

The Preventing the Algorithmic Facilitation of Rental Housing Cartels Act of 2024

The Preventing the Algorithmic Facilitation of Rental Housing Cartels Act will ensure that large landlords cannot skirt antitrust law and collude to increase rent prices across the country.

In the midst of a crisis of housing availability and affordability, housing providers are now using algorithms to collude to further increase rents for American families. This algorithmic price fixing is raising rents nationwide at a time when people are becoming unhoused at increasing rates, rents across the country have gone up nearly 30%, and housing costs remain one of the highest inflation indicators.

Companies like RealPage and Yardi brand themselves as providing “property management software,” but in reality they facilitate collusion among landlords to charge above-market rent. These companies collect real-time price and lease information from landlords and in return suggest rent increases, which help landlords suppress price competition in the rental housing market. This is exactly how a price-fixing cartel operates, but instead of using code names and secret meetings, the price-fixing is offered as a service.

Renters across the country feel the impact of this collusion in their pockets every month. Realpage and Yardi alone receive data on tens of millions of rental units in multifamily buildings in the United States—a significant proportion of all rental housing nationwide. Indeed, Realpage boasts that they increase rents for client landlords between 5% and 12% in every market in which they are coordinating prices. When rent prices spike in a market, more people become unhoused.

This egregious behavior by many of the nation’s biggest landlords has been challenged by renters nationwide, the D.C. Attorney General, and the U.S. Department of Justice. The Preventing the Algorithmic Facilitation of Rental Housing Cartels Act will strengthen future cases, as well as keep these companies from easily merging and further increasing rents nationwide.

Specifically, the bill would:

- make it unlawful for rental property owners to contract for the services of a company that coordinates rental housing prices and supply information, and designate such arrangements a *per se* violation of the Sherman Act;
- prohibit the practice of coordinating price, supply, and other rental housing information among two or more rental property owners;
- make it unlawful for two or more coordinators to merge where a merger creates an appreciable risk of materially lessening competition; and
- allow individual plaintiffs to invalidate any pre-dispute arbitration agreement or pre-dispute joint action waiver that would prevent their bringing a suit under this act.

The Preventing the Algorithmic Facilitation of Rental Housing Cartels Act of 2024 is endorsed by the American Economic Liberties Project, the National Low Income Housing Coalition, and the National Alliance to End Homelessness.