

Congress of the United States

Washington, DC 20515

September 18, 2024

Bob Faith
Founder, Chairman, and CEO
Greystar
465 Meeting St, Suite 500
Charleston, SC 29403

Dear Mr. Faith:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Greystar’s reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

Massachusetts is in the midst of a housing affordability crisis; rents in the Commonwealth are currently the highest in the country.¹ In the midst of this crisis, we are extraordinarily concerned that corporate landlords are taking advantage of renters in Massachusetts, gouging them with illegal price-fixing schemes.

In November 2022, Senator Warren launched an investigation into RealPage’s YieldStar product after public reports on the company’s operations.² By its own admission, RealPage helps landlords exchange proprietary information about lease terms and rents.³ Then, RealPage feeds that information into an algorithm—first YieldStar and now its successor AIRM—that recommends rents for millions of units across the country, which apartment managers reportedly adopted as much as 90% of the time.⁴ Senator Warren’s investigation found evidence that some of the biggest landlords were sharing proprietary information with RealPage and that YieldStar could be “facilitating de-facto price setting and driving rapid [rent] inflation,” with some landlords keeping units off the market at RealPage’s recommendation to push rents even higher.⁵

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Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

RealPage’s tactics can have a profound impact on renters. In 2022, a vice president of RealPage touted that apartment rents had increased by over 14.5%, stating “I think [the software is] driving it, quite honestly.”¹⁴ In Seattle, rents rose by 33% in a RealPage-priced building over the course of 2021, while they rose by 3.9% in a comparable building that didn’t use the algorithm.¹⁵ For

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that Greystar uses YieldStar or AIRM to set prices for your apartments.¹⁶

Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

1. When did your company begin using RealPage's YieldStar or AIRM product in Massachusetts?
2. Do you currently use the product?
 - a. If so, will you commit to cutting ties with RealPage and permanently ending your use of YieldStar and/or AIRM?
 - b. If not, when did you stop using the product?
3. For the time period that you used YieldStar or AIRM, what was the average annual rent increase for your properties in Massachusetts?
4. Does your company ever lease at prices below the hard floor recommended by AIRM or YieldStar? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
5. Does your company inform RealPage whenever you lease out units in your properties? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
6. Are your company's leasing agents in contact with RealPage's pricing advisors? If so, how often do they communicate and what types of information do your agents typically share? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
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9. For the time period that you used YieldStar or AIRM, what has been the vacancy rate across your properties in Massachusetts each year? Does your company ever hold units vacant, rather than lower prices, if you are unable to find a tenant?
10. Does your company collect data on renters and share it with other landlords, whether through RealPage or through other means? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.

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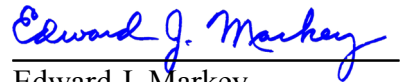
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Toby Bozzuto
President and CEO
Bozzuto Group
6406 Ivy Ln, Suite 700
Greenbelt, MD 20770

Dear Mr. Bozzuto:

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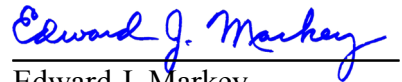
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Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Clay Duvall and David Binswanger
Co-CEO
Lincoln Property
8111 Douglass Avenue, Suite 600
Dallas, TX 75225

Dear Mr. Duvall and Mr. Binswanger:

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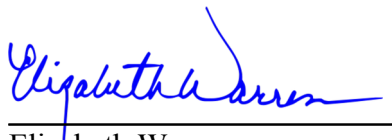
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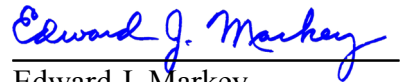
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Washington, DC 20515

September 18, 2024

Mark Parrell
President and CEO
Equity Residential
2 N Riverside Plaza
Chicago, IL 60606

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First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

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Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that Equity Residential uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

1. When did your company begin using RealPage's YieldStar or AIRM product in Massachusetts?
2. Do you currently use the product?
 - a. If so, will you commit to cutting ties with RealPage and permanently ending your use of YieldStar and/or AIRM?
 - b. If not, when did you stop using the product?
3. For the time period that you used YieldStar or AIRM, what was the average annual rent increase for your properties in Massachusetts?
4. Does your company ever lease at prices below the hard floor recommended by AIRM or YieldStar? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
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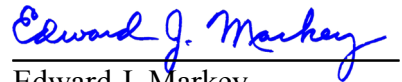
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
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Edward J. Markey
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Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Brian Kingston
CEO
Brookfield Properties
Brookfield Place New York
250 Vesey Street, 15th Floor
New York, NY 10281

Dear Mr. Kingston:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Brookfield Properties’ reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

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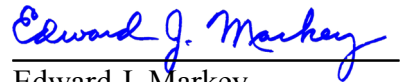
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Congress of the United States

Washington, DC 20515

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Terry Considine
CEO
AIR Communities
4582 S. Ulster St. Suite 1700
Denver, CO 80237

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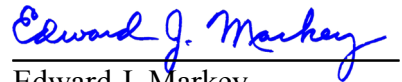
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Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

RealPage’s tactics can have a profound impact on renters. In 2022, a vice president of RealPage touted that apartment rents had increased by over 14.5%, stating “I think [the software is] driving it, quite honestly.”¹⁴ In Seattle, rents rose by 33% in a RealPage-priced building over the course of 2021, while they rose by 3.9% in a comparable building that didn’t use the algorithm.¹⁵ For

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that AIR Communities uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

1. When did your company begin using RealPage's YieldStar or AIRM product in Massachusetts?
2. Do you currently use the product?
 - a. If so, will you commit to cutting ties with RealPage and permanently ending your use of YieldStar and/or AIRM?
 - b. If not, when did you stop using the product?
3. For the time period that you used YieldStar or AIRM, what was the average annual rent increase for your properties in Massachusetts?
4. Does your company ever lease at prices below the hard floor recommended by AIRM or YieldStar? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
5. Does your company inform RealPage whenever you lease out units in your properties? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
6. Are your company's leasing agents in contact with RealPage's pricing advisors? If so, how often do they communicate and what types of information do your agents typically share? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
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8. Does your company use RealPage's "auto accept" option, which automatically adjusts rents based on RealPage's algorithm? How often does your company accept RealPage's rent recommendations? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
9. For the time period that you used YieldStar or AIRM, what has been the vacancy rate across your properties in Massachusetts each year? Does your company ever hold units vacant, rather than lower prices, if you are unable to find a tenant?
10. Does your company collect data on renters and share it with other landlords, whether through RealPage or through other means? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.

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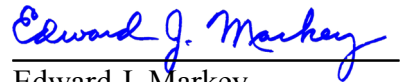
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Benjamin Schall
President and CEO
AvalonBay Communities
4040 Wilson Blvd. Suite 1000
Arlington, VA 22203

Dear Mr. Schall:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding AvalonBay Communities’ reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

Massachusetts is in the midst of a housing affordability crisis; rents in the Commonwealth are currently the highest in the country.¹ In the midst of this crisis, we are extraordinarily concerned that corporate landlords are taking advantage of renters in Massachusetts, gouging them with illegal price-fixing schemes.

In November 2022, Senator Warren launched an investigation into RealPage’s YieldStar product after public reports on the company’s operations.² By its own admission, RealPage helps landlords exchange proprietary information about lease terms and rents.³ Then, RealPage feeds that information into an algorithm—first YieldStar and now its successor AIRM—that recommends rents for millions of units across the country, which apartment managers reportedly adopted as much as 90% of the time.⁴ Senator Warren’s investigation found evidence that some of the biggest landlords were sharing proprietary information with RealPage and that YieldStar could be “facilitating de-facto price setting and driving rapid [rent] inflation,” with some landlords keeping units off the market at RealPage’s recommendation to push rents even higher.⁵

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Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that AvalonBay Communities uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

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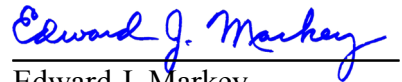
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Lili Dunn
President and CEO
Bell Partners
300 N Greene Street
Suite 1000
Greensboro, NC 27401

Dear Ms. Dunn:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Bell Partners’ reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

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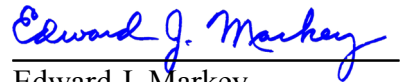
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



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United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Michelle M. MacKay
CEO
Cushman and Wakefield
225 W Wacker Dr, Suite 3000
Chicago, IL 60606

Dear Ms. MacKay:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Cushman and Wakefield’s reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

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Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

RealPage’s tactics can have a profound impact on renters. In 2022, a vice president of RealPage touted that apartment rents had increased by over 14.5%, stating “I think [the software is] driving it, quite honestly.”¹⁴ In Seattle, rents rose by 33% in a RealPage-priced building over the course of 2021, while they rose by 3.9% in a comparable building that didn’t use the algorithm.¹⁵ For

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that Cushman and Wakefield uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

1. When did your company begin using RealPage's YieldStar or AIRM product in Massachusetts?
2. Do you currently use the product?
 - a. If so, will you commit to cutting ties with RealPage and permanently ending your use of YieldStar and/or AIRM?
 - b. If not, when did you stop using the product?
3. For the time period that you used YieldStar or AIRM, what was the average annual rent increase for your properties in Massachusetts?
4. Does your company ever lease at prices below the hard floor recommended by AIRM or YieldStar? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
5. Does your company inform RealPage whenever you lease out units in your properties? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
6. Are your company's leasing agents in contact with RealPage's pricing advisors? If so, how often do they communicate and what types of information do your agents typically share? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
7. Has your company participated in RealPage's "user group" meetings? If so, how often does it do so? What information is exchanged in these meetings? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
8. Does your company use RealPage's "auto accept" option, which automatically adjusts rents based on RealPage's algorithm? How often does your company accept RealPage's rent recommendations? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
9. For the time period that you used YieldStar or AIRM, what has been the vacancy rate across your properties in Massachusetts each year? Does your company ever hold units vacant, rather than lower prices, if you are unable to find a tenant?
10. Does your company collect data on renters and share it with other landlords, whether through RealPage or through other means? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.

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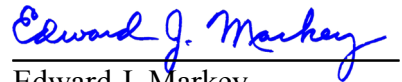
11. Does your company participate in any shared Google Drive documents containing proprietary information with RealPage or other landlords? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
12. Does your company respond to RealPage's call center requests for proprietary information or participate in RealPage's multifamily housing survey? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Sue Ansel
President and CEO
Gables Residential
3399 Peachtree Road NE
Atlanta, GA 30326

Dear Ms. Ansel:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Gables Residential’s reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

Massachusetts is in the midst of a housing affordability crisis; rents in the Commonwealth are currently the highest in the country.¹ In the midst of this crisis, we are extraordinarily concerned that corporate landlords are taking advantage of renters in Massachusetts, gouging them with illegal price-fixing schemes.

In November 2022, Senator Warren launched an investigation into RealPage’s YieldStar product after public reports on the company’s operations.² By its own admission, RealPage helps landlords exchange proprietary information about lease terms and rents.³ Then, RealPage feeds that information into an algorithm—first YieldStar and now its successor AIRM—that recommends rents for millions of units across the country, which apartment managers reportedly adopted as much as 90% of the time.⁴ Senator Warren’s investigation found evidence that some of the biggest landlords were sharing proprietary information with RealPage and that YieldStar could be “facilitating de-facto price setting and driving rapid [rent] inflation,” with some landlords keeping units off the market at RealPage’s recommendation to push rents even higher.⁵

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Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

RealPage’s tactics can have a profound impact on renters. In 2022, a vice president of RealPage touted that apartment rents had increased by over 14.5%, stating “I think [the software is] driving it, quite honestly.”¹⁴ In Seattle, rents rose by 33% in a RealPage-priced building over the course of 2021, while they rose by 3.9% in a comparable building that didn’t use the algorithm.¹⁵ For

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that Gables Residential uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

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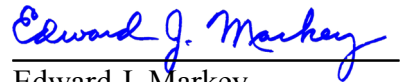
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Jeff Blau
CEO
Related Companies
30 Hudson Yards
New York, NY 10001

Dear Mr. Blau:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding Related Companies’ reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

Massachusetts is in the midst of a housing affordability crisis; rents in the Commonwealth are currently the highest in the country.¹ In the midst of this crisis, we are extraordinarily concerned that corporate landlords are taking advantage of renters in Massachusetts, gouging them with illegal price-fixing schemes.

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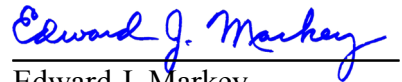
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Sincerely,



Elizabeth Warren
United States Senator



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United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Thomas Toomey
Chairman and CEO
UDR
1745 Shea Center Drive
Suite 200
Highlands Ranch, CO 80129

Dear Mr. Toomey:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding UDR’s reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

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³ ProPublica, “Rent Going Up? One Company’s Algorithm Could Be Why,” Heather Vogell, Haru Coryne and Ryan Little, October 15, 2022, <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>.

⁴ *Id.*

⁵ Letter from Senators Elizabeth Warren, Ed Markey, Tina Smith, and Bernie Sanders to the Department of Justice, March 3, 2023, <https://www.warren.senate.gov/oversight/letters/warren-lawmakers-urge-justice-department-to-review-yieldstar-warn-of-de-facto-price-setting-and-collusion-after-senate-investigation>.

Based on the results of this investigation, we called on the Department of Justice to investigate RealPage for potential violations of federal antitrust law.⁶

Last month, the Justice Department and attorneys general in eight states filed a major antitrust lawsuit against RealPage, alleging an “unlawful scheme to decrease competition among landlords in apartment pricing and to monopolize the market for commercial revenue management software that landlords use to price apartments.”⁷ The allegations in the complaint reveal even more information about RealPage’s alleged price-fixing scheme.

First, according to the DOJ’s complaint, RealPage’s strategy extended far beyond its pricing algorithm. RealPage allegedly held monthly “user group” meetings, where competing landlords would attend—including at one meeting, “five of the largest property management companies in the country”—and discussed business strategies including managing lease expirations and renewal pricing.⁸ To facilitate the sharing of confidential information, RealPage set up a call center to make tens of thousands of calls each month, gathering nonpublic information on rent price, occupancy rates, lease terms, and more.⁹ According to the DOJ, some of the landlords used Google Drive documents to share sensitive, proprietary information.¹⁰

Second, belying RealPage’s claims that their software’s pricing recommendations are “non-binding,” RealPage allegedly exerted significant pressure on landlords to accept their recommendations. RealPage’s software included an “auto accept” feature which automatically adjusts rents for property managers.¹¹ If a landlord or property manager did reject a recommendation, a “pricing advisor” from RealPage reached out and pushed them to take the recommendation.¹² The complaint further alleges that “RealPage takes no steps to avoid assigning the same pricing advisor to properties with different owners, even if those properties compete with each other or are RealPage-mapped competitors.”¹³ As alleged by the DOJ, collusion is at the heart of RealPage’s scheme, not an incidental effect.

RealPage’s tactics can have a profound impact on renters. In 2022, a vice president of RealPage touted that apartment rents had increased by over 14.5%, stating “I think [the software is] driving it, quite honestly.”¹⁴ In Seattle, rents rose by 33% in a RealPage-priced building over the course of 2021, while they rose by 3.9% in a comparable building that didn’t use the algorithm.¹⁵ For

⁶ *Id.*

⁷ Department of Justice, Office of Public Affairs, “Justice Department Sues RealPage for Algorithmic Pricing Scheme that Harms Millions of American Renters,” August 23, 2024, <https://www.justice.gov/opa/pr/justice-department-sues-realpage-algorithmic-pricing-scheme-harms-millions-american-renters>.

⁸ Complaint, U.S. Department of Justice vs. RealPage, Inc., U.S. District Court for the Middle District of North Carolina, 1:24-cv-00710, 2024, pp. 35-36.

⁹ *Id.*, p. 7.

¹⁰ *Id.*, p. 31.

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renters across the country and in the Commonwealth, RealPage's tools are alleged to have enabled landlords to hike rents well above fair market value in the midst of a statewide and national affordable housing crisis.

Colluding to price gouge renters is unacceptable and illegal. Plaintiffs suing RealPage have alleged that UDR uses YieldStar or AIRM to set prices for your apartments.¹⁶ Accordingly, given your company's significant presence in Massachusetts, we ask that you provide answers to the following questions by October 3, 2024.

1. When did your company begin using RealPage's YieldStar or AIRM product in Massachusetts?
2. Do you currently use the product?
 - a. If so, will you commit to cutting ties with RealPage and permanently ending your use of YieldStar and/or AIRM?
 - b. If not, when did you stop using the product?
3. For the time period that you used YieldStar or AIRM, what was the average annual rent increase for your properties in Massachusetts?
4. Does your company ever lease at prices below the hard floor recommended by AIRM or YieldStar? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
5. Does your company inform RealPage whenever you lease out units in your properties? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
6. Are your company's leasing agents in contact with RealPage's pricing advisors? If so, how often do they communicate and what types of information do your agents typically share? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
7. Has your company participated in RealPage's "user group" meetings? If so, how often does it do so? What information is exchanged in these meetings? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.
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9. For the time period that you used YieldStar or AIRM, what has been the vacancy rate across your properties in Massachusetts each year? Does your company ever hold units vacant, rather than lower prices, if you are unable to find a tenant?
10. Does your company collect data on renters and share it with other landlords, whether through RealPage or through other means? If your company doesn't currently work with RealPage, please respond for the time period in which you used RealPage's products.

⁵ Takeaways From Our Investigation Into RealPage's Rent-Setting Algorithm," Sophia Kovatch, October 28, 2022, <https://www.propublica.org/article/why-rent-is-so-high>.

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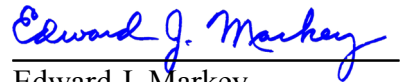
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Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress

Congress of the United States

Washington, DC 20515

September 18, 2024

Patrick Appleby
President
WinnResidential
One Washington Mall, Suite 500
Boston, MA 02018

Dear Mr. Appleby:

In the wake of the Department of Justice’s new antitrust lawsuit against RealPage, we write with significant concern regarding WinnResidential’s reported use of RealPage’s YieldStar or AI Internal Management (AIRM) products, the centerpieces of an alleged price-fixing scheme to hike rents for Americans across the country.

Massachusetts is in the midst of a housing affordability crisis; rents in the Commonwealth are currently the highest in the country.¹ In the midst of this crisis, we are extraordinarily concerned that corporate landlords are taking advantage of renters in Massachusetts, gouging them with illegal price-fixing schemes.

In November 2022, Senator Warren launched an investigation into RealPage’s YieldStar product after public reports on the company’s operations.² By its own admission, RealPage helps landlords exchange proprietary information about lease terms and rents.³ Then, RealPage feeds that information into an algorithm—first YieldStar and now its successor AIRM—that recommends rents for millions of units across the country, which apartment managers reportedly adopted as much as 90% of the time.⁴ Senator Warren’s investigation found evidence that some of the biggest landlords were sharing proprietary information with RealPage and that YieldStar could be “facilitating de-facto price setting and driving rapid [rent] inflation,” with some landlords keeping units off the market at RealPage’s recommendation to push rents even higher.⁵

¹ Rent, “The Rent.Report April 2024,” April 15, 2024, <https://www.rent.com/research/average-rent-price-report/>; National Low Income Housing Coalition, “Housing Needs By State: Massachusetts,” <https://nlihc.org/housing-needs-by-state/massachusetts>.

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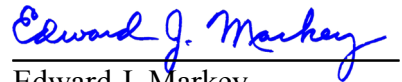
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