

Rent-Pricing Bans Won't Build Homes

Antitrust law already reaches landlords who coordinate rents through shared software; what has brought rents down is new housing, which a ban does not add.

\$25 MONTHLY MARKUP PER APARTMENT FROM COORDINATION, 2019¹	\$359.9M CLASS SETTLEMENTS WITH 41 LANDLORDS, OCTOBER 2026²	22% AUSTIN RENTS BELOW THEIR 2023 PEAK AFTER SUPPLY ROSE 14%³
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THE ISSUE

Rent-pricing software recommends a rent for each apartment a landlord manages. The risk is coordination: when competing landlords give one vendor their nonpublic rents and occupancy, its advice can work like an agreement on price. A 2026 study of buildings in the 50 largest metro areas estimates that coordination among users of the same software raised the average markup by \$25 a month per apartment in 2019;¹ it also found that in the Great Recession, users cut rents and filled more apartments¹ than landlords without it.

Existing law already reaches that conduct. Under a Justice Department settlement⁴ that a federal judge approved in May 2026,⁵ RealPage must stop using competitors’ nonpublic data to set rents, train its models only on such data at least 12 months old, stop modeling markets smaller than a state and remove features that limited rent cuts, under a court-appointed monitor. In October, a federal court gave final approval to \$359.9

million in class settlements² with 41 landlords accused of fixing rents through the software.

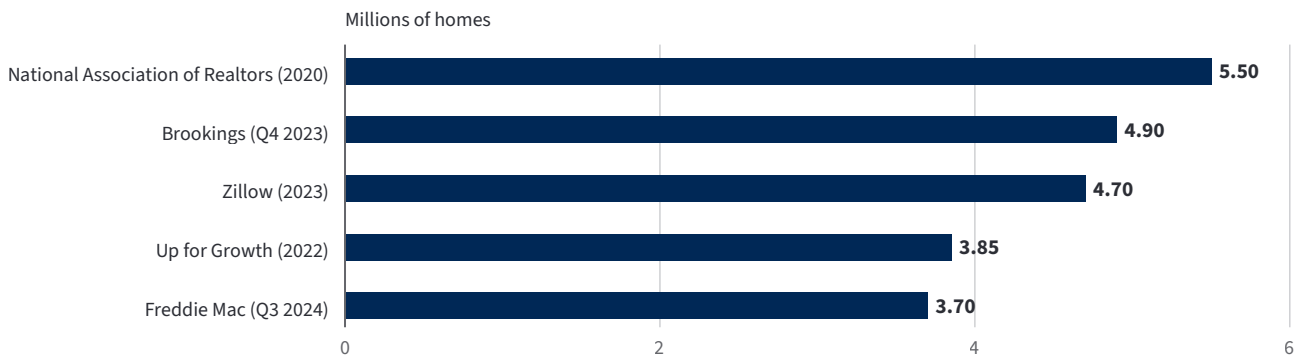
Cities and states are banning the software anyway. San Francisco, Philadelphia, Berkeley and Minneapolis⁶ had done so by April 2025, and California, New York, Connecticut and New Jersey⁷ had banned or restricted it by August 2026; lawmakers in 21 states⁸ have introduced bills. A ban changes how a landlord sets a rent. It does not add a home.

New homes are what have brought rents down. More than 600,000 apartments⁹ came on the market in 2024, the most since 1986; the national median rent is 3.7% below its mid-2022 peak, and vacancy reached 7.3% in February, the highest since tracking began in 2017. Austin added almost 50,000 rental units in 2023 and 2024,³ a 14% increase and the largest of any major metro; by early 2025 its rents were 22% below their August 2023 peak. Yet the country is still short of homes: five estimates put the shortfall at 3.7 million to 5.5 million¹⁰ (Figure 1).

WHAT WE RECOMMEND

1. **Leave coordination to the antitrust laws.** Federal and state antitrust law already reaches competitors who pool nonpublic prices, as the RealPage and landlord settlements show; legislatures need not ban a kind of software to stop that conduct.
2. **Aim any new rule at shared data, not pricing tools.** A state or city that acts should bar the pooling of competitors' nonpublic rents and occupancy, as the federal settlement does, and leave landlords free to price with public listings and their own records.
3. **Let builders build.** States and cities should follow Austin, which ended parking mandates, allowed three homes on lots once limited to one³ and cut the minimum lot size from 5,750 to 1,800 square feet.

FIGURE 1 Estimated shortage of homes in the United States, by source and year of estimate



From Congressional Research Service (2025), Table 1. Each organization's estimate of the national shortfall of housing units for the year shown; the five use different methods. Q3, Q4: third and fourth quarters.

SOURCES

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