

City and County of
San Francisco



Board of Supervisors,
President

AARON PESKIN
市參事 佩斯金

For Immediate Release
July 16, 2024 (Page 1 of 3)

Contact: Sunny Angulo
415.554.7450

San Francisco Board President Aaron Peskin Introduces First-in-the-Nation Local Ban on Rent Price Fixing, Calls Out *RealPage* Rent Crisis

San Francisco – Today, San Francisco Board of Supervisors President Aaron Peskin introduced the first local ordinance in the country banning the sale or use of software which enables price collusion among large corporate landlords for the purpose of rent-gouging.

A new type of rental software is increasing rents and vacancy rates by allowing large landlords to collude on pricing decisions, according to multiple class action lawsuits, investigations by three state Attorneys General and an inquiry by the Department of Justice.ⁱ In President Biden’s 2024 State of the Union Address and in subsequent briefings, President Biden identified algorithmic price-fixing as a threat to housing affordability and a policy priority in the fight against corporate rent-gouging.¹

Third-party revenue management companies such as **RealPage** and **Yardi**, collect and combine proprietary large landlord data and make pricing and occupancy recommendations. These recommendations then effectively become the lay of the land, with multiple investigations finding they amount to illegal price-fixing. RealPage’s own executives have told investors that its software has driven double-digit increases in rents, increased “turnover” of units, and increased vacancy rates.ⁱⁱ

“Banning automated price-fixing will allow the market to work and bring down rents in San Francisco,” **said Board of Supervisors President Aaron Peskin**. “We want to put more units on the market. Let’s be clear: RealPage has exacerbated our rent crisis and empowered corporate landlords to intentionally keep units vacant. So we’re taking action locally to ensure our working renters can afford to live here.”

Many of San Francisco’s largest corporate landlords are clients of RealPage, including the city’s largest residential landlord, Brookfield Properties, Greystar, Equity Residential and UDR, Inc.ⁱⁱⁱ According to the consolidated class action lawsuit, owners and property managers who use revenue management software account for approximately 70% of all multifamily rental units in the San Francisco submarket.

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/07/fact-sheet-president-biden-announces-plan-to-lower-housing-costs-for-working-families/>



AARON PESKIN
市參事 佩斯金

(Page 2 of 3)

“Two years ago, we worked with President Peskin’s office to establish a first-in-the-nation Tenants’ Right to Organize, in reaction to many of the practices that we can now trace back to RealPage,” said **Lenea Maibaum**, a tenant organizer for the **Housing Rights Committee** and **Veritas Tenants Association member**. “Since Veritas, then Brookfield, took over my apartment building and the management of thousands of other rental units in San Francisco, we’ve noticed dramatic increases in rent for new tenants and new tactics to harass and displace long-term tenants, who are particularly vulnerable because their homes are viewed by real estate investors as underpriced. Tenants experience the effects of RealPage in the form of rent hikes, miscellaneous fees to get around rent control, and arbitrary evictions. It’s a dangerous tool in the hands of well-resourced corporate landlords.”

“Widespread use of price fixing software presents a new front in the housing affordability crisis,” said **Lee Hepner**, an antitrust lawyer at the **American Economic Liberties Project**. “In San Francisco and across the country, RealPage’s software has contributed to double-digit rent increases, increased rates of eviction, and artificial housing scarcity. We applaud Board President Peskin for putting forward this pro-housing legislation, which is consistent with wanting new housing construction to result in lower rents.”

This first-in-the nation ordinance:

- Bans both the sale and use of software which combines non-public data to set, recommend or advise on rents and occupancy levels
- Enables local enforcement through civil action and private right of action by tenants who have been harmed by this practice.

President Peskin has coordinated closely with tenant advocates, and other local elected leaders around the country, including fellow members of the Local Progress network, whose constituents have experienced similar issues, are considering similar local remedies, and may be emboldened by San Francisco’s action.^{iv}

###

City and County of
San Francisco



Board of Supervisors,
President

AARON PESKIN
市參事 佩斯金

(Page 3 of 3)

References:

[“Rent Going Up? One Company’s Algorithm Could Be Why.”](#), Heather Vogell, ProPublica, October 2022

[“How an ‘Algorithm’ Turned Apartment Pools Green”](#), Maureen Tkacik, The American Prospect, June 2024

[“A New Culprit in the Housing Crisis: Rent-Setting Software Algorithms”](#), Local Progress and American Economic Liberties Project, March 2024

[DC OAG Real Page Complaint](#), November 2023

[Arizona OAG Real Page Complaint](#), February 2024

ⁱ [RealPage antitrust lawsuits over rent prices consolidated in Tennessee | Reuters](#)
[Attorney General Schwalb Sues RealPage & Residential Landlords for Rental Price-Fixing, Illegally Raising Thousands of District Residents’ Rents \(dc.gov\)](#)

[Attorney General Mayes Sues RealPage and Residential Landlords for Illegal Price-Fixing Conspiracy | Arizona Attorney General \(azag.gov\)](#)

[Attorney General Josh Stein Takes Legal Actions to Protect North Carolina Homeowners - NCDOJ](#)

ⁱⁱ See ProPublica, and American Prospect coverage

ⁱⁱⁱ [These 12 secret power players are shaping SF Bay Area housing market \(sfchronicle.com\)](#)

^{iv} [content \(sandiegocounty.gov\)](#)