



Newsroom

Attorney General Schwalb Sues RealPage & Residential Landlords for Rental Price-Fixing, Illegally Raising Thousands of District Residents' Rents



November 1, 2023

Lawsuit Alleges that 14 of DC's Largest Landlords Coordinated Through RealPage's Centralized Price-Setting Algorithm to Artificially Inflate Rent Prices

WASHINGTON, DC – Attorney General Brian L. Schwalb today announced a lawsuit against RealPage, Inc. (RealPage) and 14 of the largest residential landlords in the District for colluding to illegally raise rents for tens of thousands of DC residents by collectively delegating price-setting authority to RealPage, which used a centralized pricing algorithm to inflate prices, costing renters millions of dollars.

The defendant landlords are some of the largest providers of multifamily housing in the District, and the Office of the Attorney General's (OAG) investigation revealed that RealPage's technology was used to set rents for more than 50,000 apartments across DC, in violation of the District's Antitrust Act.

"RealPage and the defendant landlords illegally colluded to artificially raise rents by participating in a centralized, anticompetitive scheme, causing District residents to pay millions of dollars above fair market prices," said AG Schwalb. **"Defendants' coordinated and anticompetitive conduct amounts to a District-wide housing cartel. At a time when affordable housing in DC is increasingly scarce, our office will continue to use the law to fight for fair market conditions and ensure that District residents and law-abiding businesses are protected."**

The 14 landlords named in the lawsuit are:

- Avenue5 Residential, LLC
- AvalonBay Communities, Inc.
- Bell Partners, Inc.
- Bozzuto Management Company
- Camden Summit Partnership L.P.
- Equity Residential Management, LLC
- Gables Residential Services, Inc.
- GREP Atlantic, LLC
- Highmark Residential, LLC
- JBG Smith Properties, LP
- Mid-America Apartments, LP
- Paradigm Management II, LP
- UDR, Inc.
- William C. Smith & Co., Inc.

Background on RealPage

RealPage offers a variety of technology-based services to real estate owners and property managers including revenue management products that employ statistical models that use data—including non-public, competitively sensitive data—to estimate supply and demand for multifamily housing that is specific to particular geographic areas and unit types, and then generate a "price" to charge for renting those units that maximizes the landlord's revenue.

In the District, well over 30% of apartments in multifamily buildings (i.e., buildings with five or more units), and approximately 60% of units in large multifamily buildings (with 50+ units), are priced using RealPage's software.

In the Washington-Arlington-Alexandria Metropolitan Area, that number is even higher: over 90% of units in large buildings are priced using RealPage's software.

This leaves many District residents with no choice but to pay RealPage's inflated rents.

OAG's Lawsuit

Specifically, OAG's lawsuit alleges that:

- **RealPage and the defendant District landlords colluded to use RealPage's "Revenue Management" technology, making it market-dominant.** RealPage contracts with property managers and owners to provide its software and services. The company's unparalleled access to proprietary data and significant market share have positioned it as the "Big Tech" company of rental housing.
- **The defendant landlords illegally coordinated to forgo competition and share sensitive company data and delegate rent-setting authority to RealPage in order to raise rents.** RealPage and the defendant landlords transformed a competitive marketplace into one in which competing landlords work together for their collective benefit at the expense of renters. Their anticompetitive agreement is reflected in documents, has been publicly acknowledged by cartel members, and is closely policed by RealPage to ensure compliance. Participating landlords worked to recruit additional landlords into the illegal scheme, providing written and oral testimonials touting the benefits of using RealPage's technology to inflate rent prices and increase revenues.
- **The defendants' illegal agreement to share information and collectively set rents led to artificially inflated rental prices and caused District tenants to pay millions of dollars above market rates.** RealPage widely touts the impact of its products, publicly advertising revenue increases of 2-7%. Where RealPage's market penetration increases, price effects tend to extend beyond just the users of the price-setting software itself, potentially impacting all market participants, illustrating the significant, widespread effects of the adoption of RealPage's algorithmic pricing.

With this lawsuit, OAG is seeking to:

- **Stop RealPage and the defendant landlords from engaging in anticompetitive behaviors** that artificially inflate rent prices for District tenants.
- **Appoint a corporate monitor** to ensure that RealPage and the defendant landlords do not engage in further anticompetitive misconduct.
- **Secure financial compensation** for the District and residents whose rents were unlawfully raised.

The full complaint is available [here](https://oag.dc.gov/sites/default/files/2023-11/DC%20OAG%20RealPage%20Complaint%20-%20Filed.pdf) (<https://oag.dc.gov/sites/default/files/2023-11/DC%20OAG%20RealPage%20Complaint%20-%20Filed.pdf>).

This matter is being handled by Assistant Attorney General Amanda Hamilton and Section Chief Adam Gitlin of the Antitrust and Nonprofit Enforcement Section.

Topics

[Antitrust \(/taxonomy/term/69\)](#)

[← Back to the Newsroom Main Page \(/newsroom\)](#)

Media Contacts

oagpress@dc.gov (<mailto:oagpress@dc.gov>) | (202) 442-8919 (<tel:202-442-8919>)

Search By Keyword

Start Date

End Date