

For Immediate Release

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National Advertising Division Finds Certain Apartments.com Website Claims Supported; Advertiser CoStar Group Appeals Other Findings

New York, NY – May 4, 2022 – The National Advertising Division (NAD) of BBB National Programs determined that CoStar Group, Inc. has a reasonable basis for its claims that “Apartments.com has successfully helped get over 40 million leases signed by happy renters nationwide” and that Apartments.com helps landlords “[k]eep [their] property leased at a great ROI,” however NAD recommended that CoStar modify or discontinue certain popularity claims, discontinue several of the challenged conversion and web prevalence claims, and modify or discontinue certain website/service feature claims.

The claims, which appeared on videos and through direct mail solicitations, were challenged by Zillow, Inc. The parties operate competing real estate websites that offer a platform for landlords and tenants to list and find rental units including apartments, condos, and single-family homes. CoStar operates the Apartments.com network of nine rental websites including Apartments.com, For Rent.com, ApartmentFinder.com, and After55.com. Each site in the Apartments.com network focuses exclusively on rentals. Zillow’s real estate website provides a platform for selling, buying, and renting homes and apartments.

During the proceeding, the advertiser agreed to permanently discontinue the claim “We deliver the highest quality, ready-to-move renters,” and to permanently modify several claims. NAD did not review the discontinued or pre-modification claims on the merits.

Popularity Claims

NAD determined that in advertising that clearly refers to renters and renting, the advertiser’s tag line, “Most Popular Place to Find a Place,” is limited to rentals. However, when the advertising does not limit the claim to renters or renting, consumers could reasonably take away the message that the popularity claims refer to finding a home generally. As a result, NAD recommended that the advertising be modified to clearly and conspicuously disclose that the “Most Popular Place to Find a Place” claims are limited to the rental market.

NAD noted that understanding the volume of unique visitors is “an important indicator of popularity” but is not necessarily a measure of the #1 or “most popular” website. Without a direct measure of “sales” (or here converting a person’s search for an apartment to renting an apartment) metrics such as unique visitors, website visits, time on the website, and listings on the website are all metrics that can indicate whether a website is #1 or the “most popular.”

NAD concluded that while the advertiser established that it has the most unique visitors, such evidence is not a good fit for the claims:

- “The Most Popular Place to Find a Place”
- “The Most Popular Place to Lease Your Place”
- “Apartments.com puts more renters in new homes than any other website”
- “#1 site for renters”
- “Apartments.com is the “#1 listing network for houses, townhomes, condos and apartments”

NAD concluded that the advertiser has a reasonable basis for its claim that it has the #1 listing network based on listing volume. However, NAD recommended that the basis of the claim, listing volume, be clearly and conspicuously disclosed to avoid conveying the message that it is the #1 network based on popularity.

NAD recommended that the advertiser discontinue the claim “We’re the nation’s #1 rental network, with more than 25 million visitors to our sites each month searching for a new apartment,” or modify it to better fit the support provided, that its online rental network has the most visitors of any rental network.

Conversion Claims

NAD noted that data relied on by the advertiser to support its conversion claims provides information on only a subset of property owners, not the entire rental market. Further, there was no evidence that the segment of property owners that use the software are representative of the entire marketplace. Therefore, NAD recommended that the advertiser discontinue its conversion claims:

- “most popular place to find a place”
- “Apartments.com puts more renters in new homes than any other website”
- “More People Find Their Place on Apartments.com than any other website”
- “We deliver at least 2.7x more leases for our advertisers than the competition”

NAD determined that the advertiser has a reasonable basis for the claim that “Apartments.com has successfully helped get over 40 million leases signed by happy renters nationwide.” NAD concluded that the 40 million claim was substantiated and determined that the “happy” renters claim, in context, does not convey a general consumer satisfaction message but refers to the satisfaction that renters experience when they have signed a lease for a new home.

Web Prevalence Claims

Although the advertiser maintained that, in context, its “7x more exposure” claim refers to the seven websites that provide exposure for its listings, NAD determined that one reasonable takeaway is that the additional websites provide 7x more exposure than competing websites by volume of visitors, not limited to 7x more websites where rentals can be viewed. Because the advertiser did not provide website traffic data related to the seven websites or other evidence to support the claim, NAD recommended that it be discontinued.

NAD determined that the advertiser’s evidence was not sufficiently robust to provide a reasonable basis for its claim that “the Apartments.com network also ranks in the #1 Google organic search position 91% of the time” and recommended it be discontinued.

NAD noted that the advertiser’s claim “Millions More Renters Reaching millions of prospective renters through additional engagement and rental tools” touts that property owners and landlords who list and advertise on Apartments.com reach more renters due to additional listing on ForRent.com. Without evidence related to the additional renters on ForRent.com, NAD concluded that the claim was unsupported and recommended it be discontinued.

Website/Service Features Claims

- NAD recommended that the advertiser's "most advanced search tools that renters want" and "most innovative rental technology" claims be modified to avoid conveying a comparative superiority message.
- NAD also determined that the advertiser did not support the broad comparative claim that it provides the "Most Marketing Support" and recommended that the claim be discontinued.
- Zillow challenged the claim "Keep your property fully leased at the greatest return on your investment" on the Apartments.com Commercial Subscribers webpage, a claim that was modified during the course of the challenge to state, "Keep your property leased at a great ROI." NAD concluded that the modified claim was no longer comparative and was supported by the evidence.
- NAD further determined that the claim that Apartments.com helps customers "build a customized lease backed by experts and lawyers in every state" can reasonably be interpreted to mean that Apartments.com leases are built and customized for individual renters. NAD recommended that the claim be discontinued or modified to better fit the support, that it provides a template lease that has been customized to state and local leasing laws.
- NAD noted that premium services are touted in close proximity to the advertiser's claims that Apartments.com provides "Fast, Easy and Free" service that is "100% free, with absolutely no cost for you." Therefore, NAD recommended that claims be modified to avoid conveying the message that premium services are free by, for example, disclosing that premium services are an additional cost or disclosing the specific services that are "free."
- Regarding the claim, "Unlike other websites, we never sell or share your leads," NAD found that use of the phrase "unlike other websites," transforms the truthful and monadic claim, "we will never sell or share your leads" into a comparative claim. NAD recommended that this claim be discontinued or modified to avoid conveying a comparative message that its leading competitors sell or share leads.

In its advertiser statement, CoStar thanked NAD "for its time and careful review of this matter," and stated that it is "pleased with NAD's favorable findings regarding various of its claims." However, the advertiser further stated that it "respectfully disagrees with the NAD's findings as to the other claims addressed in the decision" and "will appeal the NAD's decision with respect to these claims in part – specifically with respect to its conclusions that CoStar's advertising is not necessarily directed at the rental market and that CoStar's claims regarding the popularity of Apartments.com is not supported by unequivocal website traffic data regarding unique visitors to the site."

Such appeals of NAD decisions are made to the BBB National Programs' National Advertising Review Board (NARB), the appellate-level truth-in-advertising body of BBB National Programs.

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programs, and continues to evolve its work and grow its impact by providing business guidance and fostering best practices in arenas such as advertising, child-directed marketing, and privacy. To learn more, visit bbbprograms.org.

About the National Advertising Division: The National Advertising Division (NAD) of BBB National Programs provides independent self-regulation and dispute resolution services, guiding the truthfulness of advertising across the U.S. NAD reviews national advertising in all media and its decisions set consistent standards for advertising truth and accuracy, delivering meaningful protection to consumers and leveling the playing field for business.