Testimony on Council Bill 8-26, Landlord-Tenant Relations -
Prohibition Against Price Coordination and Rent-Setting Algorithms

March 10, 2026

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a non-profit trade association representing the owners and managers of more than 80,000 apartment rental units in Montgomery County. AOBA submits the following testimony on Council Bill 8-26.

Council Bill 8-26 would prohibit the use of algorithmic devices to determine rents, lease terms, and occupancy levels. AOBA opposes this bill because algorithmic tools are an important revenue management resource that help housing providers respond to rising operating expenses and increasing capital needs. These tools allow housing providers to adjust rents and lease terms more efficiently in response to changing market conditions. This includes lowering rents when supply increases or demand weakens.

In fact, some of the markets with the highest reported use of algorithmic devices have also experienced some of the largest rent decreases. Renters in Austin, TX, for example, saw rent decreases of 6% from 2023 to 2024,[1] despite nearly half of the housing providers in the city reportedly using algorithmic devices.[2] These decreases were primarily driven by increases in housing supply, which indicates that a lack of new housing construction, not the use of algorithmic devices, is to blame for rising rents.

The Austin example reflects a broader pattern documented in academic research. A study from the University of Pennsylvania's Wharton School examining algorithmic pricing in the 50 largest U.S. metropolitan areas found that property managers using algorithmic pricing lowered rents and increased occupancy more quickly than non-users during economic downturns.[3] In other words, these tools helped rents adjust downward more rapidly when market conditions weakened.

It is also important to note that this research was conducted before the 2025 settlement between RealPage and the U.S. Department of Justice. As part of that settlement, RealPage agreed to significant reforms to its revenue management software, including:

---

[1] https://www.bizjournals.com/houston/news/2024/01/28/houston-apartment-rents-are-down-in-2023.html
[2] https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/

[3] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4403058

- Ceasing the use of competitors' nonpublic, competitively sensitive data in real-time pricing decisions;
- Limiting model training to historic data aged at least 12 months;
- Restricting geographic modeling to areas no smaller than the state level;
- Removing or redesigning features that could limit rent decreases or align pricing among users;
- Ending market surveys that collect competitively sensitive information;
- Refraining from discussing pricing strategies or analyses based on nonpublic data with software users;
- Accepting a court-appointed monitor to oversee compliance; and
- Cooperating with the Department of Justice in related litigation.

These reforms address the core allegations of price fixing and collusion from the use of algorithmic devices in the rental housing market.

For these reasons, AOBA urges the Council to oppose Bill 8-26. For more information, please contact Brian Anleu at banleu@aoba-metro.org.