

June 4, 2025

MEMORANDUM

To: Housing and Human Services Committee
From: Tamaso Johnson, Analyst
Subject: Council Bill 121000 - Algorithmic Rent-Fixing ORD

On June 11th the Housing and Human Services Committee (Committee) will have an initial discussion, briefing, and possible vote on Council Bill (CB) 121000, which would define and penalize the provision and use of certain residential housing market-related data products which may enable anti-competitive price-setting of rental units.

This memorandum (1) provides background on algorithmic rent-fixing services and related public policy responses, (2) describes the effect of CB 121000, and (3) discusses next steps.

Background

Algorithmic Rent-Fixing

In recent years, software services combining public and competitive non-public information to suggest rent prices and other lease terms have increasingly been utilized by landlords across the country. While publicly available rental price information and services selling housing market survey information have been in common use by landlords to make informed decisions about unit price in the past, these new commercial services are novel in their application of automated algorithmic analysis to non-public data to generate suggested prices to many landlords and property management entities simultaneously. Critics of these services argue that they enable anti-competitive collusion and price-setting of residential rental units that artificially inflate the price of housing across the markets where they are used.

Public Policy Responses

A number of other jurisdictions have proposed or enacted legislation in response to this issue that curtail or outright prohibit the use of algorithmic price suggestion tools in the housing market.¹ Additionally, the Washington State Attorney General is currently involved in state court litigation, and had been one of several state plaintiffs in a Federal Department of Justice suit against RealPage, a leading vendor of algorithmic price suggestion tools, and landlords alleging unfair anti-competitive practices in the rental housing market.² The Attorney General's office estimates that 800,000 leases in Washington were priced using this software since 2017, and alleges that use of this service may have contributed to rent increases in the state above

¹ Cities where similar legislation has been proposed or adopted include: Berkeley, San Diego, San Francisco, Minneapolis, Philadelphia, Portland, and Jersey City. Colorado passed a state level prohibition on these services that was vetoed by the Governor.

² See: <https://www.atg.wa.gov/news/news-releases/washington-ag-says-realpage-and-landlords-conspired-harm-tenants-violate> and <https://www.atg.wa.gov/news/news-releases/ag-ferguson-files-antitrust-lawsuit-asserting-realpage-helps-landlords-conspire>

the national average over the past several years. The Washington State Legislature took up a bill during the 2025 session designed to address the issue by prohibiting both the use of these tools by landlords and their provision by vendors. Substitute Senate Bill (SSB) 5469 (2025) passed the state senate but failed to advance through the state house prior to the end of the legislative session this April.³

CB 121000

This bill would prohibit the use of algorithmic price suggestion tools in the residential rental housing market in the City through an approach largely mirroring SSB 5469 (2025). CB 121000 would, in sum, accomplish this policy goal by: (1) defining prohibited “coordination” as the application of automated algorithmic analysis to public and/or private residential housing market data to generate recommendations on price and other relevant terms; (2) prohibiting landlords from utilizing services offering such coordination; and, (3) prohibiting entities from offering such coordinating services to two or more landlords. Prohibited coordination does not include published rental price estimates that are based solely on public information, are equally available to all members of the public, and do not require a contract, license, or agreement to obtain. These prohibitions would be enforceable by the City Attorney’s Office (CAO) via a new civil penalty of up to \$7,500 per violation, as well as reasonable costs and attorney’s fees. The bill would also create a new private right of action allowing persons harmed by prohibited landlord or coordination service provider conduct to sue for damages of up to \$7,500 per violation.

Councilmembers that would like more information about the interplay between the City’s authority to regulate how business is conducted within Seattle and businesses’ rights to protect and pursue their financial interests are encouraged to speak to the Law Department for legal advice.

The potential fiscal impacts of implementing this legislation are unknown at this time. The CAO has stated that fiscal impact will be dependent on the number of eligible cases, which is unknown at this time. CAO may be able to absorb these costs within existing budget or may require additional resources to pursue these cases in the future depending on case volume. City enforcement costs could be mitigated by an amendment to this legislation allowing private individuals harmed by prohibited conduct under this bill to recover attorneys’ fees and costs if such an action prevails.

Next Steps

At the June 11th meeting, The Committee will have an initial briefing, discussion, and may vote on a recommendation to the Full Council.

cc: Ben Noble, Director

³ See: <https://app.leg.wa.gov/billssummary/?BillNumber=5469&Year=2025&Initiative=false>