OFFERED BY COUNCILORS SHARON DURKAN, HENRY SANTANA, RUTHZEE LOUIJEUNE, COLETTA ZAPATA, MEJIA, WEBER AND WORRELL

CITY OF BOSTON
IN CITY COUNCIL

ORDER FOR A HEARING TO INVESTIGATE THE USE, IMPACT, AND POTENTIAL BAN OF ALGORITHMIC PRICE SETTING IN THE BOSTON RENTAL HOUSING MARKET

WHEREAS, The City of Boston continues to experience an acutely tight housing market, which has driven rents to rise rapidly, and its share of rent-burdened households exceeds the U.S. average; *and*

WHEREAS, Recent years have seen the emergence of revenue management software programs, often referred to as "algorithmic devices," which allow landlords to utilize non-public competitor data to set or recommend rental prices and occupancy levels, thereby reducing competition and contributing to rent increases; *and*

WHEREAS, The U.S. Department of Justice (DOJ) and ten state attorney generals, including Massachusetts, filed an amended federal complaint on January 7, 2025 against six of the nation's largest landlords and leading rental algorithmic device maker – RealPage – accusing the company of violating antitrust laws by fostering collusion and coordination among landlords and replacing competition with collective pricing strategies that lead to inflated rents; *and*

WHEREAS, The DOJ complaint details how these algorithms use non-public data from landlords to generate rent recommendations, guide landlords to artificially inflate rents by limiting competition, and even suggest to landlords to maintain vacancies rather than reduce rent prices, which in totality exacerbates the housing affordability crisis; *and*

WHEREAS, The City of Boston has a vested interest in maintaining affordable and stable housing for its residents and the use of algorithmic devices that rely on non-public information runs counter to the City's interest; ***NOW, THEREFORE BE IT***

ORDERED: That the appropriate committee of the Boston City Council convenes a hearing to assess the use and impact of algorithmic price-setting tools, such as RealPage, in the City of Boston's rental housing market and investigate the potential for an ordinance to be passed in Boston banning the use of non-public information driven algorithmic price setting in the rental housing market.

Filed on: January 8, 2025