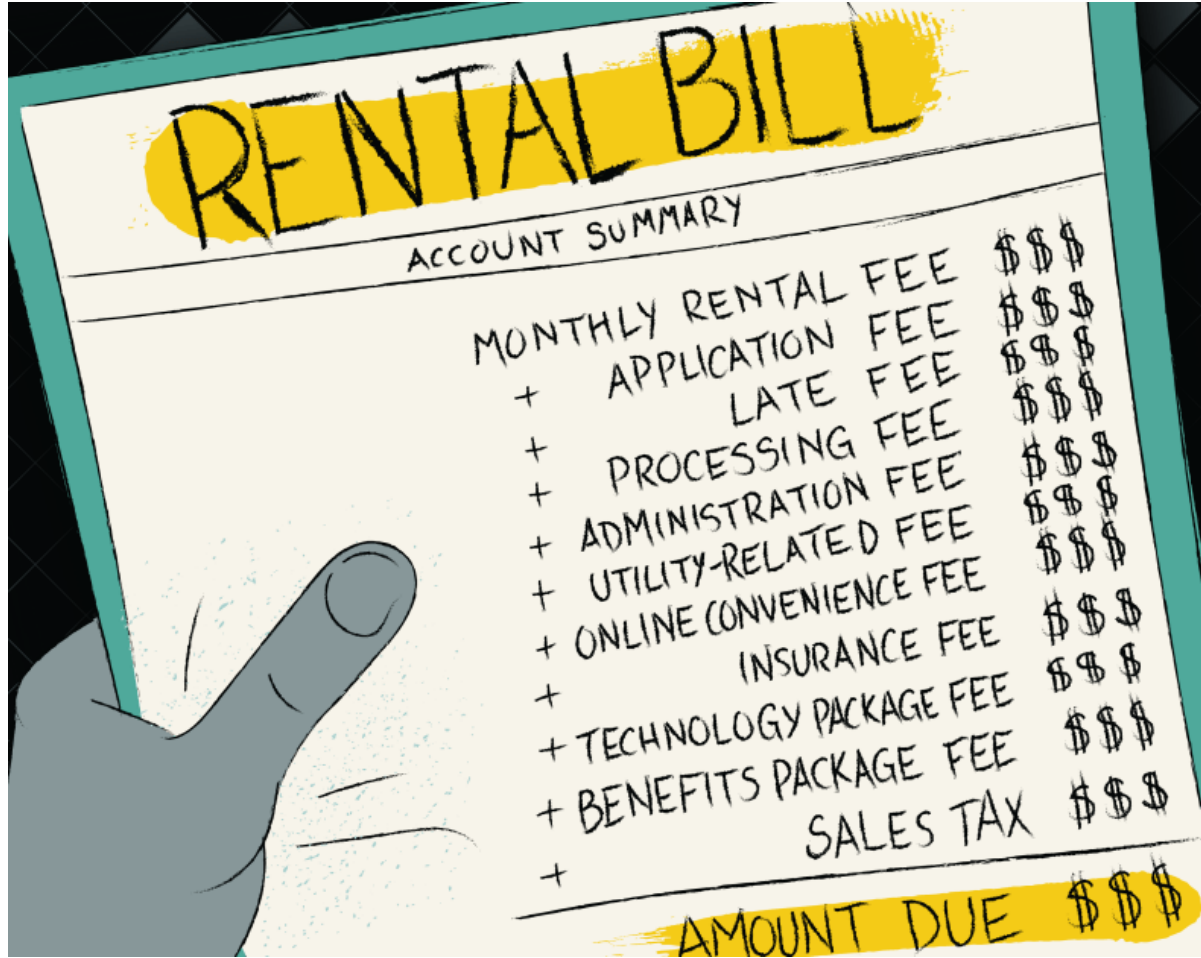


# Rental Fees Transparency & Fairness: Legislation Overview

# Rental Fees Background



- Almost half of Seattle renters pay 30%+ of income on rent (cost burdened)
- 58% of renters pay fees in addition to rent
- Prevent renters from comparing housing, making informed rental choices, and financial plans
- Impacts transparent and competitive rental market

Image Credit: Signal Cleveland

# Presenters

- Ariel Nelson, National Consumer Law Center
- Prof. Neale Mahoney, Stanford University
- Kerem Levitas, Mayor's Office
- Maureen Roat, Seattle Dept. of Construction & Inspections

# Presentation Scope

Rental Fees Background, Prevalence, and Impacts

Rental Fees Economic and Market Impacts

Rental Fees Legislation Overview

- Engagement
- Legislation Overview
- Implementation & Enforcement



# Introduction to Rental Housing Junk Fees

**Ariel Nelson**  
**Senior Attorney**  
**National Consumer Law Center**  
**July 8, 2026**

# Examples of Junk Fees

- **At or before moving in** (e.g., application fee (people and pets), admin/processing fee, deposit or one-time fee for security deposit “alternative,” move-in fee, holding fee)
- **Throughout the duration of the lease**
  - *Monthly fees* (e.g., pet rent/pet fee, admin fee, insurance fee, pest control fee, valet trash fee, maintenance fee)
  - *Payment-related fees* (e.g. fee to use rental software/billing platform to pay rent, fee to pay by check)
  - *Utility-related fees* (e.g., utility management and billing fee; internet, cable, or tech package fee; RUBS fees; pay-to pay fee for utility bills)
- **Occasional** (e.g., late fee, court costs/legal fee, move-out fee, notice fee)

# Problems with Rental Housing Junk Fees

Along with **unaffordability**, problems with rental housing junk fees include:

- Failure to disclose fees up front
- Failure to accurately and adequately explain nature and purpose of fees
- Payment of fees for services not ultimately provided
- Payment of fees for services landlord is legally obligated to provide
- Payment of fees prohibited by state or local law
- Payment of fees greater than cost to landlord
- Racial and other disparities

# Rental Housing Junk Fees Jeopardize Access to Future Housing and Financial Stability

- Fees may become alleged rental debt
- Landlord may use third-party debt collector to collect
- Rental debt ends up on credit report and becomes barrier to future housing

# Some Landlords Use Junk Fees as a Profit Center

- Publications aimed at landlords recommend “ancillary income programs”
  - One company’s “most notable ancillary income generator” is their “smart-home technology package,” which costs tenants \$25 per month in addition to base rent, for “smart locks, thermostats, Alexa integration, and water sensors”
- “Sometimes, rolling these added services into a single fee or line item can help easy adoption. It can also provide operators with some much-needed wiggle room when determining which ancillary services to add and how much to charge.”

# Some Landlords Use Junk Fees as a Profit Center Cont.

- **FTC Invitation Homes Enforcement Action.** Invitation Homes charged consumers over \$60 million in “Lease Easy bundle” fees, which included a utility management fee, an “air filter delivery” fee, and “smart home technology” (or “smart home” fee).
  - In 2019, the CEO called on SVP to “juice this hog” by making smart home fee mandatory. Company slide deck instructed employees to only disclose fee “when critical.”
- **FTC/Colorado Greystar Enforcement Action.** Greystar executives touted ability “to obtain ancillary income for property owners through the mandatory imposition of these services and their associated fees.” Greystar collected over \$100 million in hidden fees from tenants in 4 states.

# Some Resources

- **NCLC Materials**
  - [Too Damn High: How Junk Fees Add to Skyrocketing Rents](#)
  - [“What the Heck, Dude!”: How States Can Fight Rental Housing Junk Fees](#)
  - [2026 Comments to the FTC re: Rental Housing Junk Fees](#)
- **News Articles & More**
  - The Guardian, [‘Extremely overwhelmed’: apartment renters face rising tide of fees](#) (June 24, 2026)
  - Business Insider, [Tenants are being charged eviction fees even if they don't get evicted](#) (May 4, 2025)
  - Business Insider, ['Juice this hog': How real estate companies supersized renter fees](#) (May 3, 2025)
  - Oregon Public Broadcasting, [Washington state renters say ‘junk fees’ being used to retaliate, discriminate](#)
  - Zillow, [Renters: results from the Zillow Consumer Housing Trends Report 2025](#)

# The economics of rental fee regulation

Neale Mahoney

Trione Director of the Stanford Institute of Economic Policy  
Research (SIEPR)

TG Wijaya Professor of Economics, Stanford University

# The price you see should be the price you pay

This is the **north star** for well-functioning markets. When renters can see the full monthly cost up front, three things follow:

- 1. Easy to comparison shop.** Renters can easily and quickly sort apartments by their true cost.
- 2. More competition.** Landlords compete on the number renters actually see.
- 3. Fewer renters get in over their heads.** Fewer surprise costs, fewer people in over their heads, fewer defaults.

These are not small things. Lower search costs are what **drive** the competition that lowers prices and allows markets to function.

# How firms throw sand in the gears

Hidden fees are not isolated to housing. They show up in the form of hotel resort fees, ticket fees, restaurant surcharges, cable “broadcast” fees, and so on.

Two troublesome pricing practices

- **Mandatory back-end fees** — unavoidable fees not shown in the headline price (e.g., hotel resort fees, concert service fees).
- **Hidden contingent or add-on fees** — disclosed when the buyer is already locked in and market forces are limited (e.g., bank overdraft fees or airline family seating fees)

**Note:** Many add-on fees are fine — nothing wrong with paying more for mushrooms on your pizza or a hotel room with an ocean view. The key point is that these fees are transparent and reasonable.

# Principles for fee regulation

- 1. Recurring mandatory fees** → bundled all-in, upfront in advertised price. The price you see is the price you pay.
- 2. Contingent fees** → disclosed and capped up front. No surprise, no gouging.
- 3. Genuinely optional services** → truly optional with opt-in and easy opt-out.

# Won't this just raise rents?

**No — and total costs may fall.**

Yes, the advertised price may go up. **Transparency is the point** — the cost becomes visible and part of what renters compare on.

But making prices **visible and salient** intensifies competition, which pushes total costs **down**.

When the 2009 CARD Act capped non-salient credit card fees, fee revenue fell with **no offsetting rise** in interest rates or other fees.

# Who benefits

Everyone with a stake in a functioning market

- **Transparent pricing landlords** — those already showing an all-in price, who today lose renters to competitors hiding fees.
- **All landlords** — fewer renters signing leases they can't afford means fewer defaults.
- **Renters** — lower search costs, no sticker shock at signing, and lower prices through greater competition.
- **The market** — landlords win tenants with better apartments at better prices, not better-hidden fees.

## Two FAQs

### Why can't the market fix this on its own?

It's a **collective-action problem**. The one landlord who prices transparently looks more expensive and loses renters — so no one moves first. (StubHub tried all-in pricing, lost share, and reverted in 2015.)

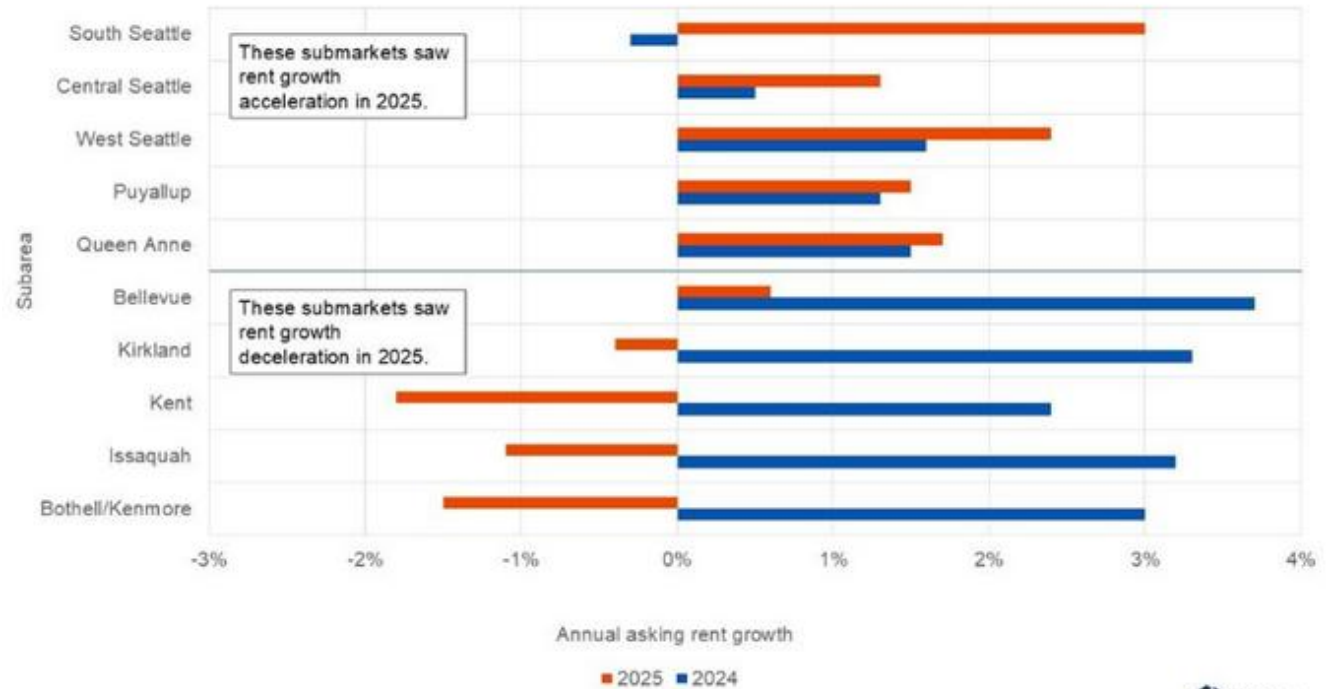
### Isn't disclosure enough?

It helps, but it isn't sufficient. Nobody reads pages of fine print. Disclosure at signing occurs too late to change decisions. **Transparency is necessary but not sufficient.**

# Seattle Rental Market

- More than half of Seattle residents are renters
- Regionally, 48% are cost burdened
- Rents rose 32% (\$1,430 to \$1,897) from 2012-2022
- 2025: Rent growth acceleration in many Seattle markets
- Fees can add 10-30% of renter's monthly costs

## These Seattle areas saw the largest swings in rent growth



# Engagement

## Renter Survey

- 8,800 responses

## Listening Sessions

- 5 listening sessions
- 50 Tenants; 12 Small landlords
- Multi-lingual support and interpretation.

## Stakeholder Meetings

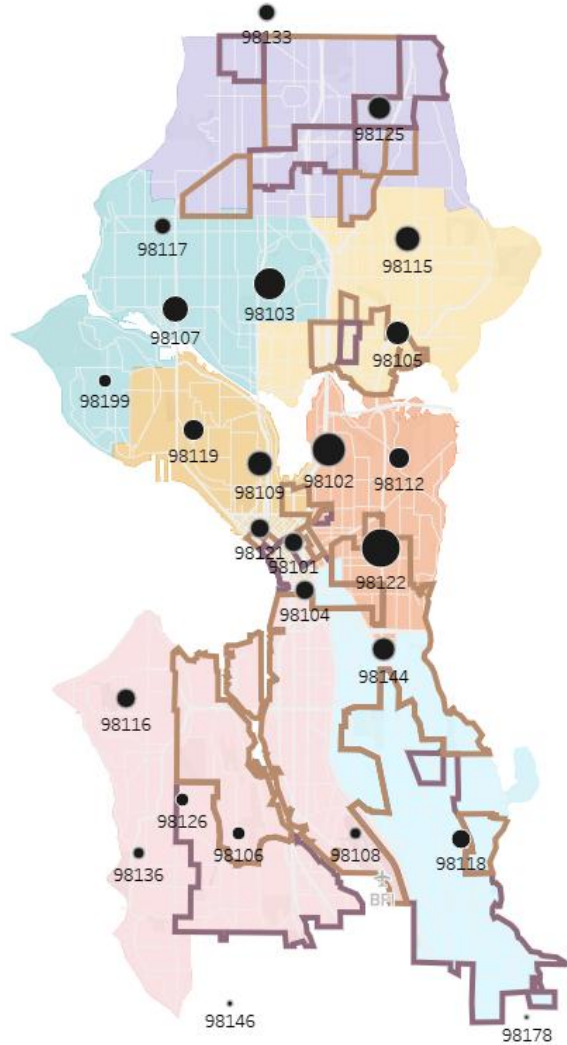
- 7 Meetings
- Tenants; Affordable Housing; Market Rate; Developers
- 50+ Stakeholders



# Survey: Geographical Representation

Are survey responses geographically representative of where renters live?

Survey respondent distribution by Seattle area vs Actual renter distribution by area

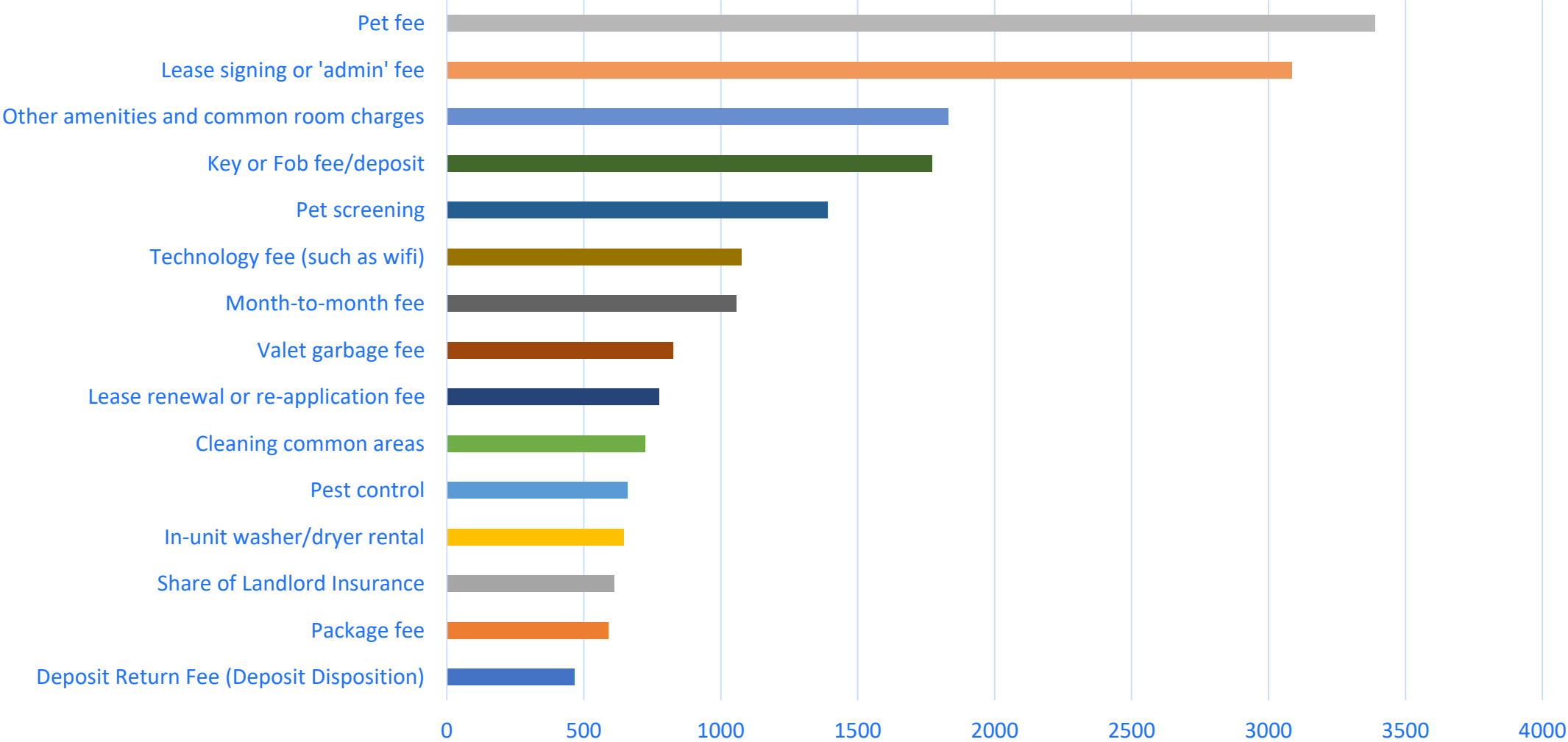


Area	Survey %	Renter %	Ratio
Urban Core	38%	42%	0.90
Seattle North	37%	35%	1.06
Seattle South	11%	9%	1.22
Seattle Southwest	9%	8%	1.13
Seattle West	6%	5%	1.20

>1 = overrepresented  
<1 = underrepresented

# Survey: Most Common Rental Fees

Responses: 8,800



## Survey: What Renters are Saying

“There are so many hidden fees and lack of descriptions on what’s included, that it’s impossible to search for in-budget options.”

“Looking for a place to live is a nightmare. There need to be laws that require costs to be listed plainly on rental listings”

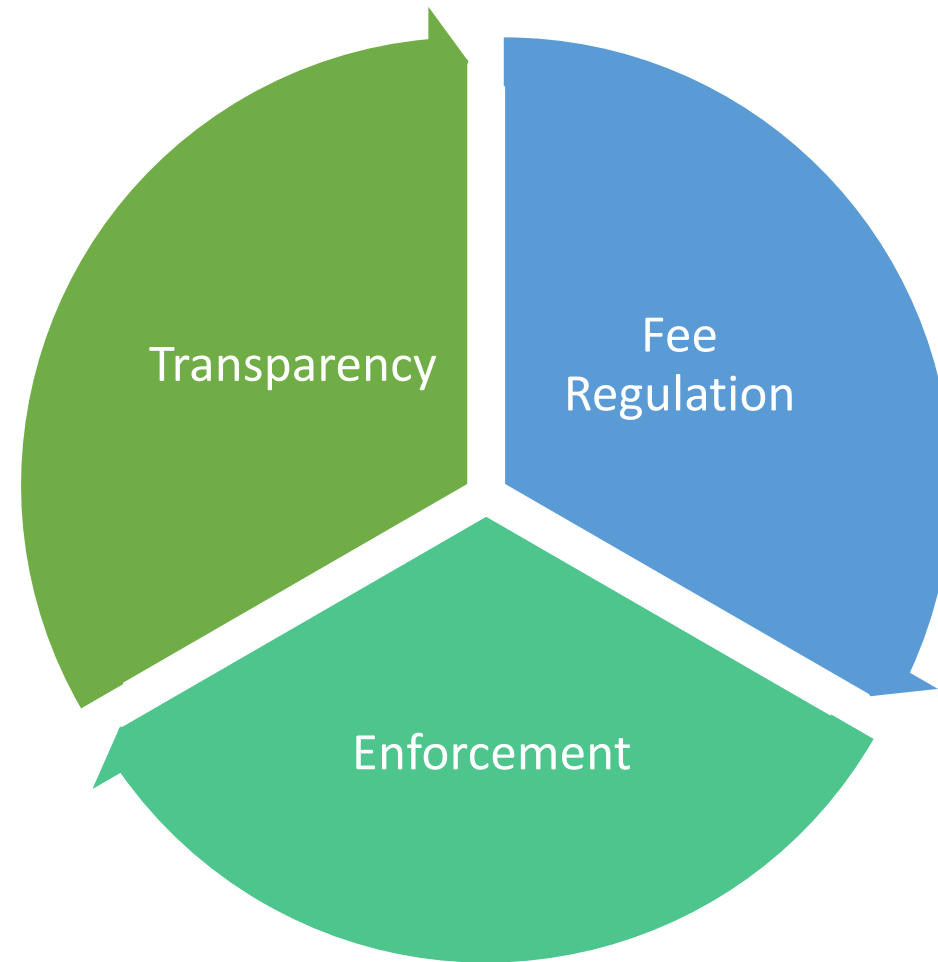
“The junk fees – valet trash, package lockers, laundry, AC units – they are all a scam and a way for landlords to advertise rent prices that are significantly lower than actual cost.”

“Pet rent is just another way to squeeze more money from you. I already paid a deposit for my pets.”

# Engagement: Housing Provider Feedback

- *Represented*: 50+ stakeholders (small, large, developers, market rate and affordable)
- Cost Recovery: Lost Keys, Lockouts, Bounced Checks
- Transparency disclosure burden
- Insurance
- Implementation timeline
- No impact on existing leases

# Policy Overview

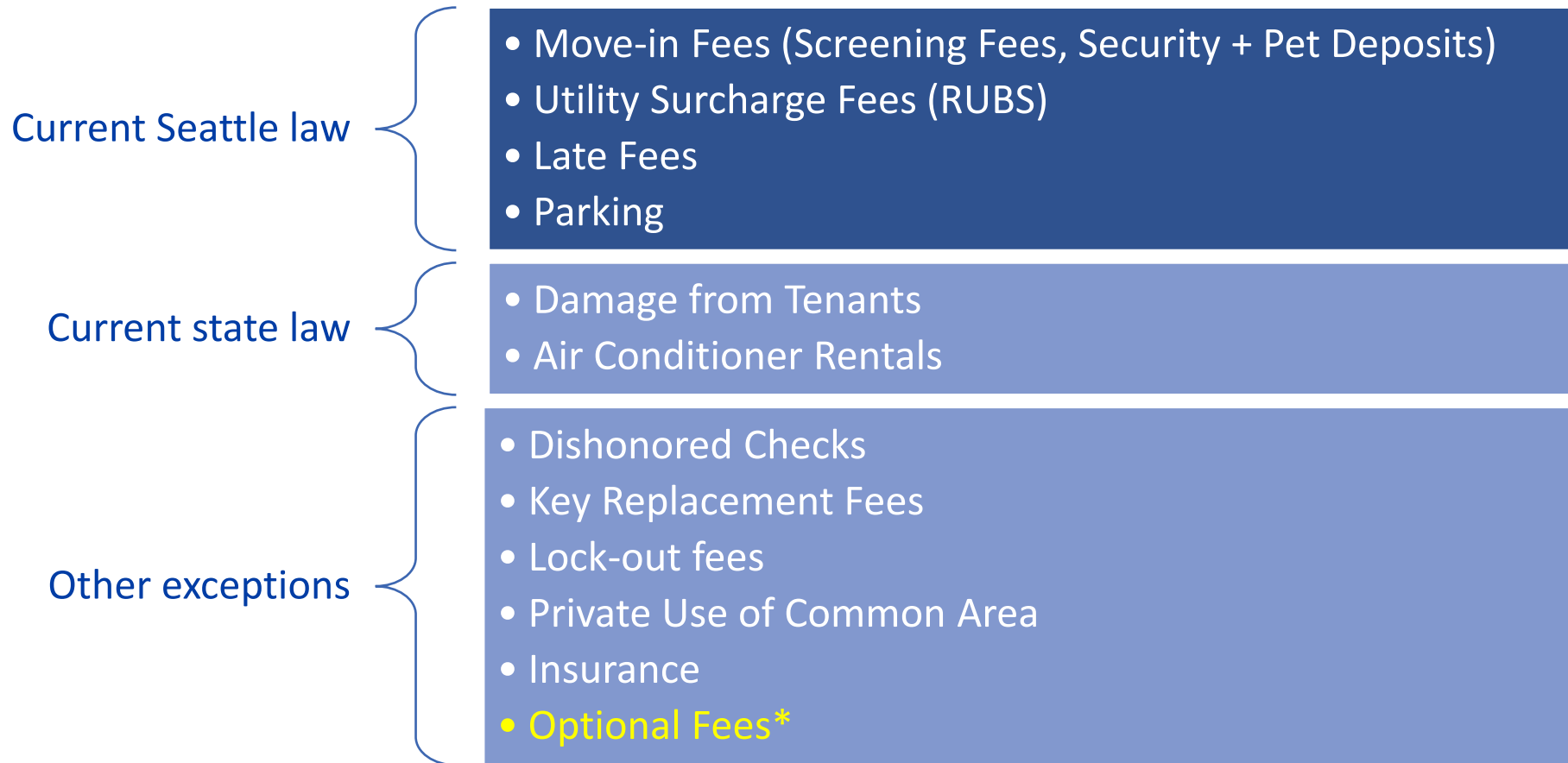


# Policy Overview: Transparency

- All fees must be disclosed in
  - (1) the rental listing;
  - (2) a concise disclosure at lease signing;
  - (3) variable fees: monthly statement;
  - (4) fixed fees: notice upon change & yearly
- SDCI to produce model notices in English and top tier languages, as identified by OIRA

# Policy Overview: Fee Regulation

Only specifically permitted fees are allowed:



\*See Next Slide

# Policy Overview

## Optional Fees for Additional Services

Landlord may assess fees for optional additional services, provided:

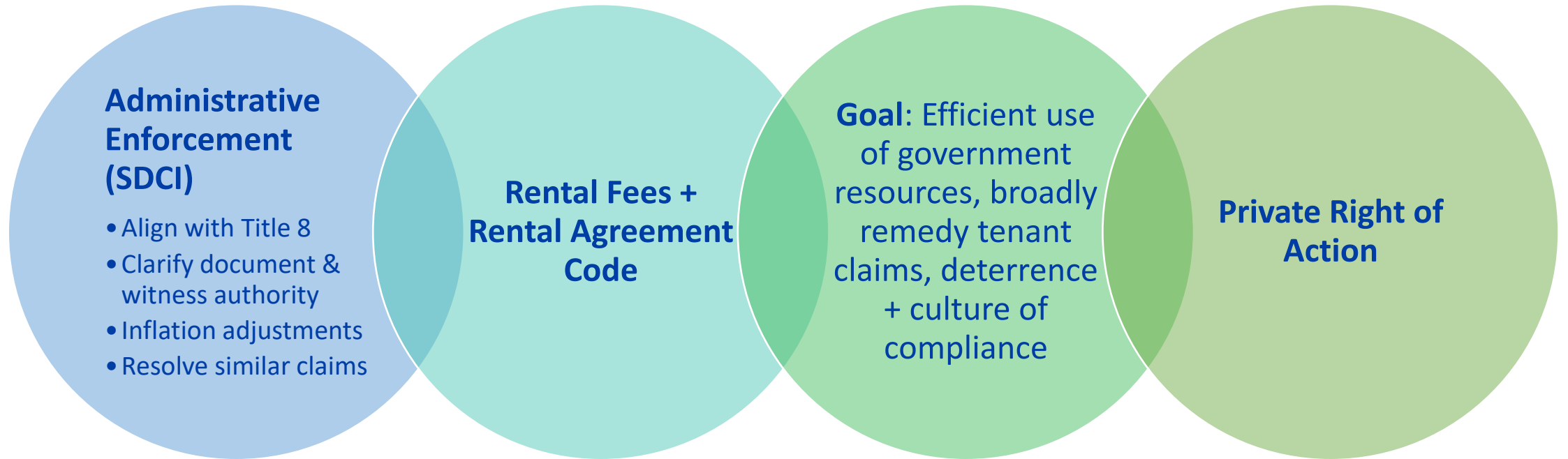
- Clear disclosure in stand-alone form;
- Affirmative opt-in and ability to opt-out;
- Fee is no more than landlord cost for third-party services;
- Does not apply for use of a generally accessible area of the building or a feature of the dwelling unit (e.g. an in-unit appliance).

Certain fees prohibited as optional

- In-unit appliance fee
- Common area fee
- Fees for payment by check-equivalent or ACH
- Mail & package fees
- Fee for landlord duty under RCW
- Fee for change in tenants
- Fee associated with pets

# Policy Overview

## Enforcement



# Policy Overview

## Additional Provisions



**Retaliation  
prohibited**



**Affirmative  
Defense**



**No Impact on  
Current Leases**



**Effective Date:  
July 2027**



\*Separate Budget Legislation

# Implementation and Resourcing

## Implementation

- One-time: **\$193K** (initial outreach, IT system changes for fee collection & case management)
- 2027: **\$781K** (3 FTE, outreach/education funding, & grants, excludes Dept. overhead)

## Funding

- Funded through per unit fee of \$5.50-7/year; ~50 cents per month.
- Approach – collect using the RRIO administrative staff and systems
- Efficient and keeps administrative costs down
- Separate budget legislation

# Implementation Timeline



**Thank You**

SEATTLE  
CITY HALL

