

REAL ESTATE | 360 VIEW

Why Isn't There a Landlord Blacklist?

By RONDA KAYSEN SEPT. 23, 2016

Renting an apartment in New York City is an exercise in financial exhibitionism. By the time you are offered a lease, your future landlord knows your salary, savings and credit history, down to that unpaid Verizon bill from four years ago. If a past rental dispute ended up in housing court, good luck getting the new apartment, because he probably knows about that, too.

But what does a tenant really know about a landlord? Not much.

I've lived in buildings where I never even knew who owned the place. I only knew the management company, and even that was a little vague. The dynamic makes for the beginnings of an absurdly unequal relationship, where tenants shell out huge sums each month with little confidence that the leaky faucet will be fixed or the roaches will be vanquished.

In comes **Rentlogic**, a company that started about six months ago on the premise that tenants deserve to know how well landlords maintain their properties — before they sign a lease. Rentlogic compiles data from complaints and violations filed with city agencies for 1.1 million residential buildings. About 300,000 of those are rentals with some amount of turnover; the company also tracks condominiums and co-ops.

Rentlogic uses the data to grade landlords, property managers and buildings on an A to F scale. You can also find out how a particular landlord or property manager is graded across all the buildings in its portfolio. Think of the system like the letter grades posted in restaurant windows, but for the place where you plan to live.

But the company's recent and short-lived partnership with the real estate brokerage Citi Habitats shows just how difficult it is for tenants to glean information about their landlords — and how swiftly landlords will push back at any attempt to shine a light on their records.

The deal lasted just eight days.

On Sept. 2, the Real Deal reported that Citi Habitats, one of the largest rental brokerages in the city, would begin displaying its listings on Rentlogic, which works like a typical listings website, with one big difference. The listings include a letter grade and a summary of problems like bed bugs, mold and safety violations. If you click on a listing with a poor rating, Rentlogic suggests similar apartments with better scores.

A deal with Citi Habitats, which has around 18,500 available listings in its database, meant that Rentlogic could vastly expand its reach, even though Citi Habitats planned to provide only listings that received an A or B grade. Rentlogic already had about 3,000 listings a day, drawn from other brokerages and open listings sites.

"I genuinely believe that transparency and access to information is what levels playing fields," said Yale Fox, a founder of Rentlogic. "We want to get these ratings into everybody's hands."

But by Sept. 10, Citi Habitats had pulled its listings from the site, after fielding calls from angry landlords. "The landlords are upset and saying, 'We don't want you guys participating in this,' " Daniel Charles, a spokesman for Citi Habitats told me after the deal fell apart.

Landlords balked partly because Rentlogic tracks data for seven years — as long as a renter's credit history — and a building might have been owned or managed by a different company when problems occurred. "The new landlord is kind of being punished for the old landlord's mistakes," Mr. Charles said.

Even though Citi Habitats collects hefty fees from renters for finding them apartments, it is still beholden to landlords, who have the coveted listings. The arrangement with Rentlogic gave landlords plenty of cover, especially since the brokerage was sharing only listings that received top grades.

Gary L. Malin, the president of Citi Habitats, explained his selectivity this way: “I’m an advocate for some of these owners who believe some of this information might be inaccurate.”

Neither Mr. Malin nor Mr. Fox would comment about why their partnership ended.

Apparently, some landlords do not appreciate getting even good grades. Transparency, they say, does not spell clarity.

“The actual information that they’re compiling is incorrect — it’s simply not up-to-date,” said Paul Gottsegen, the president of Halstead Property Management (which, by the way, received mostly As). For example, a tenant might call 311 because the building has no hot water, but missing from that report is a back story where the super rushed to get a plumber on Thanksgiving.

“If no one is curating it, it quickly becomes garbage,” Mr. Gottsegen said.

Renters have long been judged by data that does not tell the full story. A tenant whose ex-husband ruined her credit with a voracious spending habit still has to live with that poor credit score for seven years. Or, if a tenant went to housing court, her name could permanently end up on a tenant-screening database known as the tenant blacklist, even if she prevailed in court.

Rentlogic culls its data from public databases, information that anyone could find. But because the company analyzes a landlord’s entire portfolio, it can see patterns the rest of us can’t.

Stand back and look at the big picture: Maybe it does not matter if one of a landlord’s buildings recently traded hands, or if “Mr. Jones” in apartment 4D complains whenever the pipes rattle. “Every building has some degree of problems — that’s the way it goes,” Mr. Fox said. “But the A landlords, interestingly enough, have been A’s for four or five years, and the F landlords have been F’s for four or five years.”

Tenants have been staring at a one-way mirror for a long time. Rentlogic’s efforts to make the rental market less opaque have not been entirely thwarted — it continues to provide information about buildings and landlords across the city, along with some rental listings. But access to the vast Citi Habitats database

would have provided renters with a central place to vet thousands of apartments as they become available.

And vetting helps. If a renter knows a building has a long history of trouble before he decides to move there, he could potentially avoid the living conditions that lead to housing court — and the tenant blacklist.

“If tenants start using this in a widespread way, I think it could have an impact,” said Samuel J. Himmelstein, a partner at Himmelstein, McConnell, Gribben, Donoghue and Joseph, a law firm that represents tenants. “Tenants don’t know how to do this kind of research.”

For now, it seems, the landlords would like to keep it that way.

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