



PRESS RELEASE

Justice Department Sues Six Large Landlords for Algorithmic Pricing Scheme that Harms Millions of American Renters

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For Immediate Release

Office of Public Affairs

Landlord Cortland Agrees to Cooperate with Justice Department and Enter into a Settlement to End the Use of Common Rental Pricing Algorithms and Competitively Sensitive Data to Set Rents

Attorneys General of Illinois and Massachusetts Join Suit Against RealPage and Apartment Landlords, Bringing Total State and Commonwealth Co-Plaintiffs to 10

The Justice Department, together with its state co-plaintiffs, filed an amended complaint today in its antitrust lawsuit against RealPage, to sue six of the nation's largest landlords for participating in algorithmic pricing schemes that harmed renters.

The amended complaint alleges the landlords — Greystar Real Estate Partners LLC (Greystar); Blackstone's LivCor LLC (LivCor); Camden Property Trust (Camden); Cushman & Wakefield Inc and Pinnacle Property Management Services LLC (Cushman); Willow Bridge Property Company LLC (Willow Bridge) and Cortland Management LLC (Cortland) — participated in an unlawful scheme to decrease competition among landlords in apartment pricing, harming millions of American renters. Together, these landlords operate more than 1.3 million units in 43 states and the District of Columbia. The Attorneys General of Illinois and Massachusetts joined the amended complaint as co-plaintiffs, increasing the total number of State and Commonwealth co-plaintiffs to 10. At the same time, the Justice Department filed a proposed consent decree with landlord Cortland that requires it to cooperate with the government, stop

using its competitors' sensitive data to set rents and stop using the same algorithm as its competitors without a corporate monitor.

"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 of the Justice Department's Antitrust Division. "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."

The amended complaint alleges that the six landlords actively participated in a scheme to set their rents using each other's competitively sensitive information through common pricing algorithms. Along with using RealPage's anticompetitive pricing algorithms, these landlords coordinated through a variety of means, including:

- **Directly communicating with competitors' senior managers about rents, occupancy, and other competitively sensitive topics.** In one example, Greystar supplied Camden with information not only about very recent renewal rates, but also its approach to pricing for the upcoming quarter, its acceptance of RealPage's pricing recommendations, use of concessions and competitively sensitive information about occupancy. Likewise, executives at Camden and LivCor communicated over the course of months about their pricing strategies, including plans for certain price increases.
- **Regularly conducting "call arounds."** During these discussions, euphemistically referred to as "market surveys," property managers called or emailed competitors to share, and sometimes discuss, competitively sensitive information about rents, occupancy, pricing strategies and discounts.
- **Participating in "user groups" hosted by RealPage.** For instance, landlords discussed via user groups how to modify the software's pricing methodology, as well as their own pricing strategies. In one example, LivCor and Willow Bridge executives participated in a user group discussion of plans for renewal increases, concessions and acceptance rates of RealPage rent recommendations.
- **Sharing information with competitors about parameters in RealPage's software.** As an example, at the request of Willow Bridge's director of revenue management, Greystar's director of revenue management supplied its standard auto-accept parameters for RealPage's software, including the daily and weekly limits and the days of the week for which Greystar used "auto-accept."

The Justice Department also announced a proposed consent decree that, if approved by the court, would resolve its claims against Cortland, a landlord that manages over 80,000 rental units in 13 states. Under the proposed consent decree, Cortland would cooperate in the Justice Department's investigation and litigation and be barred from, among other things:

- Using competitors' competitively sensitive data to train or run any pricing model;
- Using third-party software or algorithms to price apartments without the supervision of a court-appointed monitor; and
- Soliciting, disclosing or using any competitively sensitive information with any other property manager as part of setting rental prices or generating rental pricing recommendations.

As required by the Tunney Act, the proposed consent decree, along with the competitive impact statement, will be published in the Federal Register. Any person may submit written comments

concerning the proposed consent decree during a 60-day comment period to Chief, Technology and Digital Platforms Section, Antitrust Division, Department of Justice, 450 Fifth Street NW, Suite 8600, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the Middle District of North Carolina may enter the final judgment upon finding it is in the public interest.

Co-plaintiffs in the case are the Attorneys General of California, Colorado, Connecticut, Illinois, Massachusetts, Minnesota, North Carolina, Oregon, Tennessee and Washington.

Greystar is headquartered in Charleston, South Carolina; LivCor and Cushman & Wakefield (whose residential property management business formerly operated independently as Pinnacle) are headquartered in Chicago; Willow Bridge (formerly known as Lincoln Residential) is headquartered in Dallas; Camden is headquartered in Houston; and Cortland is headquartered in Atlanta. All manage multifamily apartment buildings; several own some or all of the properties under their management.

[Proposed Final Judgment - US et al. v. RealPage Inc.pdf](#)

[Amended Complaint - U.S. et al. v. RealPage Inc..pdf](#)

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