

PILOT STUDY  
on  
HOW TO IMPLEMENT  
THE FAIR HOUSING PRACTICES LAW  
IN NEW YORK CITY

Submitted to:

Commission on Intergroup Relations  
New York, New York

Submitted by:

Institute for Motivational Research, Inc.  
Croton-on-Hudson, New York

Ernest Dichter, Ph.D., President

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### OUR ASSIGNMENT

It has been our assignment, in interviews with a limited number of real estate owners, managers and with a small number of tenants, to determine attitudes toward an open housing policy in New York City and to suggest practical means by which the Fair Housing Practices law may be implemented in middle income multiple dwellings.

In the course of conducting this pilot project, we have sought answers to the following questions:

1. How do real estate owners describe rental patterns in New York?
2. What type of housing are they building?
3. What type of housing do they consider most necessary in New York?
4. What problems do property owners feel they face when they rent to Negro or Puerto Rican families in a previously non-integrated area? What experiences have they actually had? What have they heard about?
5. What do realtors think about open housing as a policy in multiple dwellings?
6. How do tenants expect landlords to react when Negro or Puerto Rican families apply for apartment rentals?

7. How do landlords expect other tenants will react when a Negro family moves into a building? How do tenants themselves feel about the idea?
8. What would most tenants do if they objected to a Negro or Puerto Rican family moving into the building?
9. Do people tend to associate lowered property values with rental to minority groups?
10. Do people tend to associate deteriorating neighborhood with rental to minority groups?

OUR SAMPLE

In conducting this study we drew from the list of realtors supplied to us by the Commission on Intergroup Relations and also conducted a number of interviews with tenants in neighborhoods prescribed by COIR.

We used a total sample of 25, all of them depth interviews with real estate leaders and with tenants. The sample was divided to include 10 realtors and 15 tenants in two neighborhoods: the Fifth Avenue neighborhood and the Columbia University neighborhood. Tenants were also given the projective and multiple choice tests included in the report and analyzed along with depth material.

SECTION I

REAL ESTATE PEOPLE ARE READY TO COOPERATE...

BUT LEVERAGE IS NEEDED

I. OUR KEY FINDING: REAL ESTATE PEOPLE ARE READY TO COOPERATE...  
BUT LEVERAGE IS NEEDED

A. PARTICIPATION, THE MAIN LEVER

Although it would be both inaccurate and misleading to describe the real estate community as wholeheartedly behind the Fair Housing Practices Law, there is nevertheless a tendency to believe that all real estate people are adamant in their opposition to the Law.

Neither is the case. Real estate owners are aware of the law and voice support of its tenets. They are ready to cooperate, provided adequate leverage can be applied. Neither further legislation nor additional propaganda in behalf of the existing law will move them, however; they must be moved by being allowed and encouraged to participate in the implementation of the law. The Commission should consider certain concrete steps designed to engage the real estate community in actively implementing the law by:

Establishing a Rental Preference Committee composed of representatives of the major builder-owner-rental companies, whose function would be to give preference to such financially qualified tenants as would contribute to the mixed composition in new apartment buildings. The Committee, working with COIR, might decide to limit its functions to certain key neighborhoods or buildings as a beginning, rather than attempting to tackle all new construction at once.

The chairman of such a committee would be a valuable asset to its proper functioning, and there are a number of possibilities here: Stanley Isaacs -- a sponsor of the law and a property owner -- represents one point of view. A major builder of middle income housing like Lefrak, would be a different kind of asset. A Morton Wolf, whose Washington Square South buildings have been rented on an open housing basis but who is not personally considered to be a liberal by his colleagues, might give realtors confidence.

B. THE LAW AS A LEVER

If realtors are willing to cooperate, there is, nevertheless, a reluctance to take action where the opportunities exist, for a series of reasons -- both practical and emotional. Each time the Commission fails to use the law or makes only feeble attempts to enforce it, landlords will respond feebly. Where the Commission takes a strong stand, landlords will also respond strongly: either by complying or by flaunting the law -- and there is every reason to believe that the majority will comply.

One liberal-minded real estate leader phrased his position this way:

"Do you know we have 8,000 apartments and nobody has ever suggested that we begin to observe the law. Why if we had even had one call from the Commission, don't you see that would have given me leverage in my own firm? Naturally if they called some really prejudiced outfit, they wouldn't integrate. Alright, then they should put the boots to them!"

For those who need "an excuse" to comply with the law; for those who, within their own firm, have a problem of education; or for that smaller group which opposes open housing, the law must become a weapon which is effectively used to stimulate activity in the direction of open housing and to curb attempts to frustrate open housing.

C. QUALIFIED APPLICANTS AS A LEVER

"Minority groups are clannish, they don't want to live in white neighborhoods," is a comment frequently voiced by realtors.

One leading real estate owner said:

"The very high class colored won't come to our buildings....They're sensitive. I don't know how they know they aren't wanted. It's like Jews: our people won't go near a building either if they aren't wanted."

Another builder-owner said:

"Wherever they meet the qualifications they can move in. But you know the colored are as clannish as the whites. They don't want to live with them, except for a few. I don't really know whether there are enough who are interested in moving out of their neighborhoods. But I think there's nothing more obnoxious than classification of an individual on the basis of his belief...or color."

And another, in discussing the Fair Housing Practices Law, said:

"I don't think the...act has any influence. The people who are discriminated against do not take advantage of their position. They don't want to go to court. They don't want to move where they aren't wanted. It isn't really a question of controlling the color of the people. But you must control the quality..."

Such views, offered spontaneously over and over again, indicate the need to take positive corrective action. The Commission, therefore, should work through the Urban League, the NAACP, Puerto Rican Affairs groups and whatever other interested organizations exist, to

maintain a list of qualified applicants large enough to make a significant dent in this particular obstacle to integration. As realtors begin to operate actively in integrating buildings, they themselves will also be able to draw on this list to fill apartment vacancies.

SECTION II

STIMULATE MIDDLE INCOME BUILDING

## II. STIMULATE MIDDLE INCOME BUILDING

If New York City housing is to be integrated, more middle income housing must be made available to qualified tenants -- and, therefore, more must be built. This is the consensus among real estate leaders.

The natural desire of realtors to profit from their building enterprises leads them to construct luxury apartments, on which the return is higher than it can be on middle income housing. It is the general consensus of these people that the only way they can afford to build middle income housing is to build it in quantities far greater than most builders can afford; and that the only way to achieve integrated housing (and a number of other desirable real estate goals as well) is to provide incentives which will make it desirable for builders to construct middle income housing.

The Commission should help to stimulate such construction by taking these steps:

### A. MAKE MIDDLE INCOME BUILDING DESIRABLE

1. Work with banks and investors to establish concrete plans by which builders can operate in constructing profitable middle income housing.
2. Write a booklet explaining the advantages and the procedure for constructing middle income housing.

3. If these advantages must be created, encourage the formation of an investment plan through which New York real estate leaders can operate.
4. Make public statements on the practicality of middle income housing and its desirability in New York City.

B. REMOVE THE 'HOUSING SHORTAGE' AS AN ARGUMENT AGAINST INTEGRATION

The lack of adequate middle income housing in New York, is cited -- in one way or another -- with remarkable frequency as being responsible for the failure to integrate housing in New York. The psychological climate which this fact creates is a passive one of do-nothingism, which acts as a brake against any attempts at integration. Realtors especially are inclined to draw a vicious circle which offers a reason and an unassailable justification for failure to integrate buildings. They explain:

1. Rent controlled housing, in older buildings, is static. Tenants almost never move because any place they move, they'll pay a rent increase.
2. New housing is either low cost and is integrated, or luxury building which minority groups can't afford.

Thus, a middle income housing shortage becomes a reason and an excuse for failure to integrate housing.

New middle income housing, these people feel, would result in more qualified minority families being placed in buildings throughout New York.

### C. SURVEY FOR THE FUTURE

While the Commission cannot hope to control future building in New York City, it might make a voluntary contribution to the study of future housing by surveying the needs and desires of minority groups. Such information as income, size of families and occupation would be useful in determining the need for certain kinds of housing accessible to particular work areas or to the center of Manhattan. Such information as the kind of housing people would like: size of rooms, composition of buildings, location, etc. would also be helpful to builders.

Practically, such information might be a tool used by COIR to spur the construction of housing in New York and to speed its rental on an open policy basis. Such information might lead to new building concepts, to a rethinking of multiple building designs, to the possibility of building with greater certainty of meeting the needs of prospective tenants and, therefore, of guaranteeing in advance the "conservative returns" necessary to the maintenance of valuable rental properties.

SECTION III

IGNORANCE AND FEAR -- HOW TO COMBAT THEM

### III. IGNORANCE AND FEAR -- HOW TO COMBAT THEM

In a study we did for a major airline many years ago, we discovered that one of the reasons people failed to travel by air was that they didn't know how to behave: were they supposed to take their hats off inside the plane? Where was the toilet in a plane? Were they expected to tip? These were major obstacles at that time, when travel by air was fairly new. Very much the same situation faces the real estate leaders of New York. They are given a new law and they don't know how to deal with it. They might make a mistake, they might do something wrong, they might get into trouble, they might do something they would regret later. For the Commission to combat this widespread ignorance and fear, certain steps might be taken:

#### A. PRACTICAL EDUCATION

The Commission might prepare a booklet showing realtors how to integrate, step by step. What do they do, how do they interview tenants, how do they handle problems, answer questions, etc.?

B. PRACTICAL CASE HISTORIES

Over and over, real estate people voice fear of minority groups, and tend to fix the blame for everything from overcrowding to juvenile delinquency on the Puerto Rican community.

Said one realtor:

"Marcantonio started this influx. He brought them over for the vote you know; filled the air with them...These people came in and they were abusive. They forced our own people of the white race out of their homes...And with people of this type...the children are pregnant at 12 and there's incest and narcotics and crime of all kinds...."

They need to be reassured, with actual case histories, that they will not acquire additional and insoluble problems when they rent to a Puerto Rican family. What has happened to other landlords who integrated their housing? Did they suffer? Specific examples of how rental to minority families worked out to the satisfaction of landlords and other tenants will help dispel fear.

C. "WE'VE DONE IT" IS THE MOST CONVINCING PROPAGANDA

Realtors who have already integrated some or all of their buildings should be the best propagandists the Commission has. They are the ones who can best dispel the fears of other real estate leaders. In several interviews, the integration of luxury housing on Washington Square South was mentioned as an important step forward, and the realtor was given credit for this move, not as an idealist but rather as a practical business man. It is in this area of "WE've done it" that the Commission stands to gain valuable support from real estate people in the effort to combat fear and ignorance among their colleagues.

SECTION IV

REMOVE THE EXCUSE OF "TENANTS' OBJECTIONS"

#### IV. REMOVE THE EXCUSE OF TENANTS' OBJECTIONS

Real Estate leaders are quite ready to blame the tenant for failure to integrate their buildings. "People just aren't ready for it" is a common expression and one which, in the view of at least one realtor, is simply a rationalization:

"The real estate fraternity takes refuge in the fact that the public -- not they -- are opposed to integration. They say it's a problem for the community to solve. They say the public isn't ready for it...."

Generally speaking, however, realtors do tend to feel that it is the tenant rather than any member of the real estate fraternity, who lags behind:

"I'd say the upper strata of our New York residents are very much against living next to neighbors of a different color and also of a different religion. It isn't even so much that they themselves are against it as that their friends and relatives who come to visit them might be disturbed....Frankly the public isn't ready for it. It's an educational matter....As real estate owners, we have to produce income conservatively. If you do something that makes the tenants come and tell you they're going to move out, where are you? We do what the tenants want, not what we want...."

Our findings indicate that, while there is some reluctance on the part of a few tenants, the problem is somewhat artificial and considerably exaggerated as it is posed by realtors. In combatting it, however, the Commission must make certain that realtors themselves are convinced that it can be resolved. For example:

A. LET THE REAL ESTATE BROKER MEET WITH HIS TENANTS

Interviews followed by a neighborly get-together at which the tenants in a new building have a chance to meet each other before they actually move in, would give the landlord an opportunity to see things working out; he can discuss problem areas if necessary.

In such a realtor-sponsored approach, two assumptions will help to facilitate friendly relations and satisfactory results:

1. Utilize the "accomplished fact" approach in renting new buildings. Since the owner's cooperation will always be required to secure an open housing policy, there is every reason to suppose that the owner can also state this policy as an accomplished fact to all applicants. There is no need for owners to make observance of the law seem unusual, it is simply one of the things provided, along with a modern bath, kitchen and basement laundry facilities.
2. Assume that all tenants are fair minded, but may be inadequately informed about the attitudes of fellow tenants and of landlords, both of whom are equally fair minded. In the projective tests we used to elicit tenant responses to open housing policies, we discovered that here, as in the depth material, there existed a good deal of doubt as to how others felt, but a great desire to be fair minded. Interestingly enough, tenants credited their building owners with the same

desire to be fair minded, provided they were given a way out. Here is one test given to tenants, and a summary of how they believe landlords feel:

MULTIPLE CHOICE

A REAL ESTATE DEVELOPER IS DISCUSSING, WITH A CLOSE FRIEND, HOW HE PLANS TO SELECT TENANTS IN HIS NEW APARTMENT BUILDING. WHICH OF THE FOLLOWING STATEMENTS DO YOU THINK WOULD BE MOST LIKE HIS REAL ATTITUDES? MARK THAT STATEMENT (1) AND RANK THE OTHER STATEMENTS IN ORDER FROM "MOST LIKE" TO "LEAST LIKE" NUMBERING THEM THROUGH (4):

- (1) I'd be only too glad to rent my building on an integrated basis if I were ordered to do so in accordance with the Fair Housing Practices Act. But why should I be way out in front when nobody else is doing it?
- (3) I always make certain that the tenants in my building are compatible. I don't think you can mix people of different races and backgrounds successfully.
- (4) No matter what anybody says, this racial discrimination is on the way out. I believe my operations have been more profitable because I became one of the first real estate operators to strictly observe the Fair Housing Practices Act.
- (2) Personally, I think discrimination in housing is a terrible thing. But would you believe it, the tenants just won't live in the same building with Negroes and Puerto Ricans. Why they'd all move right out if I rented to everyone on an equal basis -- and then where would I be?

B. TENANT POLLS

Polls of tenants in New York might accomplish two results, both of which could help remove the excuse that tenants will not accept an open housing policy:

1. Polls can indicate tenants' attitudes.
2. Sociometric testing of intergroup relations could become an important tool to insure proper distribution of racial groups to prevent ghetto-like concentration and, on the other hand, to permit people a wider choice through advance knowledge of their neighbors' interests, personalities and background.

C. TENANT EDUCATION PROGRAM

At the same time, the Commission itself may consider establishing a Tenant Education Program in certain buildings or neighborhoods where there is some evidence that tenants are in need of information in order to comply with the law, or where there is an unwillingness on the part of a landlord to proceed. In still other cases, COIR might work through the building owner to have him, rather than the Commission itself, approach individual tenants with an explanation of policy and program. It is felt that this individual approach might be particularly useful in luxury buildings where tenants are more inclined to demand personal services and to insist on being treated as individuals rather than as a tenant group. In any Tenant Education Program, certain assumptions can be made on the basis of tenants attitudes and the facts of the housing situation:

a. "Anybody would be delighted to live next to Ralph Bunche."

This exceptionalism is both an advantage and a disadvantage.

On the one hand, it indicates acceptance on the part of almost everyone, that there are outstanding individual Negroes --

Jackie Robinson, Marion Anderson and Louis Armstrong were also mentioned spontaneously, though Bunche's name came up most often.

It may also indicate that many people are unwilling to settle for anything except an ideal; or, at least, that the educational program must recognize the existence of exceptionalist thinking.

b. Unwillingness on the part of most tenants to move out of a desirable apartment, no matter who moves into the building. These findings were clearly indicated in response to the following test:

I HAVE A LETTER FROM  
THE BUILDING MANAGEMENT.  
HE SAYS A NEGRO FAMILY  
IS MOVING IN .....

.....  
.....



More than half our respondents indicated they would "do nothing" when they received such a letter, that "it would be alright with me."

Other answers were fairly divided between those who "would feel irritated but would accept the fact", and those who would "answer with objections."

No tenant indicated that he would move.

No tenant indicated he would talk to other tenants to arouse an organized protest.

D. TENANT HISTORIES

The best way to prove to realtors that their tenants are willing to cooperate is to show them, with actual case histories, how tenants in other situations have behaved, under what circumstances and in what numbers members of minority groups have been admitted to middle income housing, how it was done and how long it has been in operation and what the results indicate.

These case histories might be compiled several times a year and sent out to realtors in news letter form so that these key people are kept constantly informed of progress in this field.

SECTION V

INSIGHT: "THIS IS HOW YOU REALLY ARE"

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Real estate leaders operate in general ignorance about the way their colleagues and even they themselves really feel and what makes them act. It is up to the Commission to provide them with an insight into what they are really like.

A. REMOVE GUILT

The tendency in the area of intergroup relations of any kind is for people to feel inadequate and, therefore, guilty. They are convinced they failed to do the right thing, or that they actively did the wrong thing, or that they didn't move quickly enough or fully enough in the proper direction. They become so guilt ridden that they are, in fact, incapable of doing anything. By reassuring them that they "aren't so bad", the Commission can help to free them for constructive activity.

B. PUBLISH A BOOKLET EXPLAINING THEIR MOTIVATIONS AND SYMPA-  
THIZING WITH THEM

Such a booklet should recognize the psychological factors which affect the realtor's actions: the feeling that he doesn't want to stick his neck out, has no desire to be the first, to stand alone; the feeling that the whole situation is too tough, too big to cope with, too far beyond anything he understands, etc.

C. COMPLIMENT THE REAL ESTATE COMMUNITY

In booklet form and in meetings with realtors, there should be a genuine effort to recognize the human, normal, positive qualities of these key people. They are not ogres; nor are they even unusual. They must be reminded that, as our findings indicate, they aren't even really prejudiced. They are just afraid which is a different, and perfectly understandable, matter.

The U.S. Army, in its training programs, recognizes that most soldiers are deathly afraid of fighting. At the same time they are taught that they must continue fighting despite this fear. The Commission must use a similar approach, recognizing that it is normal to fear doing something new, but that the ultimate benefit to the community as a whole warrants action in behalf of integrated housing.

SECTION VI

THE TREND: MORE AND MORE PEOPLE ARE DOING IT

## VI. THE TREND -- MORE AND MORE PEOPLE ARE DOING IT

By showing the realtor that he is not the only one who is integrating his buildings but rather, that he is a part of a growing trend, you help to counteract his feeling of isolation and encourage him to take action which is morally correct and which can become an important part of a widening circle of activity. Here are some of the characteristics which can be utilized to accelerate the impetus of this trend:

### A. OPEN HOUSING IS A HIGH STATUS ATTITUDE

At least in theory, New Yorkers are open-minded. They judge people as individuals, not according to the color of their skin or the country of their birth or their religious beliefs. They recognize that others are not as advanced as they in such matters, but New Yorkers are proud to acknowledge their national leadership in this field. Of course there are problems, there are undesirable people from every kind of background, but it is not fashionable to be a bigot. One must pay lip service to the ideal of equal opportunity for all -- in housing, in jobs, in education. And for a good many New Yorkers, a great deal more than lip service to a principle is there to be tapped.

Every piece of literature, every statement by a COIR official, every attempt to win cooperation from the real estate community,

from tenants in buildings establishing an open housing policy, and from the public as a whole, should recognize and utilize the status factors -- the snob appeal, if you will -- of the open housing ideal.

Thus, buildings selected for open housing rental are chosen because of the high calibre of the tenants in the building. The real estate leaders involved are the moral and intellectual leaders in their field, as well as the important builder-owners. Everyone who actually participates in extending the application of a far housing law, achieves a higher status in the process.

B. IT IS THE MODERN VIEW

It is especially important that the Commission recognize the trend among younger real estate leaders to regard closed housing policies as passé and unsophisticated. It is generally conceded by these younger men that their fathers, uncles or older partners in the firm are opposed to open housing and that they themselves are being restrained from taking any positive steps by these "old-fashioned" older generation representatives. Thus, for those who wish to be modern and up-to-date, open housing takes on more meaningful connotations.

C. IT IS THE RATIONAL VIEW

Everybody wants to appear rational, and prejudice is irrational. Realtor and tenants alike want to be on the right side of this question. They want to go along with a trend which is rational but they also want to be certain that it really is rational. There is a kind of pluralistic ignorance at work here, which prevents people from taking a strong stand in favor of open housing because they fear theirs will be a different position from that of their neighbors or landlord. The fact that this is a widely held and rational view of life must be stressed by the Commission.

SECTION VII

OPEN HOUSING IS INEVITABLE

## VII. OPEN HOUSING IS INEVITABLE

This important finding appeared, in some form, in the majority of our interviews and was expressed in statements which, for the most part, not only recognized the inevitability of open housing but approved of it:

"I am convinced that the problem will be solved some time in the near future. The educational process is taking place more rapidly now than it did in my generation, even..." a young realtor told us.

"...The climate will make integrated housing perfectly acceptable over the next few years if it isn't already acceptable to most people," said another realtor.

"I'll be very glad when this process of assimilation is developed to the point where it's accepted more..." the world's largest builder of multiple dwellings confided.

True, it is a rather slow-moving trend, according to many respondents, and will reach fulfillment sometime in the future -- "when my children are grown", or "ten or fifteen years from now", or simply "we'll see it happen in New York soon..." It is, therefore, the role of the Commission to capitalize on this feeling that

open housing is inevitable and to speed its progress. This might be accomplished in the following steps:

A. BE REALISTIC

The idea that open housing is inevitable should lead, logically, to the realistic conclusion that realtors would be better off financially and, in terms of tenant satisfactions, if they recognized it and planned for it. This they might do by setting time tables for various buildings, by setting a long term program involving building and rentals and by working out, with the Commission, city-wide plans which would benefit all realtors. Moreover, psychologically, it might be helpful to point out to realtors that, by being realistic, they stand to profit because they "jump on a band wagon" first.

B. CREATE YOUR OWN DESIRABLE NEIGHBORS

Real estate people have the choice of accepting and planning for what they admit is inevitable, or standing still and letting it happen. A third possibility is simply leaving the business but this is not a likely one. COIR, therefore, should encourage real estate leaders to create their own desirable tenants and neighbors from among the minority groups in our city: educate them to be more like you, more like the kind of people you enjoy. Give them the facilities for education, for decent living standards for raising their taste levels. Recognize that there will be undesirable individuals in all groups, but that you and your present tenants will not lose status by associating with minority groups per se, but only by allowing them to remain in positions where they cannot improve themselves, where they cannot hope to become the economic, educational and social equal of people who have greater opportunities.

SUMMARY

It is our conclusion, based on a limited number of interviews with a significant representation of the real estate community, that a catalytic agent is needed to move these influential people to act. We do not find them to be adamant; nor do we find them to be enthusiastic about the law. We do believe they can be moved.

We believe the importance of tenant objection or tenant action in opposition to the law has been vastly overrated. Given positive guidance, tenants will react positively in most cases. It may be useful to stress this point in dealing with realtors.

It is possible that the impetus for implementing the law might come from a source other than COIR, with COIR's participation. It has been stated, for example, that the Rockefeller's are interested supporters of the Urban League. Perhaps, under the auspices of Mrs. Rockefeller herself, the Urban League might entertain leading realtors and members of the Commission in an effort to work out a practical program for implementing the law. The combination of prestige and practicality which such auspices would offer to the Commission cannot be overestimated.

It might even be possible to publish the findings of this report as an expression of encouragement by COIR vis-a-vis the Realtors, thus offering a challenge to them to live up to their billing.

This study was, of course, only a pilot undertaking. We would feel flattered to be able to help in the translation and detailed confirmation of this analysis.