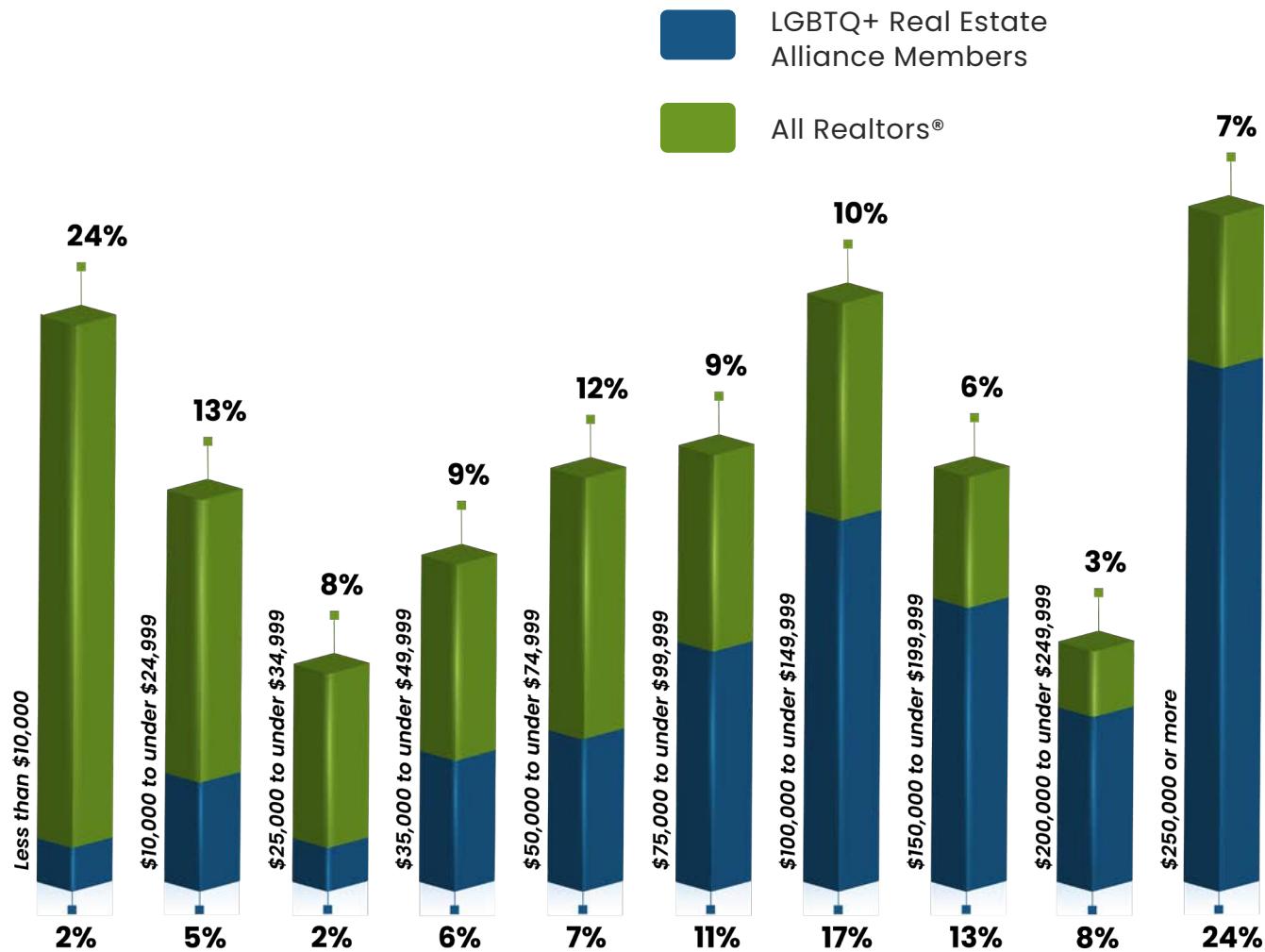


Member's 2021 Sales Volume vs. All Realtors®^①

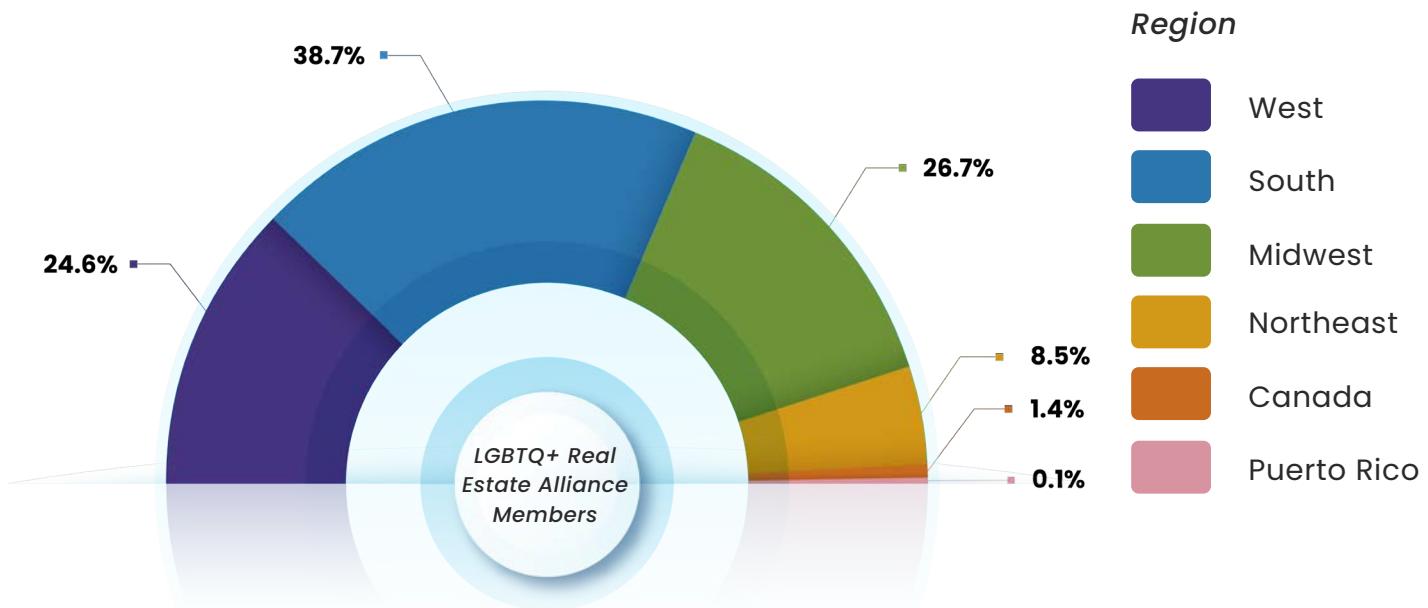




Member's 2021 Gross Income vs. All Realtors®^{®1}



California (203), Florida (178), Texas (107), Georgia (71) and Ohio (66) have the largest representation in the LGBTQ+ Real Estate Alliance. While the majority of LGBTQ+ Real Estate Alliance members live and work in cities, nearly 35% report they are located in suburbs, rural or vacation communities.

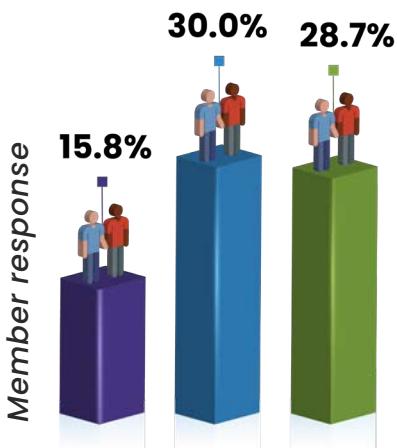
Member by U.S. Region/U.S. Territory/Country

A LOOK AT LGBTQ+ BUSINESS

LGBTQ+ Real Estate Alliance members are not shying away from their sexual orientation or gender identity in generating business and income. Forty six percent of respondents reported they are known in their company as being an "LGBTQ+ agent" and 79% report they want to be known as one who specializes in working in the community.

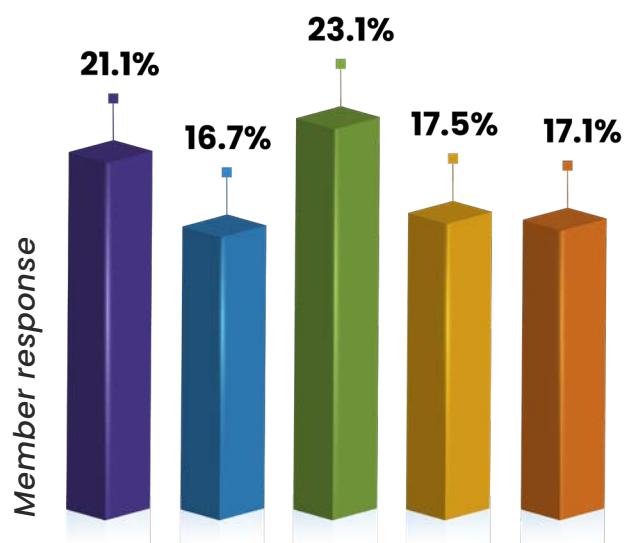
Interestingly, 40% of members who participated in the survey reported their number of LGBTQ+ clients has increased over the last three years while slightly more (43%) reported an increase in non-LGBTQ+ business. Additionally, 34% of members report that LGBTQ+ people make up at least 30% of their real estate "Sphere of Influence."

Percentage of LGBTQ+ Real Estate Alliance members known in their company as a/ the "LGBTQ+ agent ("gay agent," "lesbian agent," "transgender agent," etc.)



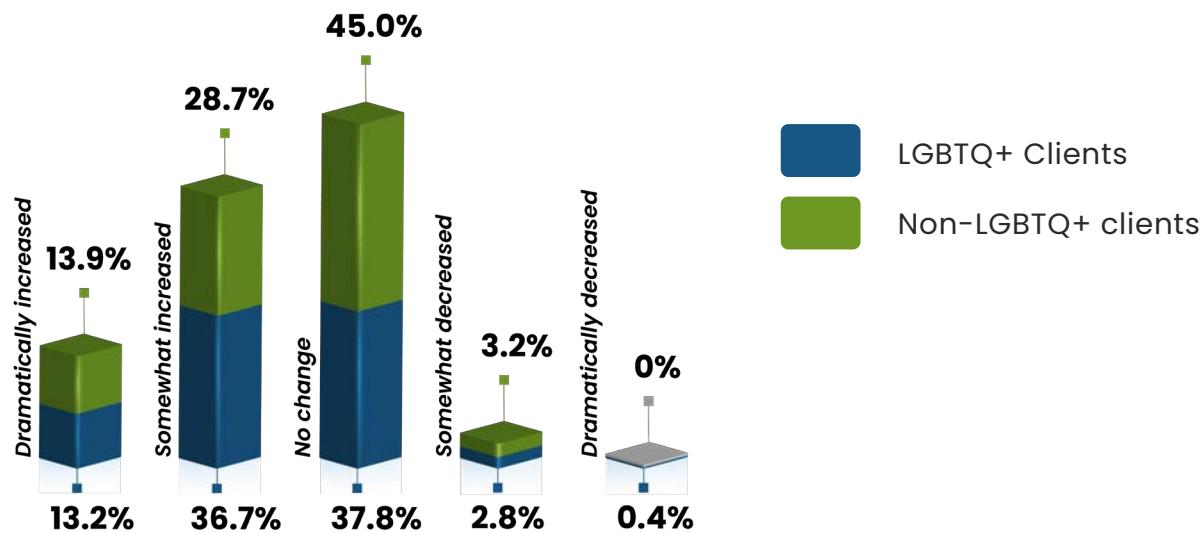
- Yes – by most
- Yes – by some
- No

Percentage of LGBTQ+ community as part of member's overall "Sphere of Influence"

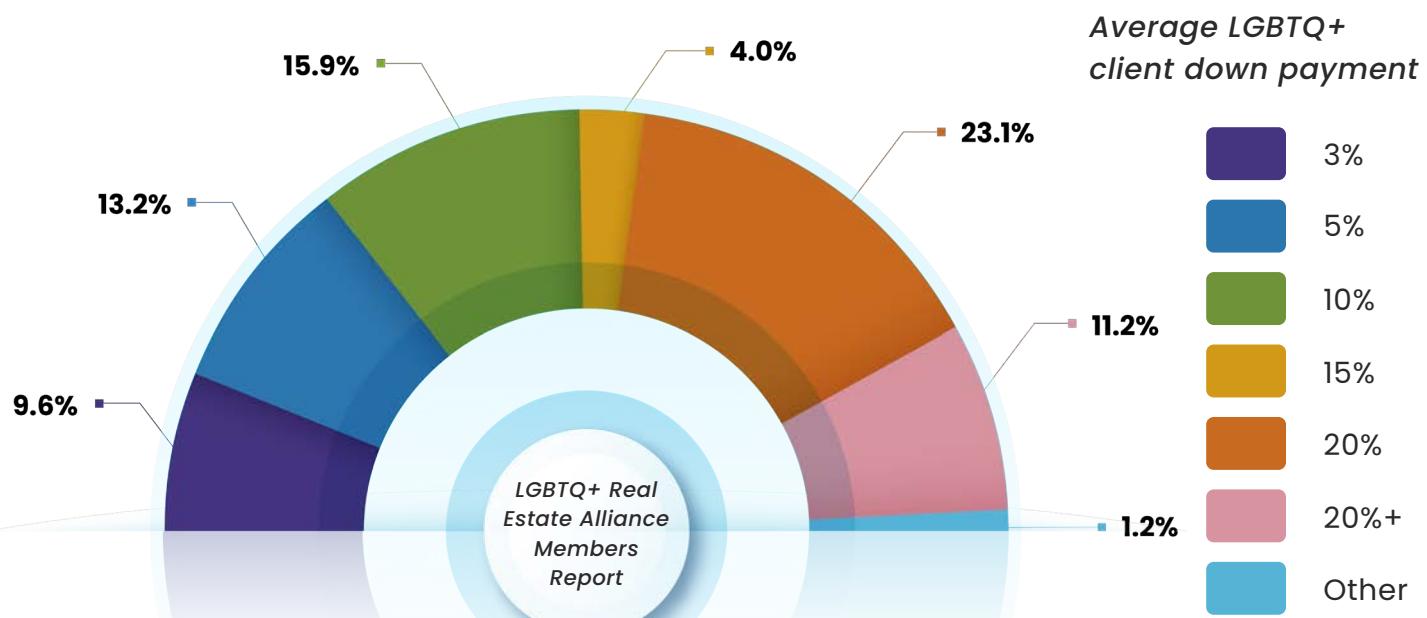


- 0-9%
- 10-19%
- 20-29%
- 30-50%
- 50%-plus

Client breakdown over the last three years



LGBTQ+ Client's Average Down Payment



Nearly 34% of respondents indicated that their average LGBTQ+ client puts down at least 20% on their mortgage.

DISCRIMINATION AGAINST LGBTQ+ COMMUNITY

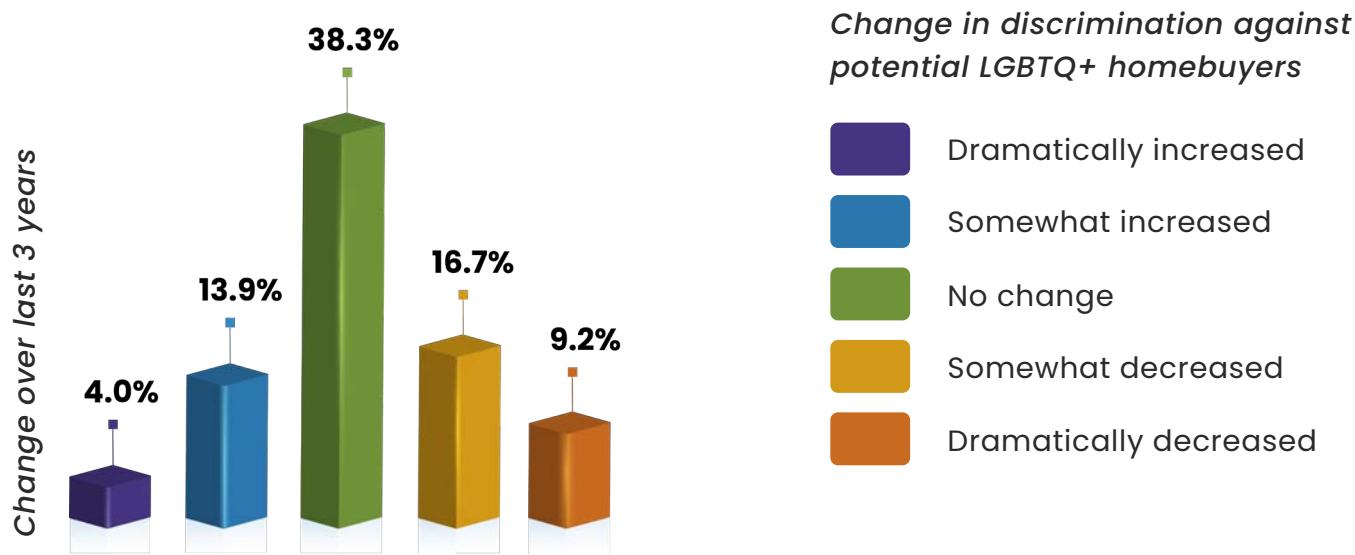
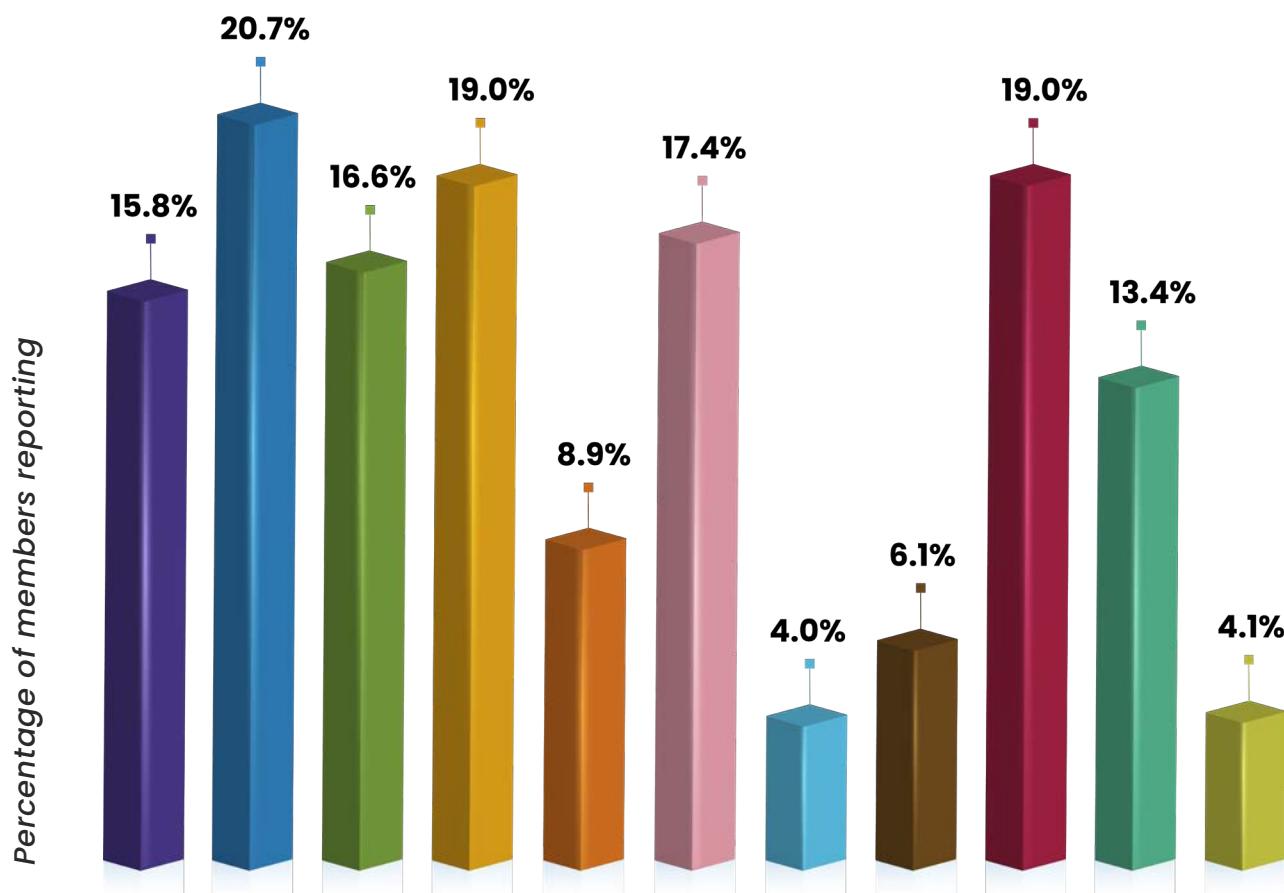
The last several years have been unsettled for the LBGTQ+ real estate community. While the self-identifying LGBTQ+ population continues to grow in numbers as younger generations lead the way with higher acceptance levels, the number of anti-LGBTQ+ rhetoric, bills and laws have increased. This same positive and negative movements can be seen in how LGBTQ+ consumers are being treated in the real estate process. While 26% of reporting LGBTQ+ Real Estate Alliance members share that discrimination based on sexual orientation and gender identity against potential homeowners during the home buying process has decreased over the last three years, 18% report it has increased.

Discrimination against renters over the last three years follows a similar pattern with 30% reporting evidence of discrimination over the last three years while 31% report no evidence.

The Alliance member survey also identified how this discrimination shows itself. Unfortunately, real estate professionals are cited as the leading culprit followed closely by homeowners, landlords and leasing agents. Members also cited that legal forms (i.e., mortgage, purchase agreements, title, etc.) are problematic.

Interestingly, younger members had somewhat different views than their older LGBTQ+ Real Estate Alliance colleagues. For example, 46% of those 55-64 report there to be no change over the last three years in discrimination against LGBTQ+ homebuyers, compared to 37% for all respondents. Additionally, those 45 and older reported lower examples of discrimination against potential LGBTQ+ homebuyers than younger respondents. This included only 18% of those 55-64 citing real estate agents discriminating against prospective buyers as a known example of where discrimination occurs, while 31% of those 25-34 cited it.



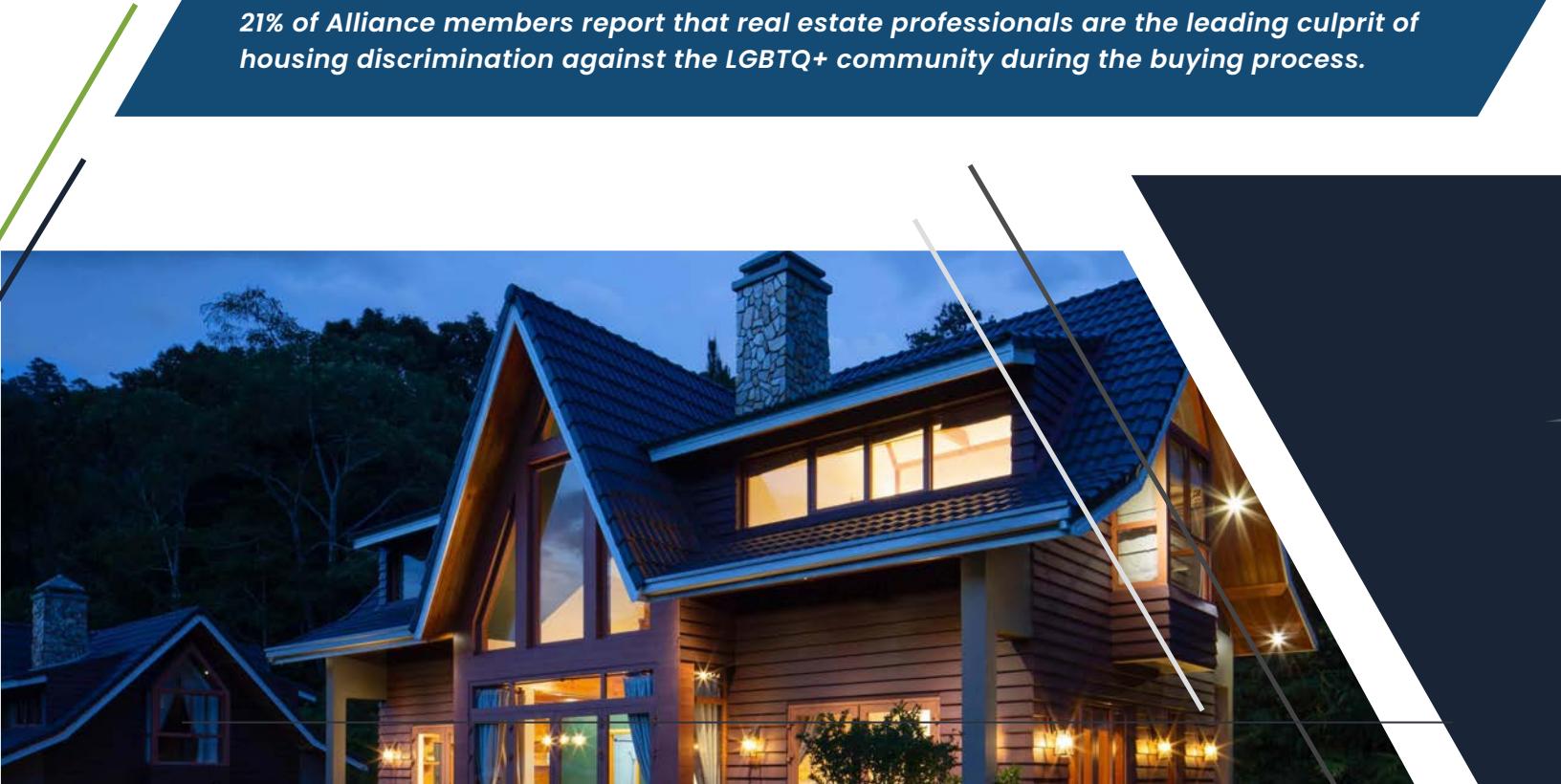
Discrimination against potential LGBTQ+ homebuyers over the last three years**The ways discrimination against the LGBTQ+ community in housing occurs**



Types of discrimination visible over the last three years

- Real estate professionals discriminated against prospective tenant
- Real estate professionals discriminated against prospective homebuyer
- Landlord/leasing agent refused to rent to prospective tenant
- Landlord/leasing agent discriminated against prospective tenant
- Seller refused to sell to prospective homebuyer
- Seller discriminated against prospective homebuyer
- Lender quoted higher mortgage rates and/or worse terms to prospective buyer
- Lender discriminated against prospective homebuyer
- Legal forms needing signature did not adequately represent life experiences of potential homebuyer
- Legal forms needing signature did not adequately represent life experiences of potential tenant
- Other

21% of Alliance members report that real estate professionals are the leading culprit of housing discrimination against the LGBTQ+ community during the buying process.



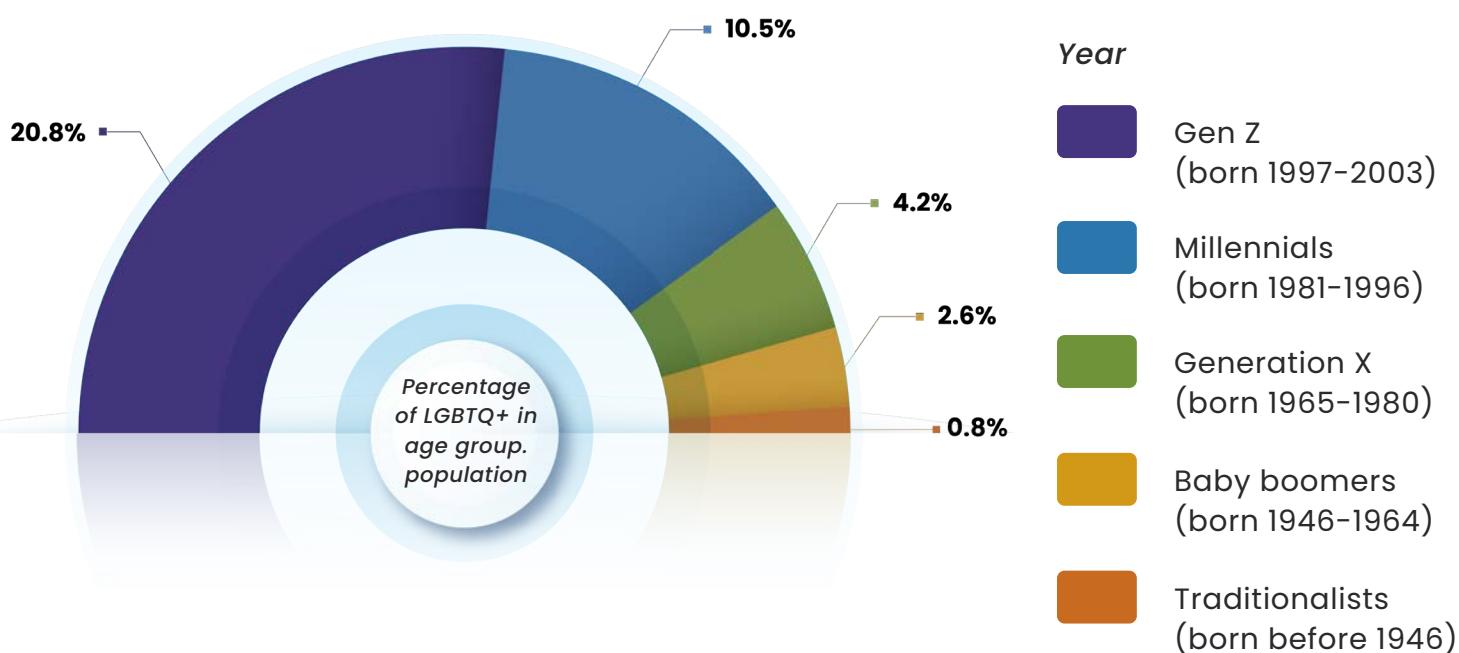
YOUTH MOVEMENT LEADING ACCEPTANCE LEVELS

There is no denying that a dramatic change in societal acceptance of the LGBTQ+ community is being led by our youngest generations. This shift is also allowing more and more to live as their authentic selves and identify as part of the community. The Human Rights Campaign (HRC) recently reported that the LGBTQ+ community has grown to 8% percent of all U.S. adults.² The annual Gallup poll reported similar numbers as they shared that the percentage of LGBTQ+ people has grown from 3.5% in 2012 to 7.1% today.

Gallup found that 20.8% of Gen Z (born 1997-2003) identify as LGBTQ+ compared to 10.5% back in 2017. Millennials (born 1981-1996) follow at 10.5% today.³

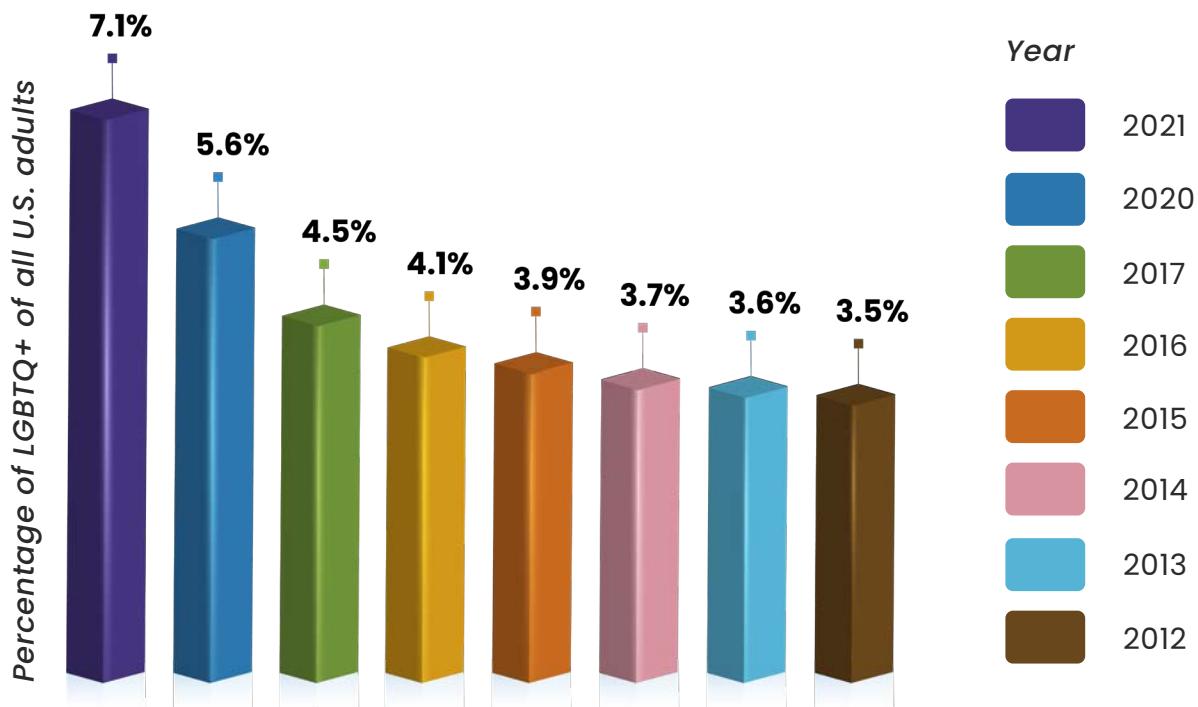
This youth movement also is leading the charge against the variety of local and state anti-LGBTQ+ bills and laws. ABC News recently shared that 62% of all Americans oppose legislation that prohibits LGBTQ+ lessons to be taught in school.⁴ Additionally, the Public Religion Research Institute (PPRI) recently reported that 79% of all Americans favor laws that would protect the LGBTQ+ community from discrimination in jobs, public accommodations and housing.⁵

Percentage of generations identifying as part of the LGBTQ+ community³

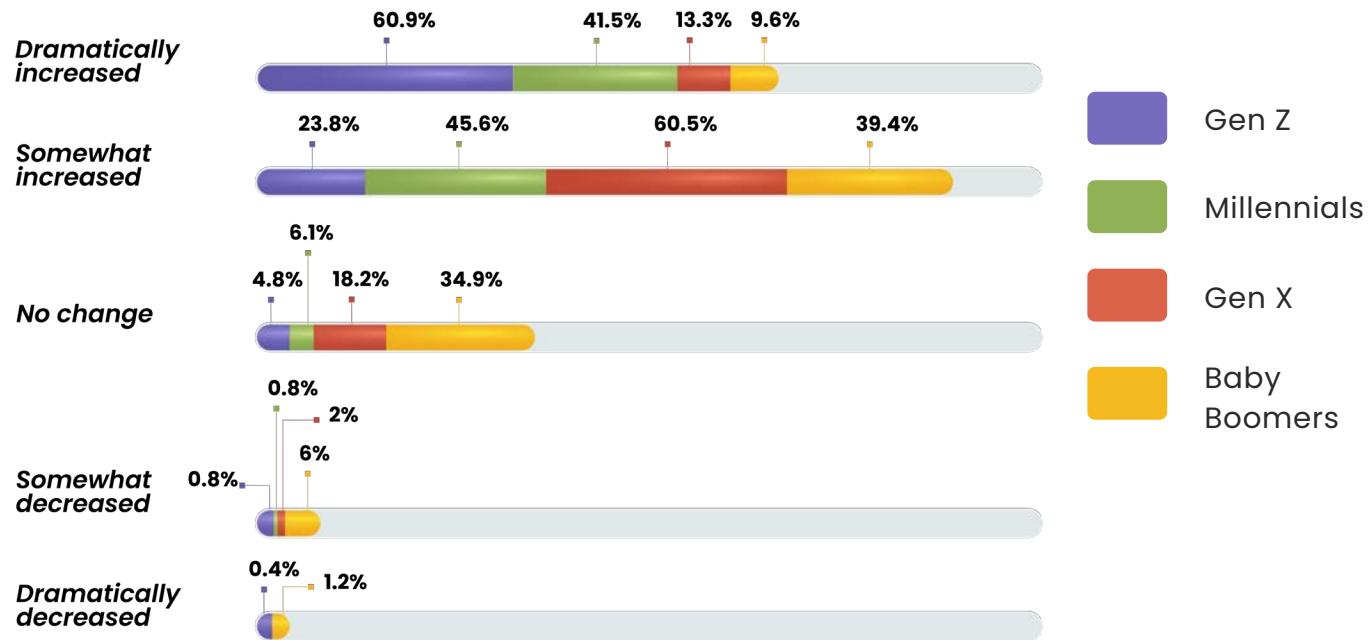




LGBTQ+ community has grown to 7.1% of all U.S. adults³



Alliance members report changes in generational acceptance levels of the LGBTQ+ community over last five years



Alliance members report that Baby Boomers lag far behind younger generations in their views of improving acceptance levels of the LGBTQ+ community.

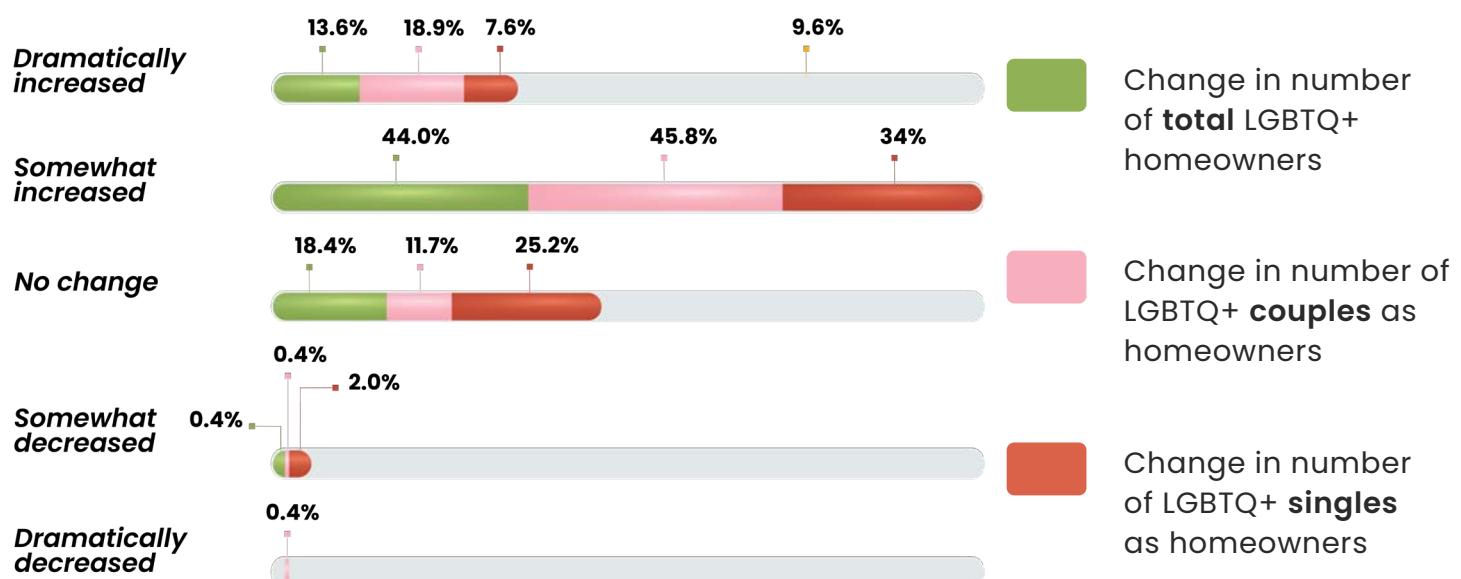
IMPACT OF SAME-SEX MARRIAGE

It was June 26, 2015, when former Realtor® Jim Obergefell walked out of the U.S. Supreme Court victorious, having won his case that legalized same-sex marriage. The law, known as Marriage Equality, has had a dramatic impact on the housing market, according to the Alliance member survey.

Alliance members report a significant increase in the number of LGBTQ+ homeowners since 2015, as 65% of respondents have seen positive growth for LGBTQ+ couples and 42% for singles. Forty seven percent of Alliance members report that their average LGBTQ+ buyer ranks living in an “LGBTQ+ friendly” neighborhood within their top three most important attributes. But there has been a notable shift LGBTQ+ buyers choosing to live in communities not traditionally known as “LGBTQ+ friendly.”

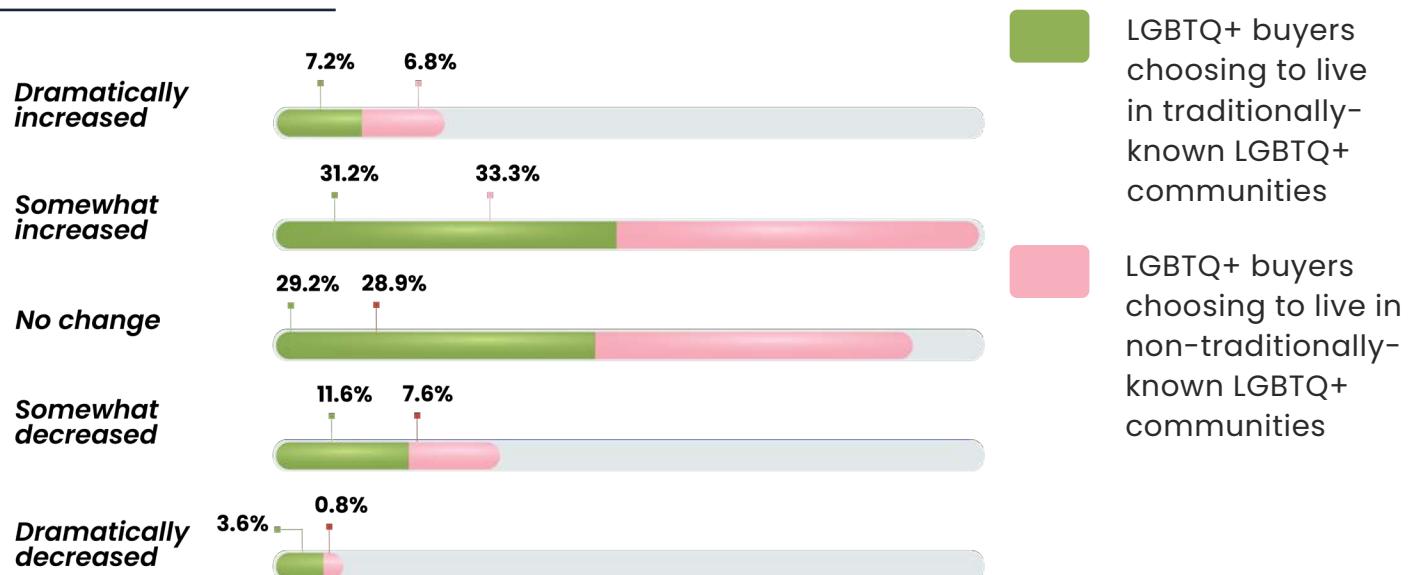
LGBTQ+ Real Estate Alliance members also believe the real estate industry is paying more attention to the community as potential clients since the passage of the Marriage Equality Act.

Alliance members report a change in the number of LGBTQ+ homeowners since 2015

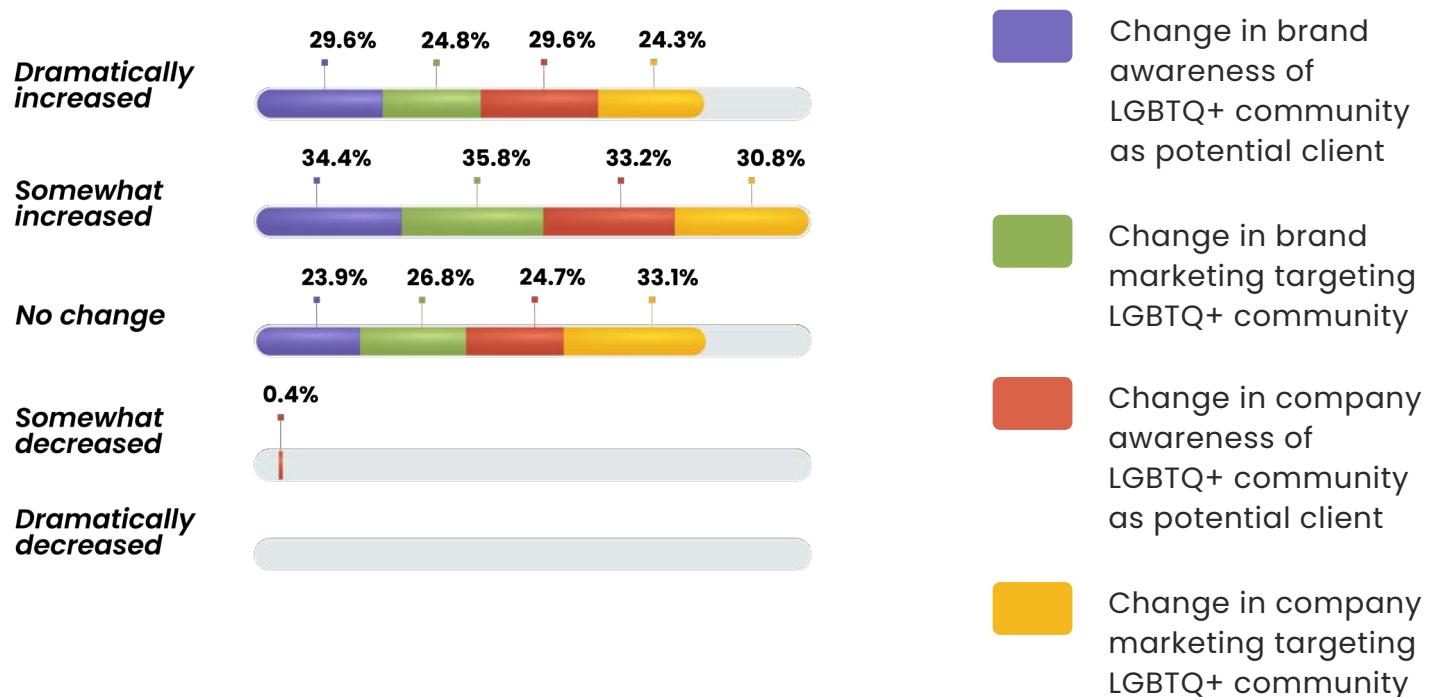




Alliance members report where LGBTQ+ homeowners have chosen to live since 2015

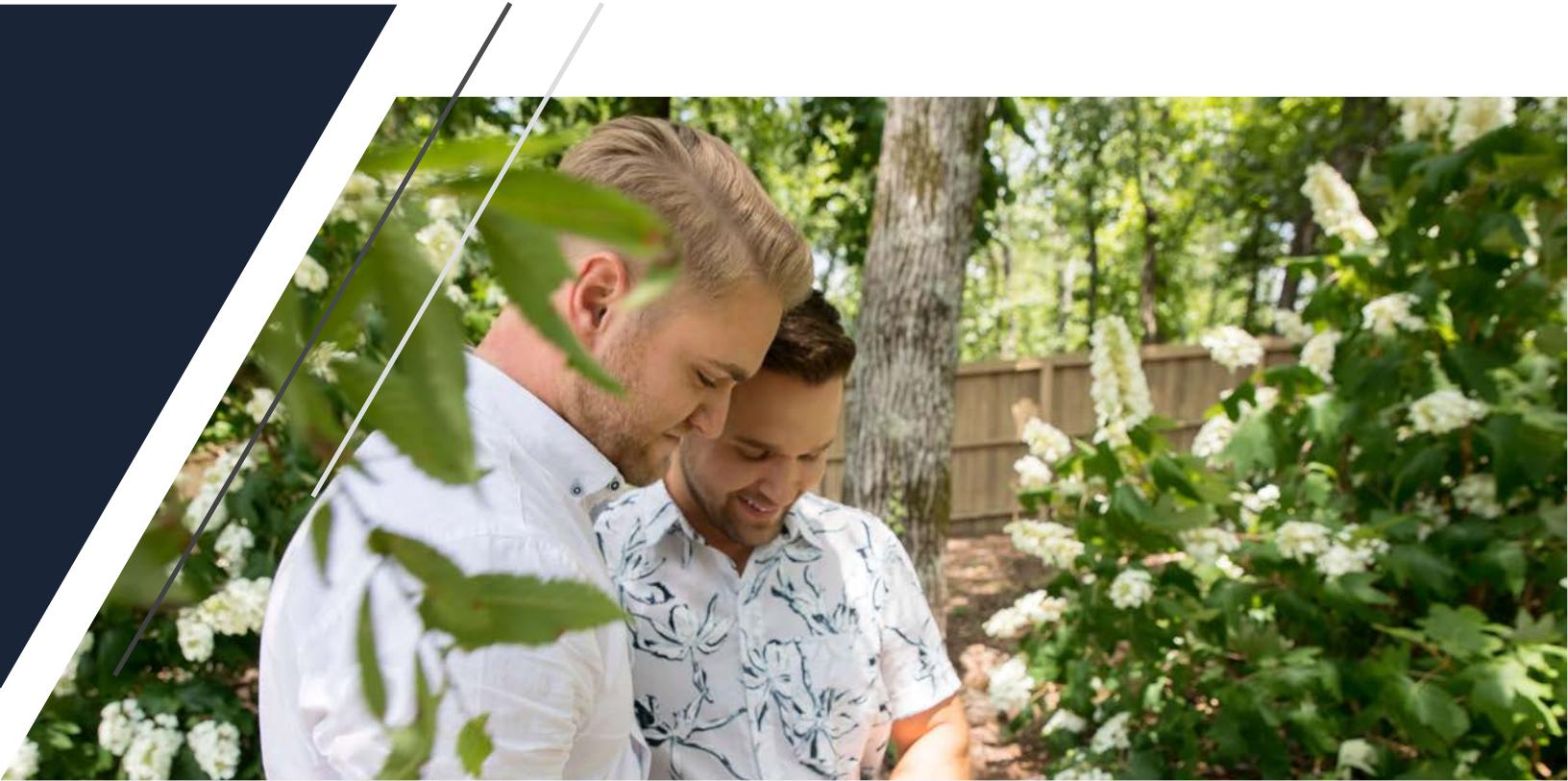


Alliance members reported how their company and brand have changed their awareness levels and marketing of/to the LGBTQ+ community over the last five years



IMPACT OF THE EQUALITY ACT

The Equality Act has passed in the House in two straight terms but has not been brought up for a vote in the Senate. President Biden has said he would sign it into law immediately. Currently, gender identity and sexual orientation are not protected classes in the Fair Housing Act of 1968, leaving the LGBTQ+ community open to housing discrimination with no protection at the Federal level nor at the state level in 29 states. The Public Religion Research Institute (PPRI) found that more than 70% of Americans supported the Equality Act. Additionally, the Business Coalition for the Equality Act currently includes more than 500 major companies and another 60-plus business associations including NAR.⁶



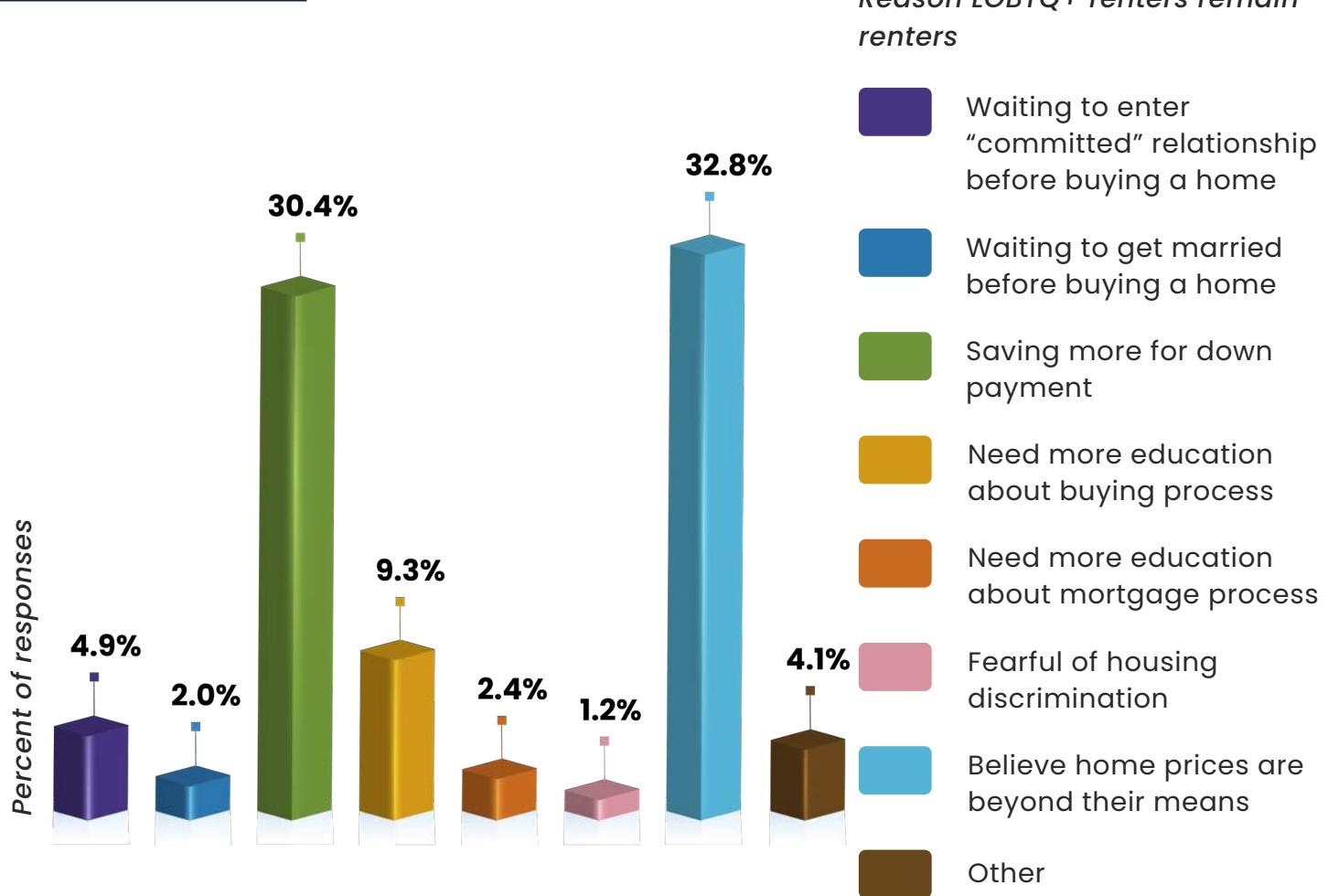
83% of Alliance members believe passage of the Equality Act would have at least somewhat of a positive impact on the current 49.8% LGBTQ+ homeownership rate.⁷

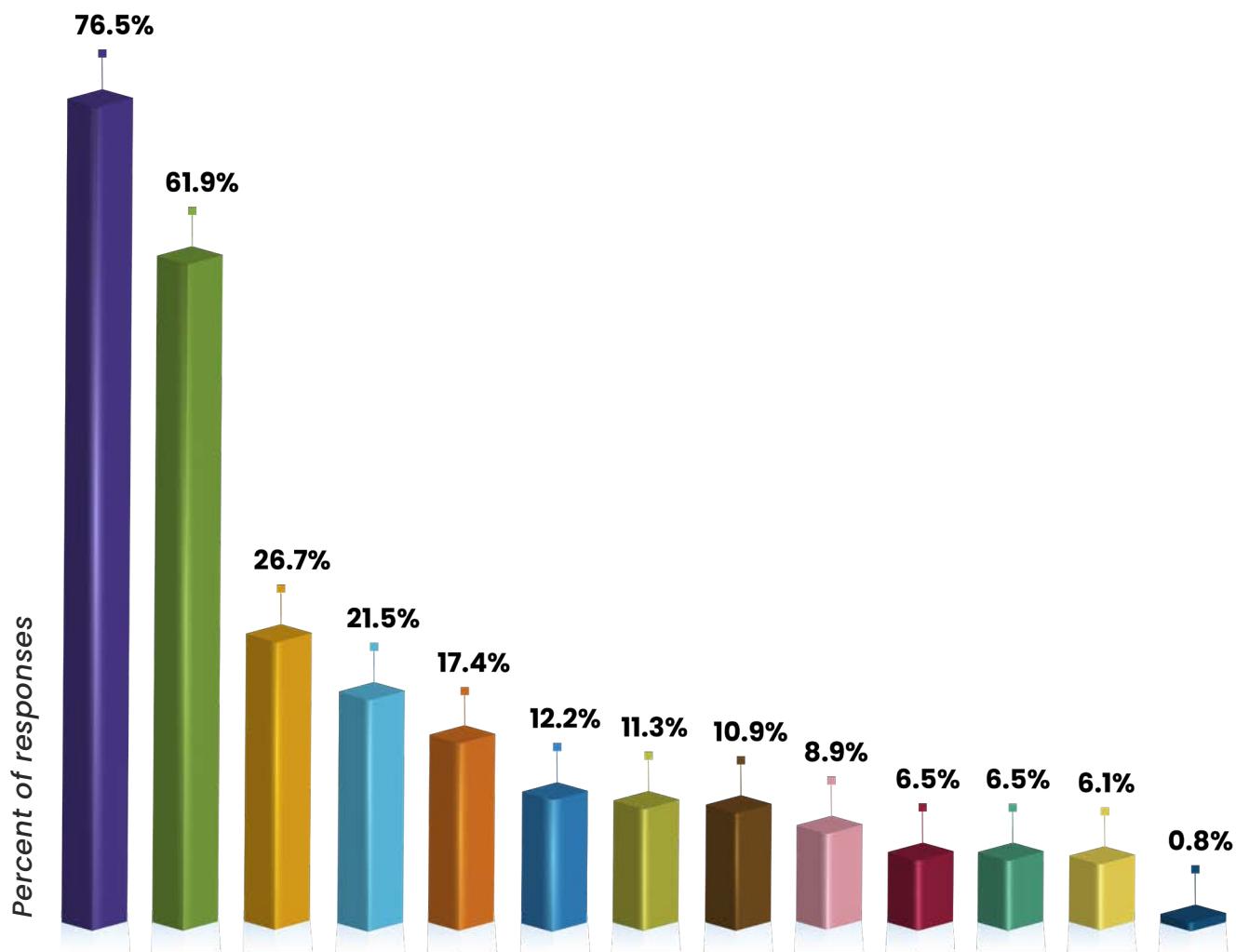
BARRIERS OF ENTRY TO HOME OWNERSHIP

The supply vs. demand imbalance has driven home prices up, creating challenges for all first-time buyers including those from the LGBTQ+ community. Alliance members report that the top reasons that LGBTQ+ people remain renters are clearly financial as they save for a down payment while believing that home prices are beyond their means.

Members also felt additional education was needed about the home buying and mortgage processes.

Reasons that LGBTQ+ renters remain renting:



Respondents chose three greatest barriers for LGBTQ+ homeownership**LGBTQ+ community barriers to homeownership**

- | | | | |
|--|---|--|-------------------------------------|
| █ | Home prices | █ | Can't find the "right" neighborhood |
| █ | Lack of down payment funds | █ | Long-term financial concerns |
| █ | Lack of understanding of the buying process | █ | Do not have the right partner yet |
| █ | Short-term financial concerns | █ | Lack of familial support |
| █ | Lack of understanding of the mortgage process | █ | Lack of career advancement |
| █ | Fear of housing discrimination | █ | Other |
| | | █ | Waiting to have children |

DISCRIMINATION IN REAL ESTATE INDUSTRY

The LGBTQ+ Real Estate Alliance is exploring for the first time what discrimination within the Realtor® community looks like and has uncovered that while improvements have been made, there is dramatic room for industry awareness and educational campaigns to support ongoing and systemic concerns.

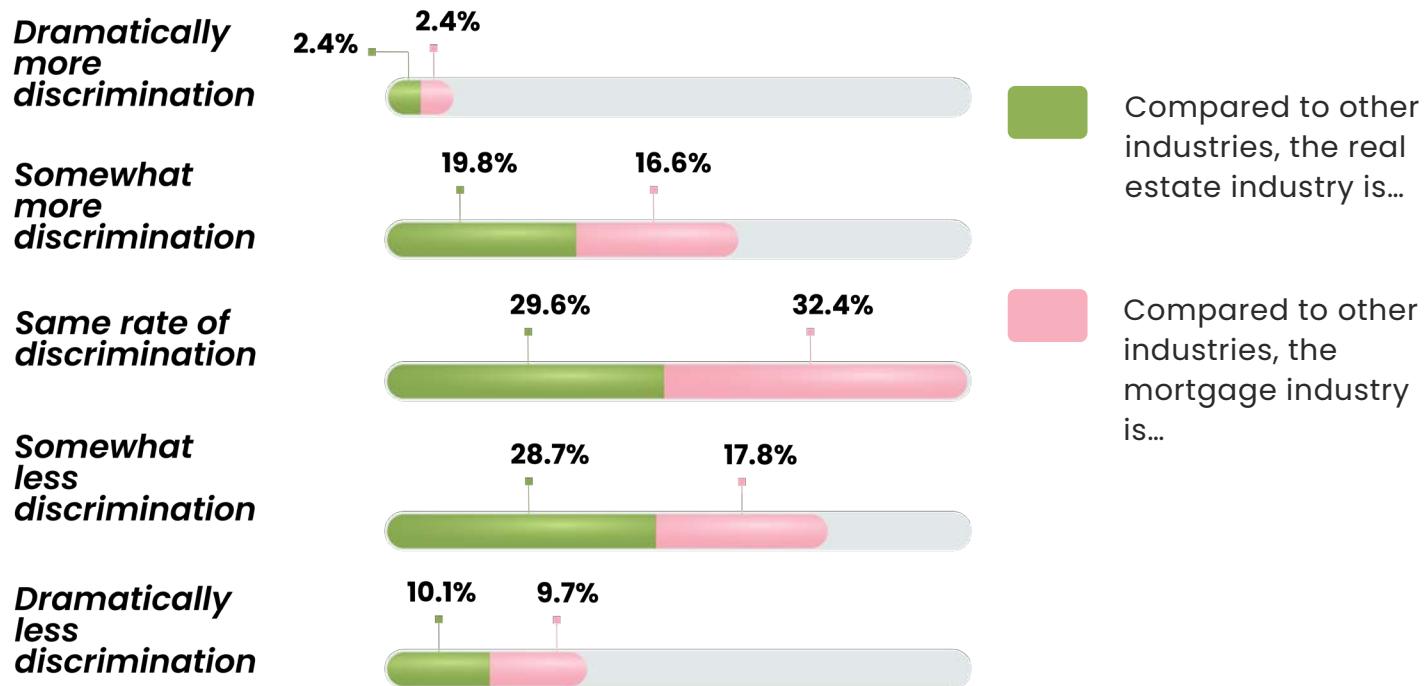
LGBTQ+ Real Estate Alliance members have noticed a major uptick in DEI (Diversity, Equity and Inclusion) work over the last three years. Members reported that their local real estate industry has done a slightly better job of increasing the focus on DEI with 72% seeing positive movement compared to 69% at their company level. But this effort is not showing itself in the same way when members were queried about instances of unconscious bias, blatant discrimination and other forms of discrimination where the local MLS and Realtor® associations scored lower than the local companies.

The report shows that LGBTQ+ Real Estate Alliance members are more comfortable working within their own company than their local real estate industry. Approximately 41% of respondents report instances where agents outside of their company did not want to work with them because they are part of the LGBTQ+ community. This was nearly 2 ½ times more than what occurred at the company level (16%).

Members report that unconscious bias based on sexual orientation and gender identity remains relatively routine in their company, with slightly higher rates of occurrence in their local real estate industry. But while more than 41% of members report blatant discrimination to be non-existent at their company level, only about 16% report the same at their local industry level.

And, while 29% of respondents believe they have not been given the same opportunities as others for committee assignments and advancement in their local MLS or Realtor® Association because they are part of the LGBTQ+ community, an overwhelming number of Alliance members report that they have been given the same business opportunities (i.e., leads, co-listings, mentoring, access to other lines of business like commercial, luxury programs, relocation, etc.) as their company colleagues.

Discrimination in real estate and mortgage vs. other industries

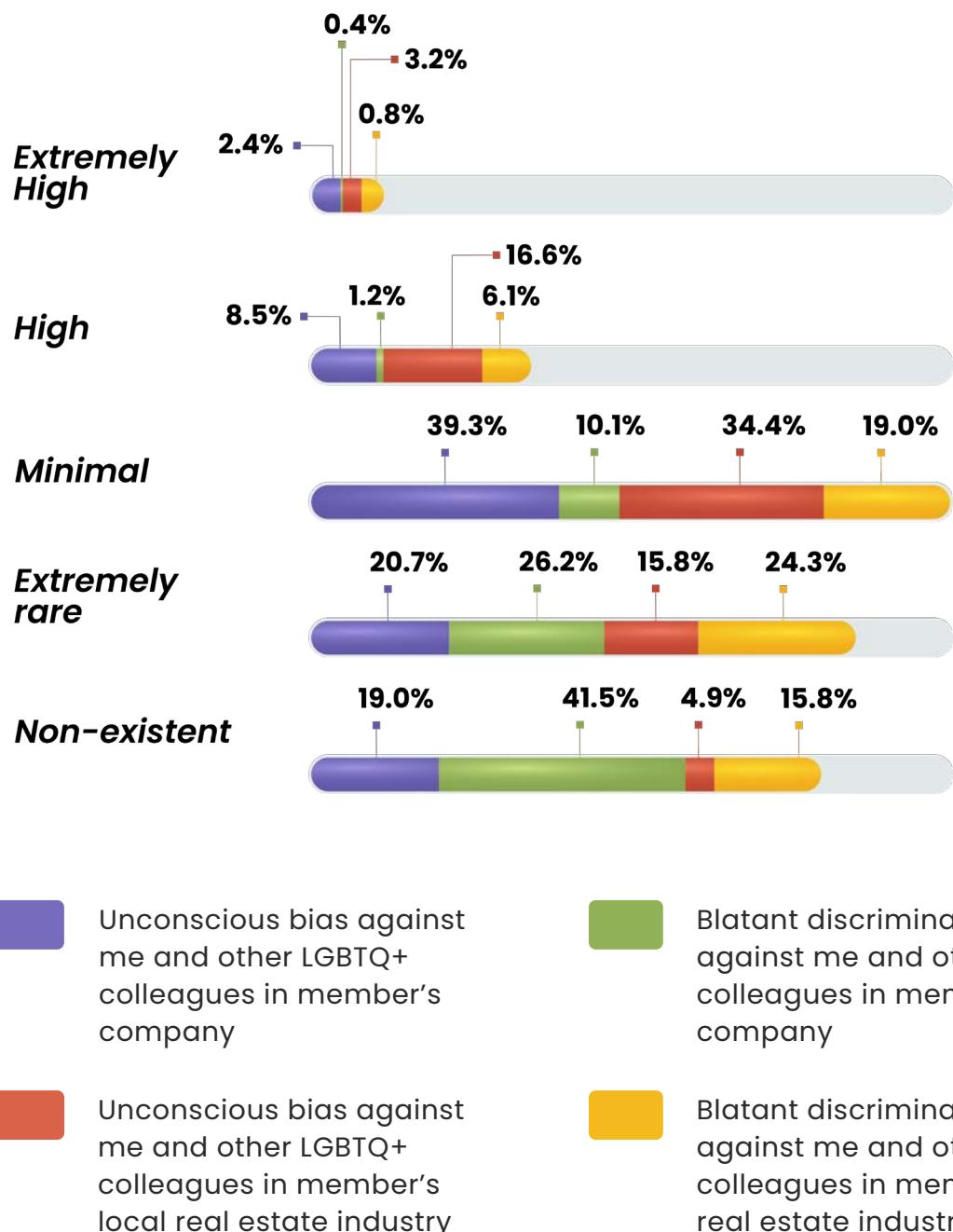


Younger Alliance members view the real estate industry more harshly than their older colleagues. Only 32% of those respondents 25-34 and 36% of those 35-44 reported that the real estate industry was at least somewhat less discriminatory than other industries compared to 45% of those 55-64 and 52% of those 65+.

The reporting of unconscious bias in the company and real estate industry levels is dramatically higher with younger Alliance members. At the company level, 79% of those 25-34 cite examples. The number drops to 62% for those 55-64 and 54% for those 65+. At the real estate industry level, 75% of those 25-34 cite examples while 62% of those 55+ do so.



Unconscious bias and blatant discrimination against Alliance members and other LGBTQ+ colleagues at the company and local real estate industry levels



UNCONSCIOUS BIAS



Unconscious Bias against me or other LGBTQ+ colleagues has occurred in the last month

Unconscious Bias against me or other LGBTQ+ colleagues has decreased over the last 3 years

There has been no change in Unconscious Bias against me or other LGBTQ+ colleagues over the last 3 years

Company



MLS/Associations





BLATANT DISCRIMINATION



Company

MLS/Associations

*Blatant Discrimination
against me or other
LGBTQ+ colleagues is rare
or non-existent*

*DEI efforts improved over
last 3 years*

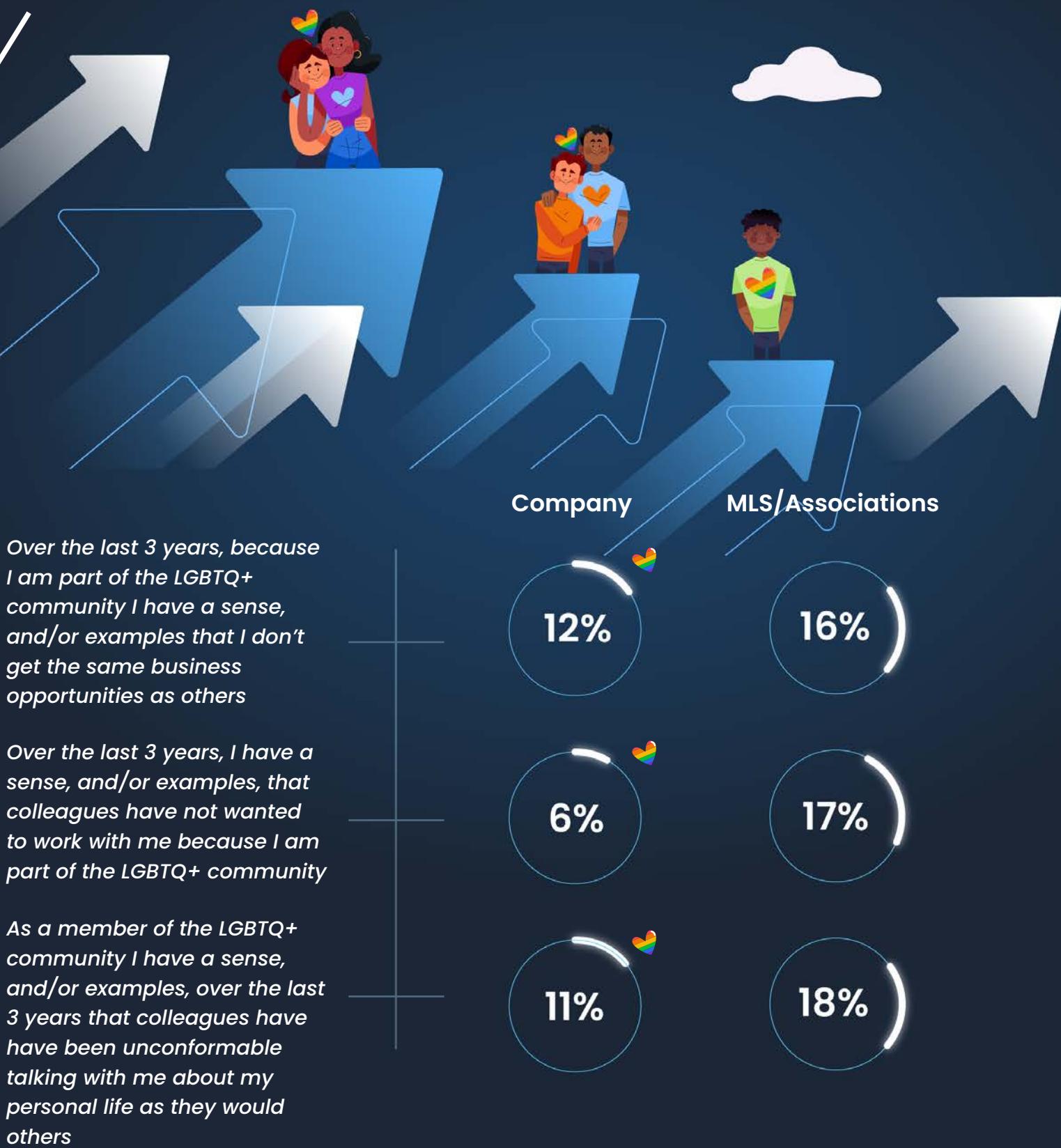
68%

40%

69%

72%

BUSINESS OPPORTUNITIES AND INCLUSION



SOURCE PAGE

1. 2021 National Association of Realtors® Member Profile
2. HRC "We are Here: Understanding the Size of LGBTQ+ Community," December 9, 2021
3. Gallup, February 17, 2022
4. ABC News, March 13, 2022
5. Public Religion Research Institute (PPRI), March 17, 2022
6. Public Religion Research Institute (PPRI), March 23, 2021
7. UCLA Williams Institute, April 2, 2020

Methodology: The LGBTQ+ Real Estate Alliance allowed members to participate in the second annual member survey from March 14–24, 2022. More than 320 members participated. This report only includes actual responses and removes those who replied "don't know" or "N/A" when appropriate.



realestatealliance.org