

Senate Business, Labor, & Technology

04/15/2025 02:00 PM

HB25-1004 No Pricing Coordination Between Landlords

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Steve Schwartz For AARP Colorado	<p>Testimony to the House Business Affairs and Labor Committee Rep Naquetta Ricks, Chair</p> <p>Thank you, Madam Chair and members of the committee. My name is Steven Schwartz, and I am here as a volunteer advocate on behalf of AARP Colorado and its 670,000 Coloradans to express our strong support for HB25-1004.</p> <p>Affordable housing is a key priority for AARP because it is essential to the well-being of older adults and all Coloradans.</p> <p>Colorado faces a well-documented shortage of affordable housing, with rental units playing a critical role in meeting housing needs. Statewide, over 35% of housing units are rentals, and in Denver, more than 50% of residents rely on rental housing. For those with lower incomes, there is even greater dependence on the rental market.</p> <p>Unfortunately, algorithmic rent-setting tools are exacerbating the affordability crisis. A December 2024 report by the White House Council of Economic Advisers found that these tools have added 4% to the tenant rent burden across the nation where they are used. The Council's analysis concluded that, in Denver specifically, renters paid an additional \$136 per month due to these algorithms—the second highest impact in the country. This technology enables independent landlords to act as a coordinated cartel, pushing prices up prices in a market already suffering from a severe housing shortage.</p> <p>Some argue that these algorithms improve market efficiency or that renters should have equal access to pricing data. However, these beliefs ignore the fundamental imbalance in real estate markets. Unlike stock markets where buyers and sellers share equal</p>

	<p>information under strict regulations, housing markets are deeply skewed by limited supply. Even with transparency, individual tenants with wide differences in education, language capabilities and experiences cannot effectively negotiate against more sophisticated landlords using coordinated pricing strategies. HB25-1004 addresses this inequity by prohibiting practices that harm renters and worsen our affordability crisis.</p> <p>Shelter is an essential need, and we ask that you make it off to limits exploitative practices.</p> <p>Thank you for your time and consideration. AARP Colorado urges you to vote yes on HB25-1004.</p>
<p>Angela Green Against themselves</p>	<p>HB25-1004: No Pricing Coordination Between Landlords</p> <p>To Senate Business, Labor, and Technology Chair and Committee,</p> <p>From a small landlord’s perspective:</p> <p>This bill has the potential to trap Landlord’s and/or their Agents into being perceived as, and punished for fixing prices. From my personal experience with Property Managers: PM’s aim to fill a vacancy ASAP. This may require adjusting a listing price downward; and not adhering to a fixed and stagnant marketing price.</p> <p>There is often no-way a LL or PM can surely know, or especially, should have known, that an agent used an algorithmic device. This apparently broad assumption may incite random accusations.</p> <p>It seems bill 1004 will put undue stress upon LL’s and Agents. And may tacitly require LL’s and Agents to change careers and become detectives.</p> <p>I am also disturbed by the “Pleading Standards” because it appears to me that a plaintiff, need not allege facts that support or defend a LL/Agents’ independent actions, and non-use of algorithmic device(s). Does this also restrict an attorney’s questioning of plaintiff’s</p>

	<p>knowledge regarding LL/Agents independent actions? Is this AKA a "gag order?"</p> <p>Because of the blurry restrictions on essential real estate professionals, I'm asking you to oppose this bill.</p> <p>Thank you for taking my perspectives into account.</p> <p>Sincerely, Angela Green, Boulder Colorado, 80301</p>
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April 14, 2025

RE: HB25-1004 No Pricing Coordination—SUPPORT

Dear Members of the Senate Business, Labor and Technology Committee:

My name is Kate van Houten, and I am a Volunteer Lobbyist with the League of Women Voters of Colorado's Legislative Action Committee. **I am writing in support of HB25-1004, on behalf of the League of Women Voters of Colorado.**

The League of Women Voters of Colorado (LWVCO) has been a nonpartisan organization for 105 years, encourages informed and active participation in government, and influences public policy through education and advocacy. Our membership spans the state of Colorado with 19 local leagues operating in several regions around the state.

The LWVCO supports policies to provide a decent home and a suitable living environment for every person, and equal rights and equal opportunity for all.

As the costs for renters to become owners continue to increase beyond the means of those at or below Average Median Income of 60%, due to factors such as interest rates, low inventory of homes for sale, and other costs of living for energy and food continue to be impacted by inflationary trends over the last several years, average monthly rents need to be attainable for such renters. The ownership of many of the largest rental complexes continues to be held by deep pockets investors such as hedge funds and private equity firms. Management companies are routinely using software developed with this market in mind, using algorithmic devices and a subscription model within which landlords are able to share what is considered proprietary data with each other. Some of these software companies have found themselves in serious litigation to stop practices that amount to price-fixing.

It is time for renters to have help curtailing these practices by landlords.

The League of Women Voters believes in the rights of every resident to have safe, secure and habitable residences. Since predatory practices by some landlords have gotten out of hand, new statutes must be enacted to hold them accountable and end these unfair pricing controls.

We urge the committee members to vote YES on HB25-1004. Thank you for your consideration of this important bill.

Respectfully,
Kate van Houten, Volunteer Lobbyist, Housing
League of Women Voters of Colorado
110 16th Street Mall Suite 1326
Denver, CO 80202
303-863-0437



April 10, 2025

RE: HB25-1004 No Pricing Coordination—SUPPORT

Dear Members of the Senate Business, Labor and Technology Committee:

My name is Kate van Houten, and I am a Volunteer Lobbyist with the League of Women Voters of Colorado's Legislative Action Committee. **I am writing in support of HB25-1004, on behalf of the League of Women Voters of Colorado.**

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League of Women Voters of Colorado
110 16th Street Mall Suite 1326
Denver, CO 80202
303-863-0437



INTERFAITH ALLIANCE

OF COLORADO
ACHIEVING DEMOCRACY TOGETHER

April 15, 2025

RE: Support for HB25-1004 No Pricing Coordination Between Landlords

Chairperson Danielson and members of the Senate Business, Labor, & Technology Committee,

Thank you for the opportunity to provide testimony in support of HB25-1004. The Interfaith Alliance of Colorado promotes justice, religious liberty, and interfaith understanding through building relationships in order to educate, advocate, and catalyze social change. We are an interfaith public policy and advocacy organization with over 400 congregations in our statewide network, representing over two dozen faith traditions.

Economic health and fairness are key to fostering healthy, thriving communities. That includes a healthy housing market in which tenants' ability to protect their economic interests is supported through our policies. Anti-competitive practices distort the market to the detriment of tenants and contribute to the ongoing affordability crisis. HB25-1004 would put prohibitions in place so that landlords do not use algorithmic pricing tools in a manner that restricts competition and unfairly drives up the cost of housing.

Colorado faith communities are often at the forefront of addressing community needs, and the need for affordable housing remains critical. Anti-competitive practices that put financial pressure on tenants also put pressure on the community institutions that they rely on for support. And while our faith communities will no doubt continue in earnest to care for their neighbors in need, it is unfair for landlords to profit through anti-competitive practices while faith communities are bridging the gap left in housing and support. Colorado tenants, many of whom are already cost-burdened and experiencing higher costs for the necessities of life, should be protected from industry practices that take advantage of asymmetrical access to information to restrict competition and artificially drive up housing costs.

We respectfully ask that you support HB25-1004 and vote Yes to advance it from the committee with your favorable recommendation.

Thank you for your consideration,

Shara Smith, Chief Executive Officer
Interfaith Alliance of Colorado

April 15, 2025

Senate Business, Labor, & Technology Committee
Colorado General Assembly
200 E Colfax Avenue
Denver, CO 80203

H.B. 25-1004 Testimony – Private Equity Stakeholder Project

Dear Chair Danielson, Vice-Chair Hinrichsen, and Members of the Committee,

The Private Equity Stakeholder Project (PESP) is a financial watchdog organization that seeks to bring transparency and accountability to the private equity industry for the benefit of impacted communities and investors.

We appreciate this opportunity to testify in support of H.B. 25-1004 as we believe it would do much to address the harms associated with emerging anticompetitive practices in the housing industry. Prohibiting the use of algorithmic software to set rental prices is an important step in protecting tenants from exploitative rent increases.

In recent years, private equity firms have significantly increased their presence in the housing market, reshaping the landscape of homeownership and rental housing. These investment companies have capitalized on rising housing demand and limited supply by purchasing large volumes of single-family homes, apartment complexes, and manufactured housing communities.¹

The private equity business model poses a particular challenge to affordable housing due to the need to generate high returns on a short timeline. Private equity firms typically seek to generate returns of at least 15% for their investors, about double the return rate of other asset classes. Firms usually strive to generate this return before exiting the business over a short timeline of just 3-5 years.²

¹ June 23, 2022 Memorandum to Members, Committee on Financial Services June 28, 2022, Subcommittee on Oversight & Investigations Hearing Entitled, “Where Have All the Houses Gone? Private Equity, Single Family Rentals, and America’s Neighborhoods.” , House Financial Services Committee Staff, 23 June 2022, www.merkley.senate.gov/wp-content/uploads/imo/media/doc/financial_service_committee_report.pdf.

² Private Equity and Venture Capital: What’s the Difference?, TSG Invest, 21 Dec. 2024, [tsginvest.com/private-equity-and-venture-capital-whats-the-difference/#:~:text=Targeted%20Returns,capital%20\(%E2%80%9CMOIC%E2%80%9D\)](https://tsginvest.com/private-equity-and-venture-capital-whats-the-difference/#:~:text=Targeted%20Returns,capital%20(%E2%80%9CMOIC%E2%80%9D).).

PRIVATE EQUITY STAKEHOLDER PROJECT

This means private equity firms generally do everything possible to maximize cash flow to themselves while cutting costs, including deferring maintenance, skirting regulations, and saddling tenants with junk fees. Millions of people in the United States are at risk of increased economic instability under this financialized housing model, which is often at odds with efforts to address housing affordability.³

In line with their strategy for maximum wealth extraction from tenants, many private equity and corporate landlords have begun using algorithmic software to coordinate and set rent prices in the local communities. The leading firm providing this service is a private equity-owned software company called RealPage.

[RealPage](#) is a corporation that creates software programs for property management and real estate. RealPage is currently owned by [Thoma Bravo](#), a Chicago-based private equity investment firm with over \$166 billion in assets.

RealPage's software offerings include AI screenings that landlords can use to eliminate potential tenants. RealPage also sells YieldStar and AI Revenue Management (AIRM), "revenue management" software programs that direct landlords in setting rental prices.

Yieldstar, RealPage, and Thoma Bravo became the subject of public scrutiny after a 2022 expose by ProPublica titled "[Rent Going Up? One Company's Algorithm Could Be Why.](#)" The article detailed RealPage's semi-monopoly over rental prices. For example, in one Seattle neighborhood 70% of properties were owned by just 10 property managers, all of whom used Yieldstar.

In 2024, the [Department of Justice](#) along with eight Attorneys General announced a lawsuit against RealPage, alleging that "by feeding sensitive data into a sophisticated algorithm powered by artificial intelligence, RealPage has found a modern way to violate a century-old law through systematic coordination of rental housing prices — undermining competition and fairness for consumers in the process."

PESP would therefore like to reiterate our strong support for this legislation. States and localities have introduced a number of similar bills this year to address this emerging issue. By passing H.B. 25-1004, Colorado can lead state efforts to protect tenants from anti-competitive practices in the rental housing industry.

³ Vogell, Heather. When Private Equity Becomes Your Landlord, ProPublica, 7 Feb. 2022, www.propublica.org/article/when-private-equity-becomes-your-landlord.

PRIVATE EQUITY
STAKEHOLDER
PROJECT

Thank you.

Best,

A handwritten signature in black ink, appearing to read "C. Noble". The signature is fluid and cursive, with a period following the first initial.

Chris Noble, Esq.
Policy Director
Private Equity Stakeholder Project