

DOJ SUES MAJOR LANDLORDS OVER ALLEGED ALGORITHMIC PRICING SCHEME

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The lawsuit alleges that Greystar Real Estate Partners LLC, LivCor LLC, Camden Property Trust, Cushman & Wakefield Inc., Willow Bridge Property Company LLC, and Cortland Management LLC used RealPage's pricing algorithms to coordinate rental rates and share sensitive information, reducing competition in the housing market.

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The U.S. Department of Justice, joined by state attorneys general, has filed an amended complaint against RealPage and six of the nation's largest landlords, accusing them of engaging in an anticompetitive scheme that drove up rental prices for millions of Americans.

The lawsuit alleges that Greystar Real Estate Partners LLC, LivCor LLC, Camden Property Trust, Cushman & Wakefield Inc., Willow Bridge Property Company LLC, and Cortland Management LLC used RealPage's pricing algorithms to coordinate rental rates and share sensitive information, reducing competition in the housing market. These landlords manage over 1.3 million units across 43 states and Washington, D.C.

The Justice Department has accused them of exchanging sensitive information, including rent levels, pricing strategies, occupancy rates, and renewal rates, to align their rental prices. Federal officials allege that property managers frequently conducted so-called "call-arounds," contacting competitors to gather and share details about rents and discounts. Senior executives also communicated directly about planned price increases and other strategies, further undermining competition.

User groups hosted by RealPage provided another avenue for coordination. In these groups, landlords discussed modifying the software's pricing methodology and shared plans for price increases and acceptance rates. Willow Bridge and Greystar allegedly shared parameters for RealPage's pricing software, including details about automated pricing decisions.

According to the amended complaint, the landlords directly collaborated to suppress market competition. Greystar, for example, shared quarterly pricing strategies with Camden, while executives from Camden and LivCor exchanged information about rent increases over several months.

In conjunction with the lawsuit, the Justice Department announced a proposed consent decree with Cortland, a landlord managing over 80,000 units in 13 states. Under the agreement, Cortland would stop using competitors' sensitive data, cease employing shared pricing algorithms without oversight, and cooperate with the investigation. The proposed decree is subject to a 60-day public comment period and court approval.

Attorneys general from California, Colorado, Connecticut, Illinois, Massachusetts, Minnesota, North Carolina, Oregon, Tennessee, and Washington are co-plaintiffs in the case. The landlords named in the lawsuit are headquartered in cities such as Charleston, Chicago, Dallas, Houston, and Atlanta.

"While Americans across the country struggled to afford housing, the landlords named in today's

lawsuit shared sensitive information about rental prices and used algorithms to coordinate to keep the price of rent high," said Acting Assistant Attorney General Doha Mekki. "Today's action against RealPage and six major landlords seeks to end their practice of putting profits over people and make housing more affordable for millions of people across the country."

There are no comments yet.