

August 18, 2023

To: Jeffrey McCracken, CNBC
Donna Tam, Marketplace
Nicholas Carlson, Business Insider
Katrice Hardy, Dallas Morning News
Natalie Dolce, GlobeSt.com
Sarah Wheeler, HousingWire

Dear Editors In Chief,

As advocates of housing policies that increase affordability, accessibility, and equality, we recognize your publications' critical roles in investigating and disseminating news about the housing and rental markets and relevant government policies. However, we write to implore you to stop citing RealPage and its leadership staff as nonpartisan, neutral sources in housing matters. RealPage is a controversial firm currently under federal investigation and facing several lawsuits from tenants.¹ Despite this fact, news and industry media outlets cite the company without disclosing that it is under federal investigation.²

In 2022, a ProPublica investigation revealed that RealPage's YieldStar software enabled landlords and real estate companies across the country to coordinate and unjustifiably hike rent prices.³ Per ProPublica's reporting, RealPage executive Andrew Bowen knew that very few property managers would be willing to manually raise rents to double digits within a single month.⁴ Yet, he and Realpage chief economist Jay Parsons bragged about the software's success in overcoming this hurdle, therefore enabling devastating rent increases for tenants who already struggled to pay rent before the pandemic exacerbated the unstable conditions of the economy and housing market. Aggressive rent hikes disproportionately harm people of color as more than 55% of Black and Latinx households are housing cost burdened.⁵ Black, Latinx, and Indigenous people also disproportionately account for the population of low-income renters, which heavily increases the risk of these communities experiencing eviction, or homelessness or both.⁶

Following the public reporting, Congressional leaders Senator Amy Klobuchar (D-MN), Senator Cory Booker (D-NJ), and Senator Richard Durbin (D-IL) wrote letters asking the Department of

¹ <https://www.propublica.org/article/yieldstar-realpage-rent-doj-investigation-antitrust>

² See Revolving Door Project analysis of recent Realpage news clips:

https://docs.google.com/spreadsheets/d/1m5oQHsy9YrqtzYPBIL6ntqGrwY2eLs-N4fksSaY_wU/edit?usp=sharing

³ <https://housinghumanrt.medium.com/realpage-scandal-widens-big-tech-firm-and-corporate-landlords-slapped-with-another-lawsuit-8b01683c8386>

⁴ <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>

⁵ <https://scorecard.prosperitynow.org/data-by-issue#housing/outcome/housing-cost-burden-renters>

⁶ <https://www.pbs.org/newshour/show/evictions-skyrocket-as-rising-rents-squeeze-low-income-americans>

Justice and the Federal Trade Commission to investigate RealPage.⁷ The DOJ is currently investigating the company for potentially violating federal antitrust law.⁸

In addition to government investigations, RealPage currently faces multiple class-action lawsuits for helping corporate landlords hike rents. Over 20 lawsuits were filed against the company for conspiring with multifamily residential property managers to keep rents artificially high in places like Seattle, Boston, Colorado, and New York.⁹ RealPage is also facing a class action lawsuit for fixing rent prices in Florida and for colluding with property owners in some of the state's largest cities to garner data on their competitors, allowing them to let a large portion of their units remain vacant while sustaining high rent prices across their properties.¹⁰ RealPage executives claim the nation's housing crisis is due to the lack of supply and increased demand,¹¹ yet the company purposely leaves units vacant at a time wherein people across the country are experiencing homelessness and housing insecurity.

RealPage has a demonstrated history of harming tenants beyond the rent-setting controversy. In 2018, the FTC sued RealPage for violating the Fair Credit Report Act.¹² The agency found that from 2012-2017, RealPage's tenant screening services used broad criteria to match applicants to criminal records and only applied limited filters to the results of its background screening, failing to ensure tenant screening information's accuracy. As a result, the FTC levied a \$3 million fine against Realpage for its discriminatory practices. Tenants from communities of color are especially vulnerable to ineligibility for tenancy and unequal access to housing due to their overrepresentation in U.S. arrest rates.¹³ Black Americans are also incarcerated in state prisons at nearly 5 times the rate of white Americans.¹⁴ Through its tenant screening practices, RealPage directly sustained the ever-existing phenomena of racism in housing.

CNBC, Business Insider, GlobeSt, HousingWire, MarketWatch, Marketplace, and the Dallas Morning News have continued to cite RealPage and its executive officers on issues such as rent prices,¹⁵ rent inflation,¹⁶ the current decline in rent market growth,¹⁷ housing construction,¹⁸

⁷ <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent-klobuchar>

⁸ <https://www.propublica.org/article/yieldstar-realpage-rent-doj-investigation-antitrust>

⁹ <https://www.reuters.com/legal/litigation/realpage-antitrust-lawsuits-over-rent-prices-consolidated-tennessee-2023-04-10/>

¹⁰ <https://therealdeal.com/new-york/2023/01/22/realpage-faces-another-class-action-lawsuit-this-time-in-florida/>

¹¹ <https://www.globest.com/2021/10/08/there-is-a-severe-shortage-of-rental-housing-at-every-price-point-now/>

¹² <https://www.ftc.gov/news-events/news/press-releases/2018/10/texas-company-will-pay-3-million-settle-ftc-charges-it-failed-meet-accuracy-requirements-its-tenant>

¹³ <https://crsreports.congress.gov/product/pdf/R/R44203/7>

¹⁴ <https://www.povertylaw.org/article/unfair-tenant-screening-practices/>

¹⁵ <https://www.businessinsider.com/renters-economy-are-finally-getting-a-break-amid-slowng-inflation-2023-6>

¹⁶ <https://www.marketplace.org/2023/03/29/rent-inflation-has-been-slowng-down-for-months/>

¹⁷ <https://www.housingwire.com/articles/rent-growth-is-slowng-but-prices-are-still-near-record-highs/>

¹⁸ <https://advance.lexis.com/api/permalink/5dd61c11-3abd-4227-921b-3c515384c9e0/?context=1519360>

issues around multifamily housing construction,¹⁹ and rent control.²⁰ Citing RealPage and its staff without disclosing that the company is under federal investigation ignores its numerous transgressions against tenants and suggests to readers that it is a reliable and unbiased source. The current investigations and lawsuits against RealPage are widely reported, yet your media publications still quote RealPage on issues that the company itself has directly perpetuated.

While RealPage executives are overly cited in media coverage of housing issues, the voices of those directly impacted by the nation's housing crisis are often left out. RealPage has participated in and fostered rent gouging, intentionally leaving rental units vacant, and tenant screening discrimination. As such, we hope your reporting will give more weight in housing coverage to tenants' perspectives rather than firms under federal investigation.

Sincerely,

Revolving Door Project
National Housing Law Project
Liberation in a Generation
FAIR (Fairness & Accuracy In Reporting)

¹⁹<https://www.globest.com/2023/06/23/realpages-chief-economist-thinks-the-census-bureau-is-wrong-about-multifamily-starts/>

²⁰ <https://www.cnn.com/2023/03/15/why-rent-control-wont-solve-the-issue-of-high-rents-in-the-us.html>