



BrookfieldTenants &lt;brookfieldtenants@gmail.com&gt;

## URGENT - The Yards tenants' complaints and proposed solutions

BrookfieldTenants &lt;brookfieldtenants@gmail.com&gt;

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To: sally.matheu@bpapartments.com

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Hi Sally,

Thank you for participating in Tuesday's call organized by DC's Office of the Tenant Advocate. As discussed, the organizing tenants have compiled the list of complaints, proposed solutions, and along with timelines specific to each complaint. Please confirm receipt as soon as you receive this so we can ensure this arrived in your inbox. For any responses or questions, please include this email address, BrookfieldDCTenants, and David (all cc'd).

### Logistics

We ask that you review the attached document and **provide Brookfield's responses within the document** to accept or reject the proposed solutions by the date specified within the document. The date for a response, listed in Column L, is based on the expected level of difficulty that is required to get Brookfield management to agree. Easier solutions to agree to have a quicker response time than things that we expect will require more engagement from corporate.

More specifically, please:

- Fill-in Brookfield's responses in Column M and Column N by the date specified in Column L
- If you agree to the proposed solution, we expect resolution by the time specified in Column P, unless you propose another date in Column Q
- We will also use this document to track progress against jointly accepted proposals, so it's important to log responses here
- To be clear, we are first asking Brookfield to simply respond and accept/reject the proposed solution *and then* take the time to action and implement it by the date in Column P

### Timeline

We aimed to set aggressive but feasible timelines. Please ask your leadership to prioritize the review of these materials to enable a quick response.

Given the rising level of emotions, especially as tenants are coming together for the first time, this is your opportunity to reset the tone of these conversations. Excuses, delays, and inaction are going to be seen as "more of the same" and lead to tenants to take more serious actions against Brookfield, including potential legal action.

### Why your leadership should care

How Brookfield responds to our complaints and proposed solutions will likely have a significant impact on how tenants continue to organize and therefore have a real impact on Brookfield's position in the market.

The rapid sequence of unfavorable changes to increase revenue (e.g., common area utility billing) and reduce costs (e.g., cutting concierge) have been done poorly, recklessly and dishonestly (e.g., disguised as safety enhancements). This has led to a burst of dissatisfaction among tenants that has been slowly building since Metergy was put in place, peaking with the recent removal of the concierge.

These actions have been compounded by the fact that there was little to no change management, planning, or communication:

- Tenants are given little to no notice, if they're given notice at all (e.g., tenants were not notified of the transition to Metergy by Brookfield properties before Metergy sent bills and portal activation notices; tenants were not notified of common area utility billing or amounts outside of contract language)
- Management was clearly ill prepared to handle tenants' concerns or even anticipate and prepare responses for the most obvious downstream impacts of these decisions (e.g., dealing with package thefts, unit access and managing spare key fobs, ensuring accurate common area utility bills)

- Little-to-no thought was given to the impacts of a rapid-fire series of change after change after change and how that would cause tenants to be so aggrieved they would be willing to dedicate an inordinate amount of their time to combat against them

The changes Brookfield has made are significantly short-sighted. In the long-term, the expected positive impacts to the bottom line will no doubt face headwinds as disgruntled tenants begin to seek early terminations of lease agreements, renewal rates drop, vacancies rise, lawsuits are filed, and regulatory investigations begin.

Given these actions, Brookfield leadership either:

- Miscalculated the long-term impacts of making these decisions, or
- Are intentionally taking a short-term view in anticipation of a sale or other M&A activity of its Brookfield Property entity, or
- Have a poorly incentivized management team that cares very little about the long-term

The potential impact to Brookfield's reputation in DC – and nationally – is significant.

- If Brookfield is taking the long-term view, then revenues will suffer as its reputation for poor decisions and reckless disregard for its tenants becomes well known across major cities
- If Brookfield is taking the short-term view, for example, in preparation for an eventual sale, then the media attention, the lawsuits, and the regulatory inquiries that are impending will certainly challenge that plan

For these reasons, we request Brookfield Properties leadership and the leadership of its parent company to move quickly to resolve these issues.

### **Consequences of inaction**

While the organizing tenants do not speak for any individual tenants, Brookfield might expect tenants or groups of tenants to:

- **Organize and complain** en masse to local and national regulators to garner support for immediate and swift action against Brookfield, including punitive damages for its willful disregard of utility overcharging (many tenants have repeatedly complained to Metergy about duplicative bills for the same time periods and overcharged bills)
- **Petition regulators** for new regulations that stop or significantly hamper these actions (including regulations related to fee disclosure and forcing tenants into relationships with third-parties that charge fees, like Metergy or Parcel Pending)
- **Contact competing property managers** in the area and seek concessions or targeted deals for tenants looking to leave Brookfield so competitors can quickly gain market share (e.g., rent concessions like one month free for Brookfield residents)
- **Jointly engage legal counsel** to help tenants begin exiting leases for breach of contract
- **Engage investors and pensioners of Brookfield Asset Management** to inform them of Brookfield's unfavorable practices toward tenants
- **Raise awareness** through social media, traditional media channels, journalists (local and national)
- **Broaden the tenant organization** to reach Brookfield properties beyond The Yards, engaging tenants on a national-level
- **File litigation, arbitrations, and class actions** (if permitted by the lease or if arbitration clauses or class action waivers are found to be unconscionable)

We have a growing number of organizing tenants, growing to nearly 100 tenants across The Yards alone. Brookfield should expect each of its tenants to bring their networks and skills to take action against Brookfield – tenants include lawyers, regulators, housing advocates and people with connections to the media, journalists, and government officials.

Finally, given the ongoing scrutiny over property management companies using RealPage and the interest of regulators to combat junk fees (including the [FTC](#) and [DC government](#)), we expect regulators and journalists will take an interest in the recent actions taken by Brookfield.

Signed,  
Tenants of Brookfield Properties in The Yards

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