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Chicago Area Fair Housing Agencies and Redfin Agree to Settlement Which Expands Access to Real Estate Services for Buyers and Sellers in Communities of Color

Redfin Agrees to Modify its Minimum Home Price Policy

Chicago, Illinois —Today, Chicago area fair housing agencies South Suburban Housing Center, Open Communities, and HOPE Fair Housing Center joined the National Fair Housing Alliance (NFHA) and six other fair housing organizations from throughout the country in announcing a [settlement](#) of a federal court complaint with Redfin, one of the nation's largest real estate services companies. The settlement will expand opportunities for consumers in communities of color in Cook and DuPage counties of metropolitan Chicago, covering the three Chicago plaintiffs' service areas. Redfin employs over 100 lead agents serving this two-county region.

Redfin's elimination of its national minimum home price policy, expansion of real estate services for lower-priced homes in ten metropolitan areas, and payment of \$4 million will settle a discrimination lawsuit brought against Redfin by the three Chicago area fair housing agencies, NFHA, and the other fair housing organizations.

"Today's settlement brings much needed financial relief to communities harmed by Redfin's policies while changing those policies to prevent future harm. But more than anything, today is a call to action for the industry and all its innovators to ensure the new tools they create disrupt the status quo, not perpetuate it," remarked Michael Chavarria, Executive Director of HOPE Fair Housing Center.

The lawsuit was brought after a lengthy investigation was conducted by NFHA and the other fair housing organizations. They alleged that Redfin's minimum home price policy violated the federal Fair Housing Act by discriminating against sellers and buyers of homes in communities of color. The plaintiffs also alleged that policies which limit or deny services for homes priced under certain values perpetuate racial segregation and contribute to the racial wealth gap.

Cheryl Lawrence, CEO of Open Communities commented, "This lawsuit highlights the importance of holding internet-based companies to the same standards and fair housing laws as other entities. This is one more step forward in the fight for housing equity."

The settlement is expected to serve as a caution to others in the real estate industry that they must exercise care to ensure that their policies and practices, including how they use technology, do not cause discriminatory outcomes.

Redfin has agreed to make changes that will stand for at least three years after an initial implementation period. The company will also implement an outreach and recruiting plan to increase racial diversity in its workforce, advertise its services to reach non-White consumers, and require its agents and local partner realty firms to attend fair housing training.

“The resolution provides for continuing cooperative monitoring and interaction by Redfin with NFHA and the local fair housing agencies to ensure an increased number of buyers and sellers in the Chicago area’s communities of color can benefit from Redfin’s full services,” stated John Petruszak, Executive Director of South Suburban Housing Center.

The legal complaint filed by NFHA, and the other fair housing organizations alleged that Redfin’s minimum home price policy has a substantial adverse impact on buyers and sellers of homes in predominantly non-White communities based on race and national origin. The complaint alleged that Redfin offered no service in non-White zip codes at a disproportionately higher rate than in White zip codes in Chicago and other cities covered by the lawsuit, such as Baltimore, MD; Detroit, MI; Kansas City, MO/KS; Long Island, NY; Louisville KY; Memphis, TN; Milwaukee, WI; Newark, NJ; and Philadelphia, PA.

The lawsuit was filed by the New York City-based law firm Emery Celli Brinckerhoff Abady Ward & Maazel, LLP, and Seattle-based firm MacDonald Hoague & Bayless in the federal district court in Seattle, WA.

Other plaintiffs include the National Fair Housing Alliance, Fair Housing Center of Metropolitan Detroit; Fair Housing Justice Center, Inc.; Long Island Housing Services, Inc.; Lexington Fair Housing Council; Metropolitan Milwaukee Fair Housing Council; and the Fair Housing Rights Center in Southeastern Pennsylvania.

Settlement proceeds of \$4 million will be used to monitor Redfin’s compliance with the agreement, invest in programs that expand homeownership opportunities in Chicago and other cities covered by the lawsuit, and pay for litigation and investigation expenses.

Redfin, based in Seattle, is a large real estate broker. It operates in 95 markets in the United States and Canada and has generated \$195 billion in home sales. Redfin averaged nearly 47 million monthly users on its mobile apps and website in 2021.

The investigation, in this case, was supported, in part, with funding from Private Enforcement Initiative grants received from the Fair Housing Initiatives Program administered by the U.S. Department of Housing and Urban Development.

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South Suburban Housing Center's mission is the promotion and fostering of long-term diversity throughout all communities in Chicago's South and Southwestern suburbs in Cook, Will and Kankakee Counties, and Northwest Indiana by working to eliminate all forms of discrimination and exploitation in the housing markets. <https://southsuburbanhousingcenter.org>

Open Communities' mission is to educate, advocate and organize to promote just and inclusive communities in north suburban Chicago. Open Communities is a leading voice for housing, economic and social justice in north suburban Chicago, working to promote inclusive communities that are welcoming to all. <https://www.open-communities.org/>

HOPE Fair Housing Center works to create greater housing opportunities for all. We want to ensure everyone has the chance to live in the community/home/apartment of their choice free from discrimination based on race, color, religion, national origin, sex, disability, familial status, or any other characteristics protected under state or local laws. HOPE accomplishes this through education, outreach, enforcement, training, and advocacy. <https://hopefair.org/>