

United States Senate
WASHINGTON, DC 20510

November 4, 2022

Jonathan Kanter
Assistant Attorney General for Antitrust
Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Assistant Attorney General Kanter:

We write to ask that the Antitrust Division investigate recent allegations of anticompetitive collusion leading to significant increases in rents for apartments.

As recently reported, software offered by RealPage uses pricing algorithms to adjust prices on vacant apartments in real time.¹ The software analyzes non-public data that RealPage gathers from its property management clients, including confidential information on the rents charged by competing property managers, data it also makes available to its subscribers in aggregated, anonymized form. The program may also induce landlords to charge the rents recommended by the algorithm, putting upward pressure on prices and decreasing the availability of affordable apartments.

We are concerned that the use of this rate setting software essentially amounts to a cartel to artificially inflate rental rates in multifamily residential buildings. In addition, we are concerned about potential anticompetitive coordination taking place through the RealPage User Group, a forum of over 1,000 RealPage clients that work together on a variety of subjects, including revenue management and screening.²

The conduct in these markets raises significant anticompetitive concerns. We are aware that the Division has taken an aggressive posture in assessing and investigating potential anticompetitive conduct, including considering how algorithms could facilitate collusion in novel ways. We encourage you to continue that work and take appropriate action to protect renters and competition in residential rental markets.

In addition, we understand that the Antitrust Division allowed RealPage to acquire one of its closest competitors, Lease Rent Options, in 2017 – one of more than 10 acquisitions RealPage has made since 2016. As you are aware, in data-intensive industries such as this one, the ability to acquire more data can result in the algorithms suggesting higher prices and can also increase

¹ <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>

² <https://www.realpage.com/user-group/overview/>

barriers to entry. Such consolidation can also make markets more susceptible to anticompetitive collusion. We encourage you to consider looking back at RealPage's past behavior to determine whether any of it was anticompetitive.

We appreciate your prompt attention to these issues.

Sincerely,



Amy Klobuchar
United States Senator



Richard J. Durbin
United States Senator



Cory A. Booker
United States Senator