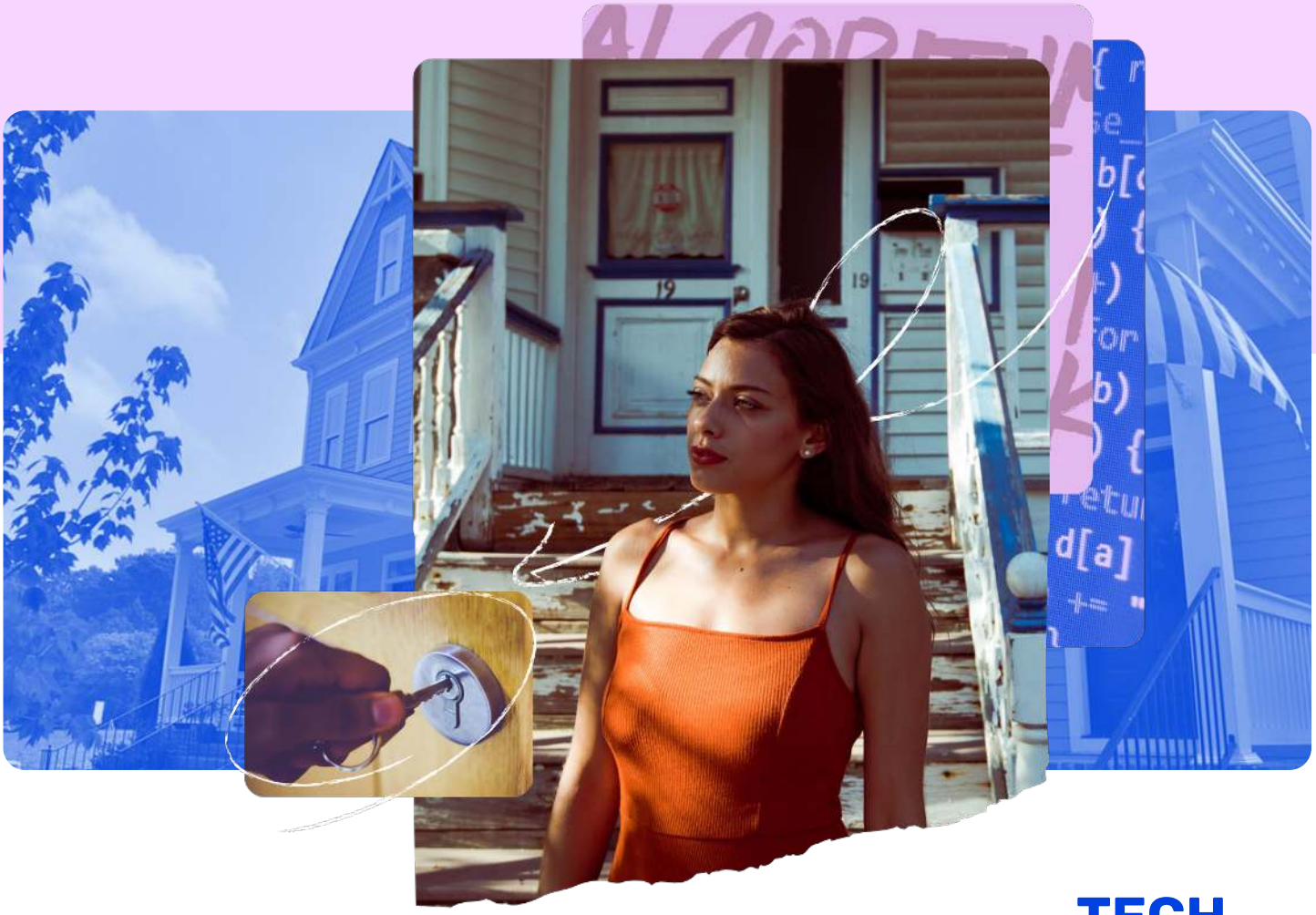
April 2025

SCREENED OUT OF HOUSING UPDATE

Findings from Georgia and North Carolina



TECH EQUITY



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ALGORITHMIC TENANT SCREENING BEYOND CALIFORNIA

This past July, TechEquity published *Screened Out of Housing: How AI-Powered Tenant Screening Hurts Renters*, explaining how landlords and tenants in California relied on and experienced algorithmic tenant screening software in the rental housing market. We surveyed 1100 tenants and 400 landlords in the state, finding:

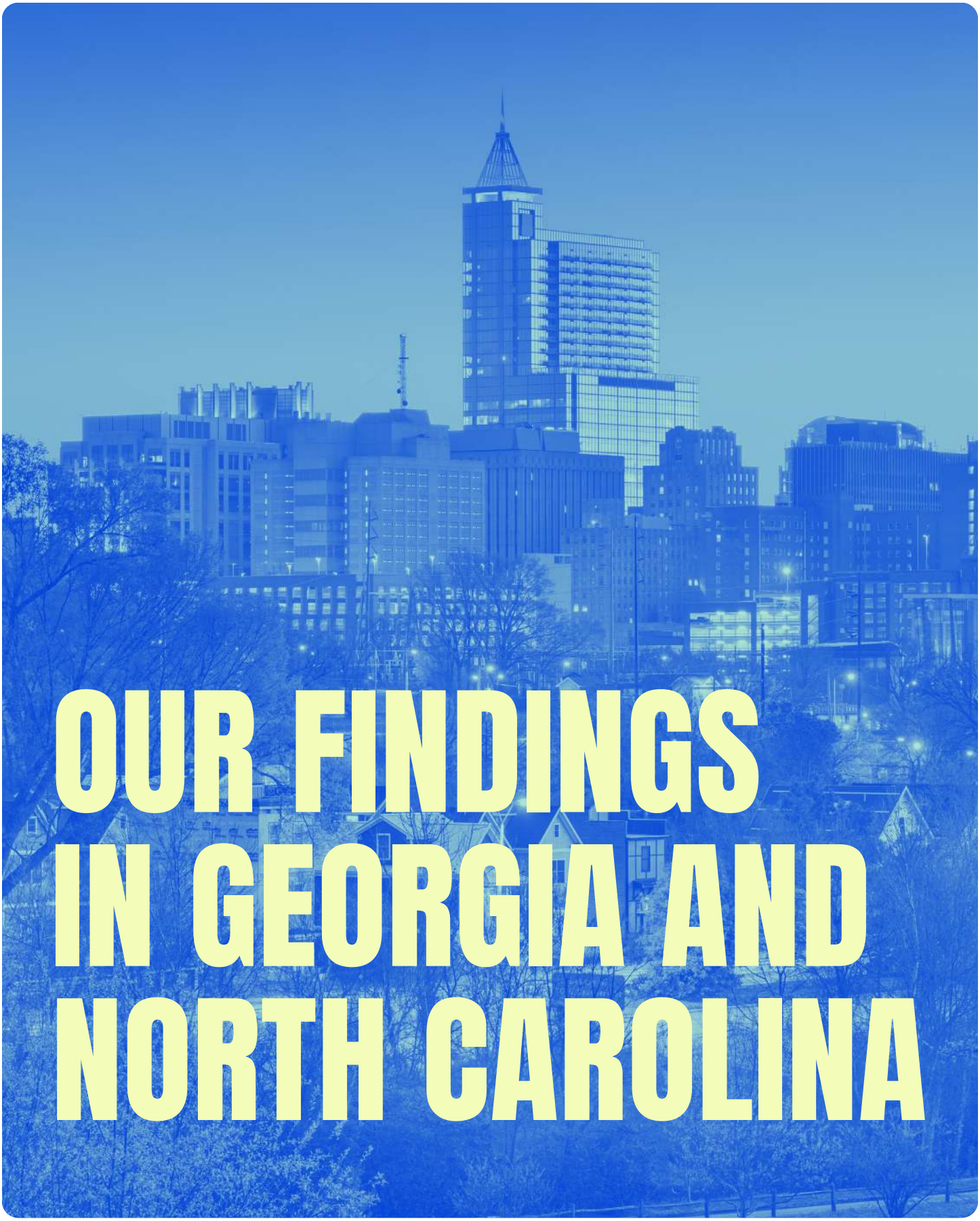
- 57.5% of the landlords received tenant screening reports that contained some AI-generated score or recommendation.
- 16% of landlords reported receiving predictive information from screening companies.
- Landlords who serve lower-income renters and smaller landlords used AI-enabled tenant screening the most.
- Black and Latinx renters were almost half as likely to have their rental applications accepted as white respondents (46% and 43%, respectively).
- Only 3% of renters could identify the screening company or consumer reporting agency that assessed their application.

This was the largest known survey of landlords' algorithmic tenant screening practices in the country's largest state.[1] While our findings show this billion-dollar industry has deep roots in the heart of the tech sector, research indicates this technology may be concentrating in the Sunbelt following a significant increase in both iBuying and private equity acquisitions of single-family homes following the Great Recession.[2] [3] [4]

To better understand how tenant screening tools are penetrating these markets where corporate landlordship is most concentrated, we ran an additional survey in North Carolina and Georgia. In 2024, the Government Accountability Office identified Atlanta, Raleigh, and Charlotte as three Sun Belt cities with among the highest percentage of corporate ownership of single-family homes.[5] Georgia has also recently been the locus of alleged illegal landlord activity related to an FBI raid of Cortland Management, a property manager for more than 11,000 units owned by Blackstone, as part of an ongoing algorithmic rental price-fixing scandal.[6]

NOTE

We surveyed 600 tenants and 100 landlords in Georgia and the same in North Carolina. The findings are notable for their similarities with the California results. However, given the modest sample size, we caution that these results require further research to more confidently determine the impact and use of tenant screening AI. For more information about our methodology, see the appendix at the end of the original *Screened Out of Housing* paper.



OUR FINDINGS IN GEORGIA AND NORTH CAROLINA

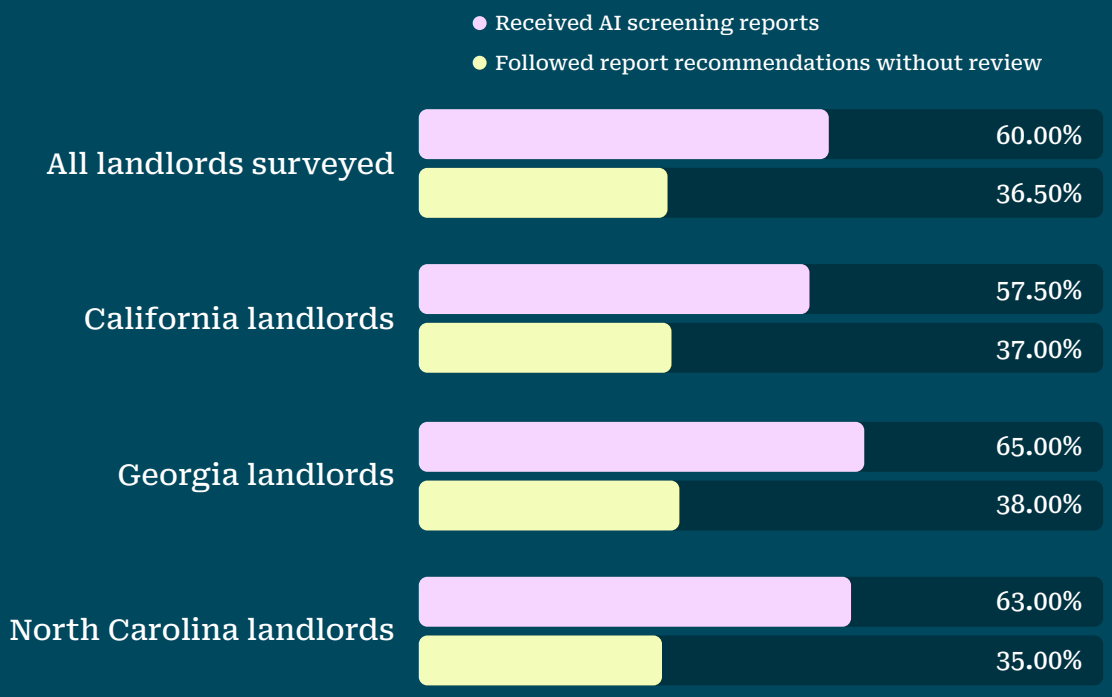
HIGH PREVALENCE IN THE SUN BELT

Georgia and North Carolina surveys confirm California findings: algorithmic tenant screening is prevalent

60% of all surveyed landlords received AI-enabled tenant screening reports, including 57.5% of California landlords, 65% of Georgia landlords, and 63% of North Carolina landlords. These figures may undersell the adoption of tenant screening technology, as other research on this issue indicates up to 90% of landlords now rely on AI-powered tenant screening reports to make rental application decisions.[7]

In addition to similar rates of screening AI across states, surveyed landlords deferred to screening report recommendations with uniform frequency. 36.5% of all respondents followed the screening report recommendation without additional review, a practice followed by 37%, 38%, and 35% of landlords in California, Georgia, and North Carolina, respectively.

Figure 1. Comparison of how many landlords received AI screening reports and those that followed report recommendations without review



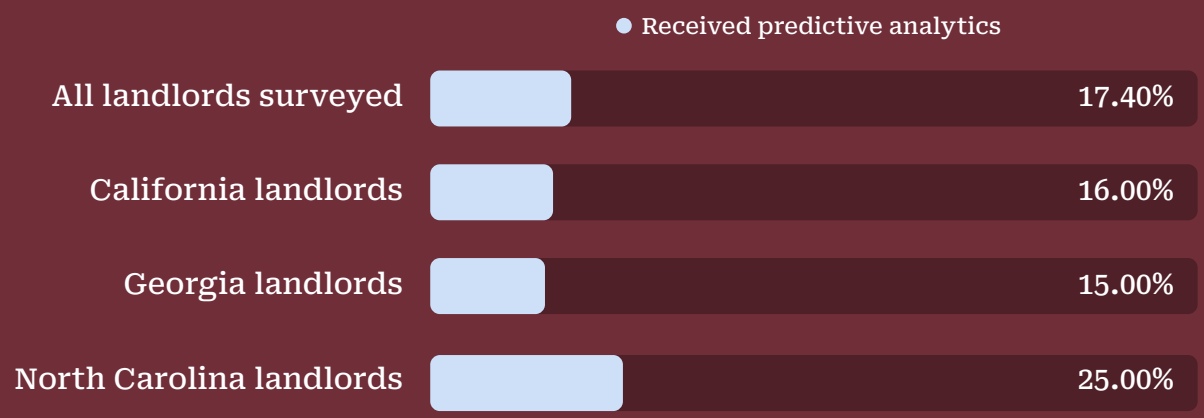
PREDICTIVE ANALYTICS

Minority Report-esque predictive analytics are just as, if not more, prevalent in Georgia and North Carolina as in California

17.4% of all landlords surveyed, including 16% of California landlords, 15% of Georgia landlords, and 25% of North Carolina landlords, received predictive analytics from tenant screening services.

Predictive analytics include the types of screening that project into the future whether an applicant will break their lease, cause property damage, or fail to pay rent—the types of "analysis" that claim to predict the future behavior of a person, an eerie reality anticipated in the Phillip K. Dick novel *The Minority Report*. This use of AI to deny people access to basic needs based on actions they have not yet taken is banned in the EU but not yet banned in the US.[8]

Figure 2. Comparison of use of predictive analytics by state



RENTERS LEFT IN THE DARK

California, Georgia, and North Carolina renters are all often left in the dark, deepening power imbalances that threaten housing rights

Only 3% of the roughly 2,200 tenants surveyed across the three states could name the screening or consumer reporting agency that assessed them; the rest left the response blank or erroneously provided the name of their landlord or property management company.

3%

of tenants could name the screening company that assessed them

Companies are amassing troves of data on renters—yet renters themselves, their advocates, and even landlords are operating at an information disadvantage. Protections, including the Fair Housing Act (FHA) and Fair Credit Reporting Act (FCRA), govern the rental application process to ensure fairness and nondiscrimination—but if renters are not aware of all parties involved in the decision, it is much more cumbersome to enforce their rights. These structural transparency issues enable discrimination to go undetected, once again leaving renters to carry the burden of a broken system.

EVICTED? APPLICATION DENIED.

New findings confirm the negative impact of eviction records on housing application decisions

In addition to finding that landlords across all three states utilize and rely on AI tenant screening reports at a similar rate, our additional surveys confirmed the negative impact of an applicant's prior eviction history. Across states, applicants with an eviction record are 84% more likely to have their housing application denied than applicants without an eviction history. The well-documented racial bias in evictions leaves already-vulnerable renters at risk of unfairly being denied housing.[9] It is no surprise our California survey found white respondents were more than twice as likely to have their applications accepted relative to Black and Latinx respondents.

Applicants with an eviction record are

84%

more likely to have their housing application denied than applicants without an eviction history.

SMALLER LANDLORDS USE AI MORE

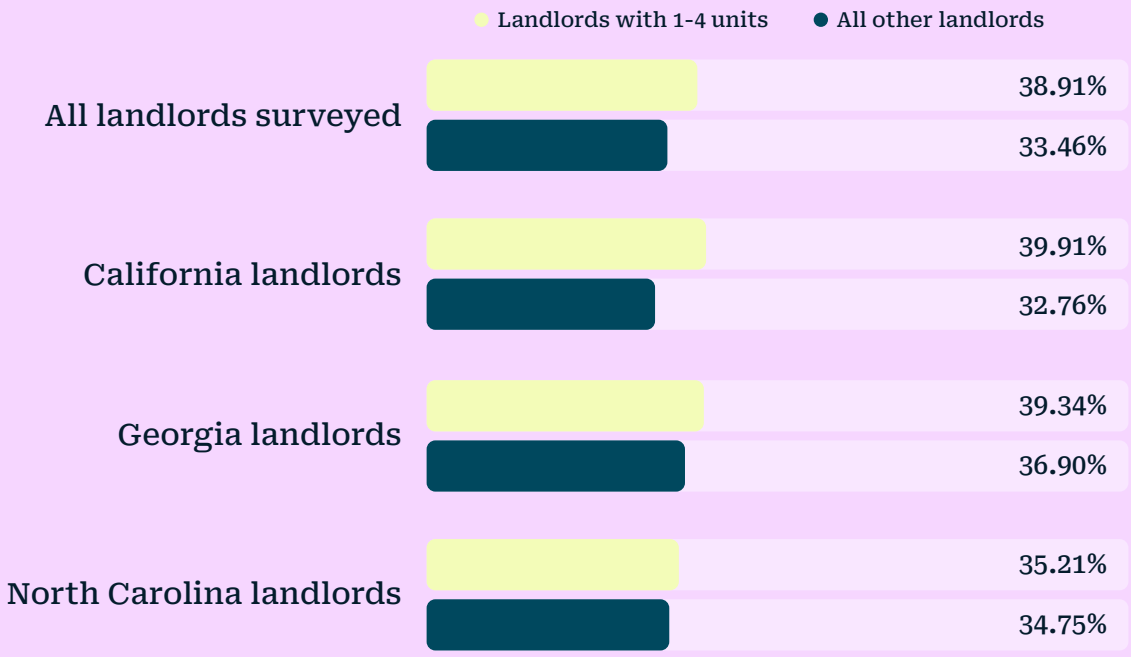
Increased reliance on screening recommendations by landlords overseeing 1-4 units is uniform

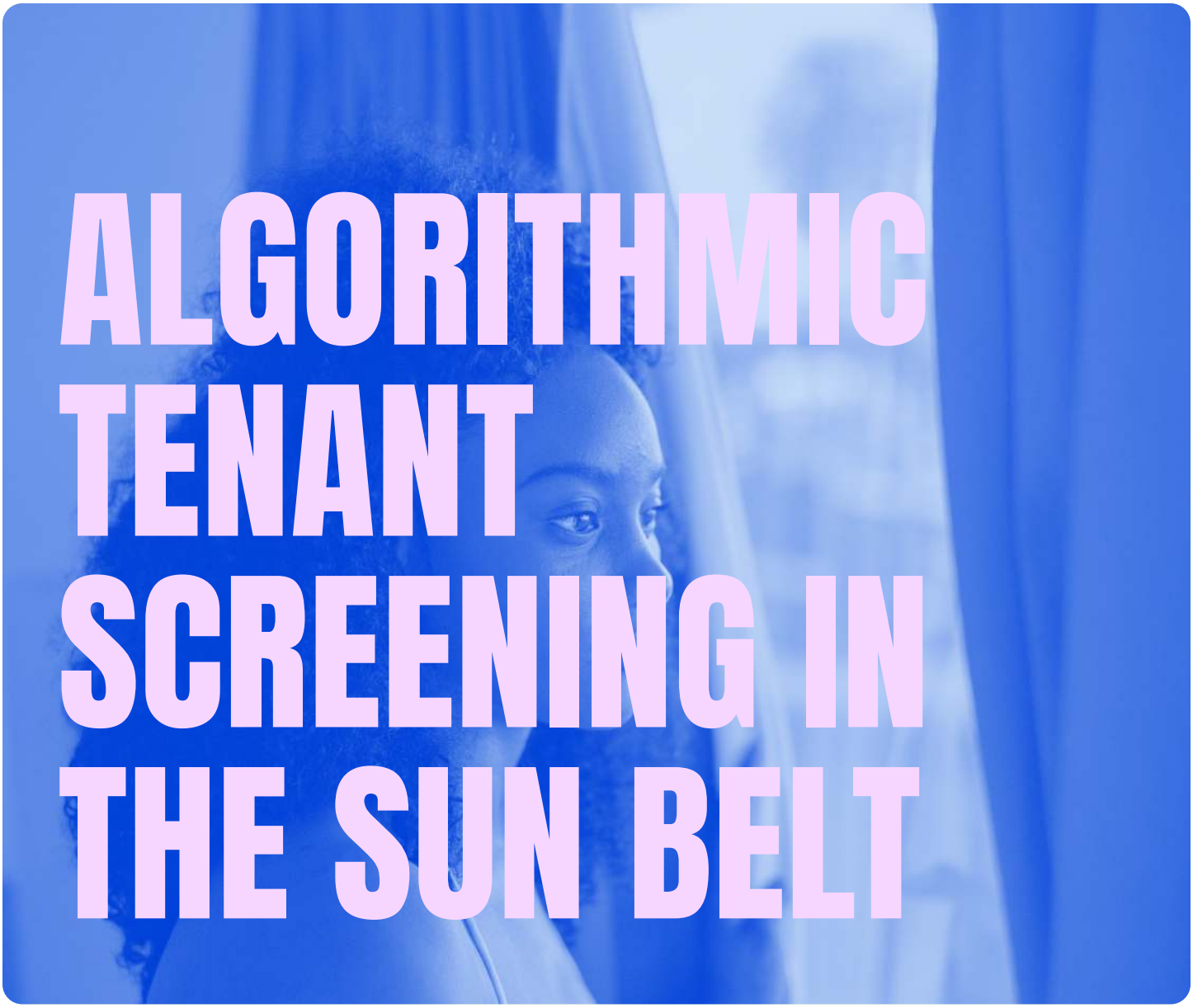
In addition to confirming the negative impact of eviction records on renters' applications, the Georgia and North Carolina survey results also confirmed the finding in California that landlords with 1-4 unit portfolios were 5.5% more likely to accept a screening recommendation without additional review than landlords with larger portfolios.

Across states, 38.91% of surveyed landlords with 1-4 unit portfolios followed the tenant screening recommendation without additional review, compared to just 33.46% of all other landlords. This difference was 39.91 to 32.76% in California, 39.34 to 36.90% in Georgia, and 35.21 to 34.75% in North Carolina.

The increased deference to screening recommendations matters because exemptions exist in all three states for landlords with portfolios of this size: California (single-family homes not owned by a corporation and certain types of affordable housing), Georgia (landlord-occupied buildings with no more than four units and single-family homes rented without the use of a broker), and North Carolina (landlord-occupied buildings with no more than four units). This leaves applicants in a dangerous position: they have fewer protections than other renters and are more at the mercy of screening algorithms.[10] [11] [12]

Figure 3. Comparison of small landlords' reliance on screening recommendations by state





The findings from Georgia and North Carolina reflect the same patterns we discovered in California:

- Landlords are increasingly relying on opaque tenant screening systems to make rental decisions.
- Renters themselves are less equipped to enforce their rights.
- Small landlords and landlords who charge lower rents are more likely to outsource rental decisions entirely to third-party screening companies.

Our original report on the California findings called for closing information asymmetries between tenants, landlords, and screening companies.

It also recommended shifting the burden of enforcing renter rights from individual renters to the landlords, screening companies, and regulators with the institutional power to do so effectively.

Those recommendations drew in part from 2024 guidance from the U.S. Department of Housing & Urban Development (HUD). The guidance clarifies the responsibilities of housing providers utilizing algorithmic tenant screening and screening service companies under the Fair Housing Act (FHA). [13]

The guidance calls for housing providers to use only relevant screening criteria and accurate personal records throughout the screening process, notify applicants in writing with a detailed description of their screening policy, provide denied applicants with letters specifically outlining reasons for the denial, and give applicants the chance to dispute incorrect information in their screening report.

The guidance also suggests that tenant screening companies should continually review their datasets to ensure accuracy and compliance with the FHA, give housing providers screening reports containing all relevant details used to make an application decision, and allow applicants to dispute and correct any inaccurate personal records reviewed by the screening service.

Implementing the HUD guidance would meaningfully reduce the information asymmetries identified in our research. As the use of algorithmic tenant screening continues to grow, transparency in the decision-making process alone is not enough to fully protect renters' rights. In addition to shifting the burden of compliance to housing providers and screening companies, we need to safeguard our existing rights and protections. This requires placing oversight authority of this practice with state and local governments, which are equipped with the resources needed to monitor an industry impacting millions of people.

With enforcement resources being scaled back at the federal level, it is imperative that we enact and enforce protections at the state and local levels.[14]

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