

## Major Rental Companies Continue To See Increased Profits As Housing Affordability Crisis Continues

**Summary:** In March 2024, the Consumer Price Index (CPI) report showed that inflation continued to rise, with shelter costs making up the majority of the 12-month increase for "all items less food and energy," which rose 3.8%. Ultimately, shelter costs rose 5.7%, which saw similar trends by April 2024 where shelter costs rose by 0.4 percent over the month, as did the index for owners' equivalent rent.

In March 2024, Accountable.US reviewed major rental companies **Invitation Homes, AMH, and Equity Residential**, companies that have histories of "engag[ing] in abusive tactics to remove tenants," lobbying against legislation to lower housing costs, and facing lawsuits for allegedly using third-party listing sites to illegally hike rents, among other predatory behavior. By the end of Q1 2024, these three companies have continued to see increased profits while simultaneously announcing further expansion and consolidation in the housing market.

### Invitation Homes

- As of April 2024, Invitation Homes is the largest publicly-traded single-family rental company in the U.S. operating over 80,000 homes. The company has a history of "engag[ing] in abusive tactics to remove tenants," with reports also showing the landlord has a history of renovating houses without permits leading to "shoddy repairs and maintenance" and "fee-stacking" to maximize its profits.
- In Q1 2024, Invitation Homes saw its **net income climb 18.4 % to over \$142 million**. Meanwhile, the company **spent \$173.2 million on shareholder dividends**.
- The company also announced it would make an **investment of \$37.5 million into a portfolio of 3,700 homes**, and it expects to provide "property and asset management" to those and an **additional 700 homes** by the beginning of Q3 2024.

### AMH

- AMH—formerly known as American Homes 4 Rent—is the second-largest publicly-traded single-family rental with over 60,000 homes owned as of April 2024. In 2017, the company was found to have violated the Fair Housing Act for discriminating against tenants based on disability and was the subject of a January 2022 letter authored by Sen. Elizabeth Warren (D-MA) who accused the firm of driving up housing costs based on its CEO's comments that a national housing shortage would provide the "backdrop for continued long-term rental demand growth."
- During Q1 2024, AMH saw its net income decrease slightly, however, its **revenue increased 6.5% YoY to over \$423.5 million**, largely thanks to **average rent hikes of 5.7%**.
- Meanwhile, the company has spent **\$3.3 million on additional acquisitions** and continued to pay outside lobbying firm *Fierce Government Relations* **\$30,000 to lobby the U.S. Senate on "housing issues."**

### Equity Residential

- Equity Residential is one of the largest publicly-traded owner of multifamily units in the U.S., operating nearly 80,000 units as of the end of 2023. The firm was named in at least two lawsuits in

2023 which alleged it conspired with other rental companies to raise rents through the third-party listing site RealPage.

- A review of Equity Residential's Q1 2024 results shows the company saw its **net income increase 38.6% to \$305 million** thanks to rent increases, as the company **spent \$38.5 million on stock buybacks**.
- And during its Q1 2024 earnings call, Equity Residential president and CEO Mark Parrell touted the company's efforts to shift opinion among state governors, claiming their "lead regulatory guy" was able to convince lawmakers there was simply a lack of housing supply with "price controls" unable to solve this issue.

**The March 2024, Consumer Price Index (CPI) Inflation Report Showed That Shelter Costs Rose 5.7% YoY, Making Up Over 60 Percent Of The Total 12-Month Increase Of "The Index For All Items Less Food And Energy" Which Rose 3.8%.**

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According To The U.S. Bureau Of Labor Statistics, The Consumer Price Index (CPI) "Is A Measure Of The Average Change Over Time In The Prices Paid By Urban Consumers For A Market Basket Of Consumer Goods And Services" And Includes Items Such As "Price Data For Select Utility, Automotive Fuel, And Food Items." "The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available." [U.S. Bureau of Labor Statistics, accessed [05/13/24](#)]

In March 2024, "The Index For All Items Less Food And Energy Rose 3.8%" Over The Past Year, With Shelter Rising 5.7% YoY "Accounting For Over Sixty Percent Of The Total 12-Month Increase In The All Items Less Food And Energy Index." "The index for all items less food and energy rose 3.8 percent over the past 12 months. The shelter index increased 5.7 percent over the last year, accounting for over sixty percent of the total 12-month increase in the all items less food and energy index. Other indexes with notable increases over the last year include motor vehicle insurance (+22.2 percent), medical care (+2.2 percent), recreation (+1.8 percent), and personal care (+4.2 percent)." [U.S. Bureau of Labor Statistics, [04/10/24](#)]

**The Largest Single-Family Rental (SFR) Companies—Relying On A Business Model That Encourages Them To "Minimize Maintenance Costs And Maximize Rents And Fees"—Were Found To Have "Contribute[d] To The Racial Wealth And Homeownership Gaps," While "Adopt[ing] Policies And Practices That Do Not Benefit Renters."**

**The Single-Family Rental (SFR) Industry—With Four "Mega-Landlords," Including Invitation Homes, Progress Residential, AMH, And Tricon Residential—Has Been Accused Of "Egregious Practices" Facilitated By A Business Model That Encourages Them To "Minimize Maintenance Costs And Maximize Rents And Fees" To "Keep Payments To Bond Investors Rolling."**

After A "Flurry Of Corporate Mergers," Four "Mega-Landlords" Have Emerged—Invitation Homes, Progress Residential, AMH, And Tricon Residential—Owning Over 225,00 Single-Family Houses In The United States. "The mega-landlords grew even more prominent through a flurry of corporate mergers. Today, four mega-landlords —Invitation Homes, Progress Residential, American Homes 4 Rent, and Tricon Residential—own more than 225,000 single-family houses in the U.S." [The Hill, [05/10/22](#)]

- **January 12, 2023: American Homes 4 Rent Rebranded To AMH.** "AMH, a leading single-family rental operator and top U.S. homebuilder previously known as American Homes 4 Rent, today unveiled a new corporate brand identity that embraces its DNA with a modern outlook." [AMH, [01/12/23](#)]

These Mega-Landlords Have Been Accused Of "Egregious Practices," With Tenants Complaining Of "Neglected Maintenance, Excessive Rent Increases, And Capriciously Non-Renewed Leases." "But as the mega-landlords have exploded in size, so has the legion of families who rent single-family homes from them. And renters are calling attention to neglected maintenance, excessive rent increases, and capriciously non-renewed leases by the mega-landlords. While we must attend to their stifling effect on homeownership, we must also take this moment to protect the growing contingent of renters from mega-landlords' egregious practices." [The Hill, [05/10/22](#)]

Single-Family Rental (SFR) Companies Finance Their Growth "By Selling Billions Of Dollars In Bonds," Which Forces Them To "Minimize Maintenance Costs And Maximize Rents And Fees" In Order To "Keep Payments To Bond Investors Rolling." "These companies have financed their growth by selling billions of dollars in bonds – the rental-market equivalent of the mortgage-backed securities that led to the financial crisis – to pension funds and other big institutions. Industry critics say that to keep payments to bond investors rolling, companies like Invitation Homes must minimize maintenance costs and maximize rents and fees." [Reuters, [07/27/18](#)]

**In June 2022, The House Financial Services Subcommittee On Oversight And Investigations Held A Hearing Where It Found That SFR Companies "Accelerate[d] Gentrification," And "Contribute[d] To The Racial Wealth And Homeownership Gaps," While "Adopt[ing] Policies And Practices That Do Not Benefit Renters."**

June 28, 2022: The House Financial Services Subcommittee On Oversight And Investigations Hosted A Hearing Entitled: Where Have All The Houses Gone? Private Equity, Single Family Rentals, And America's Neighborhoods. [U.S. House Committee on Financial Services Democrats, [06/28/22](#)]

The Committee Conducted A Survey Of The Five Largest SFRs And Found That The Companies "Accelerate[d] Gentrification In Low-Income Neighborhoods And Communities Of Color, Displacing Longtime Residents" And "Dr[ove] Up Home Prices, And Contribute[d] To The Racial Wealth And Homeownership Gaps." "The business practices that allow the single-family rental home industry to operate effectively and at-scale have been shown to accelerate gentrification in low-income neighborhoods and communities of color, displacing longtime residents. Furthermore, the financial dominance of these large investment firms allows them to outcompete first-time homebuyers for affordable starter homes, drives up

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home prices, and contributes to the racial wealth and homeownership gaps. As the U.S. faces a worsening housing crisis, the Committee's survey data shows that these five companies are not affordably serving the households most acutely affected by the housing crisis." [The U.S. House of Representatives Committee on Financial Services, [06/28/22](#)]

**The Survey Concluded That SFRs "Adopt[ed] Policies And Practices That Do Not Benefit Renters," Finding That "Tenant Rent Arrears Nearly Doubled" From 2018 To 2021, Along With Increasing Fees—"Including Late Fees, Despite Their Tenants Accruing Rental And Fee Arrears."** "The Committee's survey also confirmed research that shows single-family rental home investors adopt policies and practices that do not benefit renters. The Committee's survey showed that tenant rent arrears nearly doubled and fee arrears more than doubled between 2018 and 2021; the survey also showed that these five companies proceeded to increase their fees on tenants during that same time, including late fees, despite their tenants accruing rental and fee arrears." [The U.S. House of Representatives Committee on Financial Services, [06/28/22](#)]

## Invitation Homes

**In July 2022, Invitation Homes—Which Owns Over 80,000 Homes As Of April 2024—Was Found To Have "Engaged In Abusive Tactics To Remove Tenants From Their Homes" During The COVID-19 Pandemic As Reporting Found The Company Has A History Of Renovating Homes Without Permits, Leading To "Shoddy Repairs And Maintenance" Putting Tenants At Risk, As The Company Raised Rents And Engaged In "Fee-Stacking" To Maximize Profits.**

**According To RentalRealEstate.Com, Invitation Homes Is The Largest Publicly-Traded Single-Family Rental Company In The U.S., Owning Over 80,000 Homes As Of April 2024.**

According To RentalRealEstate.com, Invitation Homes Is The Nation's Largest Publicly-Traded Single-Family Rental Company With Over 80,000 Homes As Of April 2024:

### 2. Invitation Homes



#### Invitation Homes Key Statistics:

- Founded: 2012
- Ownership: Public (NYSE:INVH)
- Number of Homes: Over 80,000<sup>1</sup>
- Geographic Reach: Western United States, Florida, and Southeast United States
- Number of Employees: 1,200+

[RentalRealEstate.com, accessed [05/14/24](#)]



**A July 2022 Select Subcommittee On The Coronavirus Crisis Investigation Found That Invitation Homes "Engaged In Abusive Tactics To Remove Tenants From Their Homes" During The COVID-19 Pandemic, Including "Downplay[ing] The Impact Of Its Pandemic Eviction Filings" To Its Government-Backed Creditor, Filing Eviction Notices "Even When A Tenant Had Applied For Rental Assistance," And Declining To Participate In Rental Assistance Programs As An Alternative To Eviction Filings.**

July 28, 2022: The Select Subcommittee On The Coronavirus Crisis Found That Invitation Homes, Along With Three Other Companies, "Engaged In Abusive Tactics To Remove Tenants From Their Homes," With These Companies Filing A Total Of 14,744 Evictions In The First Months Of The Pandemic, All While Displaying "Evidence Of Financial Stability." "The Select Subcommittee found that the four companies under investigation—Pretium Partners (through its companies Progress Residential and Front Yard Residential) (Pretium), Invitation Homes, Ventron Management (Ventron), and The Siegel Group (Siegel)—engaged in abusive tactics to remove tenants from their homes. The investigation revealed that these companies filed a total of 14,744 eviction actions between March 15, 2020, and July 29, 2021—nearly three times more than previously known. At the same time, these companies each displayed evidence of financial stability: Invitation Homes reported record profits, Pretium invested in significant expansions, Siegel experienced almost no revenue decline, and both Ventron and Siegel each received more than \$2 million in forgiven Paycheck Protection Program funds." [The Select Subcommittee on the Coronavirus Crisis, [07/28/22](#)]

**Invitation Homes "Downplayed The Impact Of Its Pandemic Eviction Filings" To Fannie Mae, Its Major Government-Backed Creditor, Claiming That Only 6% Of Its Evictions Led To "Residents Losing Their Housing," While The Company's Own Data Showed That Around 27% Of Evictions Resulted In Tenants Losing Housing.** "Invitation Homes downplayed the impact of its pandemic eviction filings to its major government-backed creditor. Invitation Homes responded to inquiries from representatives of Fannie Mae—the government-sponsored enterprise that supported Invitation Homes with \$1 billion in financing in 2017—about its pandemic eviction practices by downplaying their impacts. Invitation Homes told a Fannie Mae representative in March 2021 that only 6% of the company's eviction filings in the previous six months resulted in 'residents losing their housing,' but the company's own data for October 2020 through March 2021 show that approximately 27% of tenants whom it filed to evict in that period lost their housing either through court-ordered eviction or because they vacated or moved out of their homes after the eviction case was filed." [The Select Subcommittee On The Coronavirus Crisis via Web Archive, [July 2022](#)]

**Invitation Homes Filed Eviction Notices "Even When A Tenant Had Applied For Rental Assistance And Was Waiting For Aid," Putting Tenants At Risk Of Losing Their Homes And Potentially Harming "Their Ability To Obtain Housing In The Future."** "Ventron, Invitation Homes, Siegel, and Pretium had policies or practices that allowed filing eviction cases even when a tenant had applied for rental assistance and was waiting for aid. [...] While not unlawful in most states, these companies' decision to file such actions put tenants—very few of whom generally have legal representation—at risk of losing their homes while waiting for assistance and saddled tenants with records of public eviction filings that could harm their ability to obtain housing in the future." [The Select Subcommittee On The Coronavirus Crisis via Web Archive, [July 2022](#)]

**In Addition, Invitation Homes Declined To Participate In Rental Assistance Programs As An Alternative To Eviction Filings, Claiming That The Programs Were "Insufficiently Generous."** "Pretium and Invitation Homes had policies and practices of turning down rental assistance offers as an alternative to eviction filing under circumstances where the companies deemed rental assistance programs to be insufficiently generous. Invitation Homes declined to participate in a rental assistance program operated by Orange County, Florida and other programs that the company believed imposed unacceptable conditions or offered too little rental assistance to make participation worthwhile, such as Orange County's original \$4,000 maximum payment." [The Select Subcommittee On The Coronavirus Crisis via Web Archive, [July 2022](#)]

### **A July 2022 Washington Post Story Found That While Invitation Homes Claims To Provide "Top-Quality Homes," The Company Renovated Homes Without Building Permits, Which Can Lead To "Shoddy Repairs And Maintenance That Puts Tenants At Risk."**

July 12, 2022: *The Washington Post* Published An Investigation Into Invitation Homes, Finding That Despite Its Claims Of Providing "Top-Quality Homes," The Company Renovated Homes Without Building Permits. "'Top-quality homes,' it promises prospective renters, 'maintained by top-level professionals.' Yet some of the company's homes have missed basic quality checks: Renovations at the company's rapidly assembled collection of 80,000 homes often were made without building permits, according to a review of Invitation Homes properties in several states, a California lawsuit and a Washington Post analysis of building data in three cities." [Washington Post, [07/12/22](#)]

By Skipping Building Permits, Invitation Homes Was Able To "Avoid Costly Delays And Save Millions In Fees" But Has "Led To Shoddy Repairs And Maintenance That Puts Tenants At Risk." "Skipping building permits may have allowed the company to avoid costly delays and save millions in fees, according to estimates based on the number of company homes. But forgoing the permits, which are required by city codes to ensure quality and safety, has led to shoddy repairs and maintenance that puts tenants at risk, renters said." [Washington Post, [07/12/22](#)]

### **A 2018 Reuters Story Found That On Top Of Suffering From "Leaky Pipes, Vermin, Toxic Mold, Nonfunctioning Appliances And Months-Long Waits For Repairs," Invitation Homes Has Been Accused Of "Fee-Stacking" And "Excessive Rent Increases."**

A Series Of Interviews Conducted By Reuters Revealed That Tenants Of Invitation Homes Suffer From "Leaky Pipes, Vermin, Toxic Mold, Nonfunctioning Appliances And Months-Long Waits For Repairs." "Invitation Homes pitches itself as a singular landlord providing unprecedented ease and comfort for renters of its tens of thousands of single-family homes. But in interviews with scores of the company's tenants in neighborhoods across the United States, the picture that emerges isn't as much one of exceptional service as it is one of leaky pipes, vermin, toxic mold, nonfunctioning appliances and months-long waits for repairs." [Reuters, [07/27/18](#)]

In A May 2018 Class-Action Lawsuit Filed In The U.S. District Court For Northern California, Tenants Accused Invitation Homes Of "'Fee-Stacking," All While Experiencing "Excessive Rent Increases." "Tenants also complain about excessive rent increases and fees that can add up to hundreds of dollars a year. In a proposed class-action lawsuit filed in May in the U.S. District Court for Northern California, renters accuse the company of 'fee-stacking.' They allege that Invitation Homes charges tenants \$95 if their rent is one minute late – even if the late payment is due to the company's own nonfunctioning online payment portal – and then files an eviction notice to add more fees, penalties and legal costs if the tenant wants to stay in the home." [Reuters, [07/27/18](#)]

- **Some Tenants Reported Seeing Their Rent Increase By As Much As 50% Over Three Years.** "Some renters, like Willie Jean Brister in Los Angeles, have seen their rent increase by as much as 50 percent over three years." [Reuters, [07/27/18](#)]

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**During Q1 2024, Invitation Homes Saw Its Net Income Jump A Staggering 18.4% YoY To Over \$142 Million, Using \$173.2 Million On Cash Dividends As The Company Announced An Investment Of \$37.5 Million Into A Portfolio Of 3,700 Homes, Where It Expects To Add An Additional 700 Homes Into Its "Property And Asset Management" Beginning In Q3 2024.**

**In Q1 2024, Invitation Homes Saw Its Revenues Jump By 9.5% To Over 646 Million, As The Company's Net Income Rose A Staggering 18.4% To Over \$142 Million While Rewarding Its Shareholders With \$173.2 Million In Dividends.**

During Q1 2024, Invitation Homes Saw Its Total Revenues Increase 9.5% YoY To Over \$646 Million:

	Q1 2024 (unaudited)	Q1 2023 (unaudited)
Revenues:		
Rental revenues	\$ 571,430	\$ 535,217
Other property income	60,667	51,298
Management fee revenues	13,942	3,375
Total revenues	646,039	589,890

[Invitation Homes, 04/30/24]

Meanwhile, Invitation Homes Saw Its Net Income Jump 18.4% YoY To Over \$142 Million:

Net income available to common stockholders — basic and diluted	\$ 142,158	\$ 120,071
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[Invitation Homes, 04/30/24]

Invitation Homes Also Paid Out \$173.2 Million In Shareholder Dividends, An 8% Increase YoY:

For the Three Months Ended March 31,	
2024	2023

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[...]

Payment of dividends and dividend equivalents	(173,235)	(160,287)
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[Securities and Exchange Commission, 05/01/24]

**Invitation Homes Also Increased The Number Of Homes It Owned And/Or Managed By 14,551 Since The End Of December 2023, With The Company Also Announcing A Joint Venture Where It Will Invest \$37.5 Million Into A Portfolio Of 3,700 Homes, Expecting It Will Provide Property And Asset Management Services To Those And An Additional 700 Homes Beginning In The Third Quarter Of 2024.**

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Invitation Homes Also Announced It "Entered Into A New Joint Venture Agreement" Investing \$37.5 Million Into A Portfolio Of 3,700 Single-Family Homes For Lease, "Expect[ing] To Provide Property And Asset Management Services To Those Homes And An Additional 700 Homes Beginning In The Third Quarter Of 2024." "Subsequent to quarter end and concurrent with this earnings release, the Company announced it has entered into a new joint venture agreement whereby Invitation Homes has made a \$37.5 million investment, representing a 7.2% ownership interest, in a portfolio of approximately 3,700 single-family homes for lease. The Company also expects to provide property and asset management services to those homes and an additional 700 homes beginning in the third quarter of 2024." [Invitation Homes, 04/30/24]

At The End Of March 2024, Invitation Homes Owned And/Or Managed 14,551 More Homes Than It Did At The End Of December 2023, Totalling 102,567:

	Number of Homes Owned and/or Managed as of 12/31/2023	Acquired or Added In Q1 2024	Disposed or Subtracted In Q1 2024	Number of Homes Owned and/or Managed as of 3/31/2024
Wholly owned homes	84,567	257	(379)	84,445
Joint venture owned homes	3,848	16	(20)	3,844
Managed-only homes	—	14,278	—	14,278
Total homes owned and/or managed <sup>(1)</sup>	<u>88,415</u>	<u>14,551</u>	<u>(399)</u>	<u>102,567</u>

(1) These figures exclude the additional 7,400 homes described in more detail in the narrative above, as the management contracts for these homes had not yet commenced as of March 31, 2024.

[Invitation Homes, 04/30/24]

## AMH (Formerly American Homes 4 Rent)

According To RentalRealEstate.Com, AMH Or American Homes 4 Rent, Is The Second Largest Publicly-Traded Single-Family Rental Company As Of April 2024 With Over 60,000 Homes Owned.

AMH, Formerly American Homes 4 Rent, Is The Second Largest Publicly-Traded Single-Family Rental Company In The U.S. Owning Over 60,000 Units Across The Country.

According To RentalRealEstate.com, AMH—Formerly Known As American Homes 4 Rent—Owns Over 60,000 Homes Across The Southeast, Midwest, Southwest And Mountain West Regions As Of April 2024:



## AMH (American Homes 4 Rent)



### AMH Key Statistics:

- \* Founded: 2012
- \* Ownership: Public (NYSE:AMH)
- \* Number of Homes: Over 60,000<sup>3</sup>
- \* Geographic Reach: Southeast, Midwest, Southwest and Mountain West regions of the United States.
- \* Number of Employees: 1,000+

[RentalRealEstate.com, accessed [05/14/24](#)]

**AMH, Formerly Known As American Homes 4 Rent, Violated The Fair Housing Act In 2017 And Was Accused Of "Driv[ing] Up Housing Costs For Millions Of American Families."**

### **AMH, Previously Known As American Homes 4 Rent, Is The Second Largest Single Family Home Rental Company, Owning Around 59,000 Properties.**

**January 12, 2023: American Homes 4 Rent Rebranded To AMH.** "AMH, a leading single-family rental operator and top U.S. homebuilder previously known as American Homes 4 Rent, today unveiled a new corporate brand identity that embraces its DNA with a modern outlook." [AMH, [01/12/23](#)]

**December 3, 2015: AMH Acquired American Resident Properties For \$1.5 Billion, Becoming The Second Largest Single Family Home Rental Company At The Time.** "American Homes 4 Rent agreed Thursday to combine with American Residential Properties in a \$1.5 billion acquisition, among the biggest deals yet in a year ripe with single-family home-rental consolidation. The combined company will own more than 47,000 homes in the United States, just shy of the 50,000 homes that the Blackstone Group rents through its Invitation Homes, which is the largest owner of single-family rental homes in the country." [The New York Times, [12/03/15](#)]

### **In January 2017, The U.S. Department Of Housing And Urban Development (HUD) Filed A Charge Of Discrimination Against American Homes 4 Rent For "Violat[ing] The Fair Housing Act," With HUD Ordering AMH To Pay A Civil Penalty Of \$16,000 For Each Violation Of The Fair Housing Act.**

**January 29, 2017: The U.S. Department Of Housing And Urban Development Filed A Charge Of Discrimination Against American Homes 4 Rent For "Violat[ing] The Fair Housing Act," Discriminating Based On Disability, And Retaliation "By Refusing To Make Maintenance Repairs In A Timely Matter."**

**I. JURISDICTION**

On or about July 16, 2015, [REDACTED] ("Complainant") filed a verified complaint with the United States Department of Housing and Urban Development alleging Respondents American Homes 4 Rent Management Holdings, LLC; AH4R Management - OK, LLC; AMH 2015-1 Borrower, LLC; Sarah Khoury ("Respondent Khoury"); and Tony Chesser violated the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 *et seq.* (the "Act"), based on disability by failing to grant his reasonable accommodation request to waive the pet deposit fee for his emotional support animal and by retaliating against him by refusing to make maintenance repairs in a timely manner. On or about July 20, 2015, Complainant [REDACTED] amended his complaint to update registered agent information. On or about January 28, 2016, Complainant [REDACTED] amended his complaint to include allegations that Respondents imposed discriminatory terms, conditions, privileges, or services and facilities in violation of 804(f)(2). Complainant [REDACTED] amendments also included the removal of American Homes 4 Rent, LP, as a

[U.S. Department Of Housing And Urban Development, 01/27/17]

**HUD Ordered AMH "Take All Affirmative Steps Necessary To Remedy The Effects Of Illegal Discrimination," Compensate The Complainant For Damages, And Pay A Civil Penalty Of \$16,000 For Each Violation Of The Fair Housing Act.**

**III. CONCLUSION**

WHEREFORE, the Secretary of the U.S. Department of Housing and Urban Development, through the Office of the General Counsel, and pursuant to 42 U.S.C. § 3610(c)(7)(A) of the Act, hereby charges Respondents with engaging in discriminatory housing practices in violation of § 3604(f)(2), as defined by § 3604(f)(3)(B), of the Act, and prays that an order be issued that:

1. Declares that the discriminatory housing practices of Respondents, as set forth above, violate the Fair Housing Act, 42 U.S.C. § 3601, *et seq.*
2. Enjoins Respondents and their agents, employees, successors, and all other persons in active concert or participation with her, from discriminating because of disability in

any aspect of the sale, rental, use, or enjoyment of a dwelling pursuant to 42 U.S.C. § 3612(g)(3).

3. Mandates Respondents and their agents, employees, successors, and all other persons in active concert or participation with it, take all affirmative steps necessary to remedy the effects of the illegal, discriminatory conduct described herein and to prevent similar occurrences in the future;
4. Requires Respondents to amend training that addresses the Fair Housing Act's prohibitions against disability discrimination;
5. Awards such damages pursuant to 42 U.S.C. § 3612(g)(3) as will fully compensate Complainant for damages caused by Respondents' discriminatory conduct;
6. Awards a civil penalty of \$16,000 against each Respondent for each violation of the Act, pursuant to 42 U.S.C. § 3612(g)(2) and 24 C.F.R. § 180.671; and
7. Awards such additional relief as may be appropriate under 42 U.S.C. § 3612(g)(3).

[U.S. Department Of Housing And Urban Development, 01/27/17]

**In January 2022, Senator Elizabeth Warren (D-MA) Authored a Letter To AMH's CEO Regarding Its Role In "Driv[ing] Up Housing Costs For Millions Of American Families" All While Seeing A "History Of Complaints Made Against You By Your Tenants For Cutting Corners On Maintenance Requests And Excessive Fees."**

**January 13, 2022: U.S. Senator Elizabeth Warren Wrote A Letter To The CEO Of AMH Regarding Her "Concern That Your Business Practices Have Driven Up Housing Costs For Millions Of American**

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**Families.** "I write regarding my concern that your business practices have driven up housing costs for millions of American families, and to request information regarding your company's recent activities in the housing market. Our country faces an unprecedented affordable housing supply shortage." [U.S. Senator Elizabeth Warren, 01/13/22]

**Warren Expressed Her "Particular Concern" That AMH's CEO Touted A National Housing Shortage As Providing The "Backdrop For Continued Long-Term Rental Demand Growth."** "I am particularly concerned with the role your company, American Homes 4 Rent, has played in keeping affordable housing out of reach out of reach for American families. In a recent earnings call, you noted that '[t]oday, the national housing shortage sits at more than 4 million homes,' and that '[t]his coupled with our single-family rental value proposition provides the backdrop for continued long-term rental demand growth.'" [U.S. Senator Elizabeth Warren, 01/13/22]

**Warren Added That "The History Of Complaints Made Against You By Your Tenants For Cutting Corners On Maintenance Requests And Excessive Fees" Has Added To AMH's Increased Net Income From Single Family Rentals In 2021.** "Taking advantage of this shortage, your company has increased its net income from single family rentals by over 63% over the last year, increasing rents by over 10%. Considering the history of complaints made against you by your tenants for cutting corners on maintenance requests and excessive fees, I fear that these poor business practices have also contributed to your increased revenue." [U.S. Senator Elizabeth Warren, 01/13/22]

**Despite Seeing Its Net Income Decrease Slightly, AMH Saw Its Net Revenues Increase 6.5% YoY To Over \$423.5 Million Thanks To A 5.7% Average In Rent Hikes, As The Company Spent \$3.3 Million On "Acquisitions, Other Transaction Costs" And An Additional \$30,000 On Outside Lobbying.**

**Despite Seeing Its Net Income Decrease Slightly, AMH Saw Its Revenue Increase By 6.5% YoY To Over \$423.5 Million As The Company Spent At Least \$3.3 Million On New Acquisitions And \$30,000 On Outside Lobbying.**

During Its Q1 2024, AMH Saw Its Revenue Increase To \$423.5 Million, A 6.5% Increase YoY From Q1 2023:

	For the Three Months Ended March 31,	
	2024	2023
Rents and other single-family property revenues	\$ 423,555	\$ 397,703

[AMH, 05/02/24]

In Q1 2024, AMH's Net Income Decreased Slightly...

	For the Three Months Ended March 31,	
	2024	2023
Numerator:		
Net income	\$ 128,095	\$ 137,699

[Securities and Exchange Commission, 05/03/24]

...However, "Average Blended Change In Rent" Increased 5.7% YoY:

	Total Single-Family Properties <sup>(a)</sup>				
	Avg. Occupied Days Percentage <sup>(b)</sup>	Avg. Monthly Realized Rent per Property <sup>(b)</sup>	Avg. Original Lease Term (months) <sup>(c)</sup>	Avg. Remaining Lease Term (months) <sup>(c)</sup>	Avg. Blended Change in Rent <sup>(c)</sup>
Total/Average	95.3 %	\$ 2,156	12.0	6.1	5.7 %

[Securities and Exchange Commission, 05/03/24]

AMH Also Spent \$3.3 Million On "Acquisition, Other Transaction Costs" In The First Quarter Of 2024:

	For the Three Months Ended March 31,	
	2024	2023
[...]		
Acquisition, other transaction costs and other	3,324	5,076

[Securities and Exchange Commission, 05/03/24]

AMH Also Paid Outside Lobbying Firm Fierce Government Relations \$30,000 To Lobby The U.S. Senate On "Housing Issues." [Lobbying Disclosure Act LD-2 Report, 04/20/24]

## Equity Residential

According To The National Multifamily Housing Council (NMHC), Equity Residential Is The Fifth Largest Owner Of Multifamily Units, Identified By Accountable.US As The Third Largest Publicly Traded Landlord Owning Nearly 80,000 Units In 2023.

According To The National Multifamily Housing Council (NMHC), Equity Residential Is The Fifth Largest Owner Of Multifamily Units, Operating Nearly 80,000 Units In 2023.

Chicago-Based Equity Residential Is The Fifth Largest And Third Largest Multifamily Company Based On Units Owned, Operating Nearly 80,000 Units In 2023:

Owner Rank 2023	Owner Rank 2022	Company Name	Units Owned 2023	Units Owned 2022	Corporate Officer	HQ City	HQ State
5	6	Equity Residential	79,594	80,407	Mark Parrell	Chicago	IL

[National Multifamily Housing Council, accessed 03/06/24]



**In Q1 2024, Equity Residential Saw Its Net Income Increase 38.6% To \$305 Million Thanks To Rent Increases, Allowing The Company To Spend \$38.5 Million On Stock Buybacks.**

**In Q1 2024, Equity Residential Saw Same-Store Average Rental Rates Increase By 3.4%, Or \$102, To \$3,077...**

In Q1 2024, Equity Residential Saw Same-Store Average Rental Rates Increase By 3.4%, Or \$102, To \$3,077:

**First Quarter 2024 vs. First Quarter 2023**  
**Same Store Results/Statistics Including 77,373 Same Store Apartment Units**  
*(includes Residential and Non-Residential)*  
(\$ in thousands except for Average Rental Rate)

Description	Results			Statistics		
	Revenues	Expenses	NOI	Average Rental Rate	Physical Occupancy	Turnover
Q1 2024	\$ 716,665	\$ 231,905	\$ 484,760	\$ 3,077	96.3 %	8.6 %
Q1 2023	\$ 688,303	\$ 228,961	\$ 459,342	\$ 2,975	95.9 %	9.1 %
Change	\$ 28,362	\$ 2,944	\$ 25,418	\$ 102	0.4 %	(0.5 %)
Change	4.1 % <sup>(1)</sup>	1.3 %	5.5 %	3.4 %		

[Equity Residential Q1 2024 Earnings Report, 04/23/24]

**...Helping The Company Bring In \$730.8 Million In Rental Income, A 3.6% Increase Year-Over-Year, With Net Profits Increasing 38.6% To \$305 Million.**

For The Quarter, Equity Residential Brought In \$730.8 Million In Rental Income, Compared To \$705.1 Million The Prior Year, A 3.6% Increase:

	Quarter Ended March 31,	
	2024	2023
<b>REVENUES</b>		
Rental income	\$ 730,818	\$ 705,088

[Equity Residential Q1 2024 Earnings Report, 04/23/24]

Equity Residential Reported Total Net Income Of \$305 Million, A 38.6% Increase From The Previous Year:

	Quarter Ended March 31,	
	2024	2023
Net income	305,032	220,071

[Equity Residential Q1 2024 Earnings Report, 04/23/24]

**Meanwhile, Equity Residential Spent Approximately \$38.5 Million On Stock Buybacks.**

In Q1 2024, Equity Residential Spent Approximately \$38.5 Million On Stock Buybacks. "During the first quarter of 2024, the Company repurchased and retired 652,452 of its common shares, at a weighted average purchase price of \$58.95 per share, for an aggregate purchased amount of approximately \$38.5 million." [Equity Residential Q1 2024 Earnings Report, 04/23/24]

**During Its Q1 2024 Earnings Call, Equity Residential's President And CEO Mark Parrell Touted The Company's Efforts To Shift Opinion Among State Governors, Claiming Their "Lead Regulatory Guy" Convinced Lawmakers A Lack Of Supply Has Led To Increased Rent And "Price Controls" Would Not Solve This Issue.**

**During Equity Residential's Q1 2024 Earnings Call, President And CEO Mark Parrell Suggested The Company's "Lead Regulatory Guy" Had Helped Convince State Governors A Lack Of Supply Was The Reason For Higher Costs...**

When Asked By BMO Capital Markets Analyst John Kim Whether Improvements In The "Political Environment" In San Francisco, Seattle, And New York Would Lead To Further Development In The Sunbelt, Equity Residential President And CEO Mark Parrell Suggested There Was Bipartisan Agreement Among Governors That Supply Was The Issue In Rising Rental Costs And Thanked "Our Lead Regulatory Guy" Barry Altshuler For Pushing This Argument:

John Kim

On the rebalancing strategy, it sounds like you mentioned that pricing has slowed down those efforts a little bit. At the same time, you seem very encouraged by the political environment improving in San Francisco, Seattle, and New York.

Do those policy changes or anything new in data as far as net migration or any other items potentially reconsider your views on either the timing or the strategy of redeploying capital into the Sunbelt?

Mark Parrell

Yes, that's really an outstanding question. I think the really good news here is that both sides, whether it's Governor DeSantis in Florida, whether it's Governor Newsom in California or in New York or Governor Healey up in Massachusetts, everyone's thinking about supply as a solution.

Where in 2018 when all the tumult happened started on rent control with the California Ballot Initiative, it was all about price controls, which obviously are not going to improve supply.

So, I think it's really a positive that everyone is trying to address supply in different ways, with different levels of effectiveness. I think the industry has done a good job. I give a lot of credit to Barry Altshuler who is our lead regulatory guy on that and many other people in the industry who pushed that supply argument, and we're seeing the results of that, and you're right to recognize it.

[Equity Residential Q1 2024 Earnings Call via Seeking Alpha, 04/24/24]

**...Which Differed From 2018 When "It Was All About Price Controls."**

Parrell Said This Differed From 2018 When "It Was All About Price Controls":

Mark Parrell

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[Equity Residential Q1 2024 Earnings Call via Seeking Alpha, [04/24/24](#)]

**In 2023, Equity Residential Was Named In Two Suits Over Allegedly Participating In A Scheme With Other Landlords To Illegally Raise Prices Through The Third-Party Company RealPage, In What A Class Action Lawsuit Dubbed A "Cartel" Of Price-Setting.**

**In November 2023, Equity Residential Was One Of 14 Landlords Named In A Lawsuit Filed By D.C. Attorney General Brian Schwalb Alleging That Landlords Gave Price-Setting Authority To RealPage In A Scheme To Raise Rent For Tens Of Thousands Of D.C. Residents, Costing Renters Millions Of Dollars.**

November 2023: D.C. Attorney General Brian Schwalb Launched A Lawsuit Against RealPage, Inc. And 14 Corporate Landlords For Allegedly "Scheming To Illegally Raise Rent For Tens Of Thousands Of Renters" By "Delegating Price-Setting Authority To RealPage" Costing Renters Millions Of Dollars. "A lawsuit has been launched against RealPage, Inc. and 14 of the largest residential landlords across the District by the attorney general for scheming to illegally raise rent for tens of thousands renters. According to Attorney General Brian Schwalb, the lawsuit states that the scheme involves them collectively delegating price-setting authority to RealPage, which used a centralized pricing algorithm to inflate prices, costing renters millions of dollars." [WUSA9 News, [11/01/23](#)]

- **RealPage Is A Technology Services Company That Offers Property Managers "Revenue Management Products That Employ Statistical Models That Use Data—including Non-Public, Competitively Sensitive Data—to Estimate Supply And Demand For Multifamily Housing."**  
"RealPage offers a variety of technology-based services to real estate owners and property managers including revenue management products that employ statistical models that use data—including non-public, competitively sensitive data—to estimate supply and demand for multifamily housing that is specific to particular geographic areas and unit types, and then generate a "price" to charge for renting those units that maximizes the landlord's revenue." [Office of the Attorney General for the District of Columbia, [11/01/23](#)]

**Equity Residential Was One Of The 14 Landlords Named In The Suit.** "The 14 landlords named in the lawsuits are Avenue5 Residential, LLC, AvalonBay Communities, Inc., Bell Partners, Inc., Bozzuto Management Company, Camden Summit Partnership L.P., Equity Residential Management, LLC, Gables Residential Services, Inc., GREP Atlantic, LLC, Highmark Residential, LLC, JBG Smith Properties, LP, Mid-America Apartments, LP, Paradigm Management II, LP, UDR, Inc., and William C. Smith & Co., Inc." [WUSA9 News, [11/01/23](#)]

### **Equity Residential Was Also Named In An April 2023 Class Action Lawsuit Alleging RealPage "Allowed Formation Of A Cartel" After Landlords Conspired With The Third-Party To Keep Rent Prices Highers Across Multiple States In The Country.**

**April 2023: Equity Residential Was Named In A Class Action Lawsuit Filed Across Multiple States Alleging Landlords Had Conspired With RealPage, Inc. In Order To Keep Rent Prices Higher.** "A class action lawsuit in multiple states accuses some of the nation's largest leasing companies of colluding with a third party to keep rent prices high. [...] Other companies being sued include RealPage Inc., Greystar Real Estate Partners, Lincoln Property Management, Avenue5 Residential, Equity Residential, Essex Property Trust, Thrive Communities Management and Security Properties. [...] At the center of the allegations made in the suit is RealPage. The lawsuit states that until 2016, the companies (described as 'Lessors') were trying to gain a renters business by offering attractive prices." [ABC15 News, [04/26/23](#)]

**The Lawsuit Alleges RealPage "Allowed For The Formation Of A Cartel Where The Companies Could 'Collude And Avoid Competition,'" Raising Rents For Renters.** "That third party is RealPage, which the suit claims allowed for the formation of a cartel where the companies could "collude and avoid competition, increasing lease prices to Plaintiffs and other members of the proposed Class." [ABC15 News, [04/26/23](#)]