

Wednesday, November 8, 2023

Letitia James. Attorney General of New York
Attorney General's Office
New York Department of Justice
Attn: Economic Justice Division
The Capitol
Albany NY 12224-0341

Re: Landlord Companies Accused of Illegal Rent-Fixing in Washington D.C. Also Hold Properties in New York

Dear Attorney General Bonta:

On behalf of nonpartisan government watchdog Accountable.US, I am writing to encourage you to review the business dealings of major rental companies operating in New York that were among the fourteen landlords sued by District of Columbia Attorney General Brian Schwab's office over allegations they ["illegally rais\[ed\] rents for tens of thousands of residents by collectively sharing their data with \[property management software company RealPage\]."](#)

[AvalonBay](#) and [Equity Residential](#) are among the companies involved in the lawsuit with ties to New York that we are especially concerned may be engaging in price-fixing elsewhere given their troubling histories of profiteering and misconduct. In recent years, Accountable.US has documented how too many corporations are motivated by greed and are price-gouging consumers. And the landlord industry is often among the worst offenders. It is critical that enforcers of consumer protection and antitrust laws like yourself stand up for consumers instead of corporations that profit from rising prices.

Earlier this year, Accountable.US released a [report](#) finding AvalonBay Communities Inc.—the third largest publicly-traded apartment company—saw its same store operating results jump 11% and its net income climb 13.2% to over \$1.1 billion thanks to a "double-digit rent increase." These massive rent hikes helped AvalonBay spend \$536 million acquiring over 1,300 rental units in 2022.

In a separate report [released last year](#) that received national attention [from CBS News](#), we found similar greedy practices by Equity Residential. Notably, Equity Residential touted its "pricing power" as it talked about increased rents while reporting that its FY 2021 net income jumped by 45% to almost \$1.4 billion while being sued by 135,000 applicants for "unlawful conduct" in its fee practices. Meanwhile, the company CEO's compensation increased by 11% to nearly \$8.5 million.

Securities and Exchange Commission records indicate that AvalonBay operates 8,881 units across 26 properties in New York, as of January 31, 2023. And Equity Residential 8,536 units across 34 properties in New York, as of December 31, 2022.

As we have documented, these companies have shown their recent rent hikes were based on greed, not need, after reporting massive increased profits over the previous year while generously rewarding their executives. Now the same companies fueling the housing affordability crisis have allegedly stooped to illegal price-fixing and collusion to pad their profits – making matters worse for many struggling renters in Washington D.C.

The question is: If these companies were willing to allegedly engage in rent fixing surrounded by federal and local regulators in the nation’s capital, why not in New York as well? In our view, it is worth looking into whether New York tenants dealing with these same companies are not also victims of illegal practices that further drive housing costs through the roof.

As you know, the U.S. Labor Department’s latest Consumer Price Index (CPI) report found that shelter was by far [“the largest contributor” to inflation in September](#). We know corporate profiteering played a major role in that. You may be able to answer whether illegal price collusion also contributed to the problem in New York. If you agree this matter merits a serious review, we look forward to hearing about the results of your office’s findings.

Sincerely,



Caroline Ciccone
President, Accountable.US