



Algorithmic Pricing Devices

Bill Study

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Presentation Summary

1. Overview of the Bills
2. Introduction of the Issue
3. Methodology
4. Policy Recommendations

Overview of Bills

- **SB 1400** (Chief Patron: Senator Saddam Azlan Salim) & **HB 1870** (Chief Patron: Delegate Katrina Callsen):

Regulation of algorithmic devices that use nonpublic competitor data for setting, recommending, or advising landlords on rent prices and occupancy levels

- **HB 2047** (Chief Patron: Delegate Bonita G. Anthony):

Builds on previous bills and proposed an Algorithmic Rent Pricing Ombudsman to offer structural support to oversee inquiries, complaints, and violations pertaining to the use of algorithmic pricing

Algorithmic Pricing Devices

- **What is it?**

Algorithmic pricing: data-driven pricing strategies that use various input data to populate algorithms (e.g., mathematical equations) in order to generate a suggested price

Algorithmic pricing devices: software that rely on nonpublic data manually inputted and/or granted access to by property managers and landlords

- **Why does it matter?**

Concerns around coordination, collusion, and price fixing when nonpublic data is used to generate a recommended rental price across competitors

Algorithmic Pricing Devices

The New York Times

Landlords Used Software to Set Rents. Then Came the Lawsuits.

Antitrust cases contend that use of RealPage's algorithm, which lets property owners share private data, amounts to collusion.

THE WALL STREET JOURNAL.

U.S. Accuses RealPage of Illegally Coordinating Rent Prices

Suit alleges the real-estate software company stifles competition through its algorithm



PRESS RELEASE

Justice Department Sues RealPage for Algorithmic Pricing Scheme that Harms Millions of American Renters

U.S. Expands RealPage Price-Fixing Lawsuit to Include Six Big Landlords

Greystar, the largest U.S. apartment owner, and Blackstone's LivCor are among the firms added to the suit

1. Stakeholder Interviews



The Virginia Apartment
Management Association



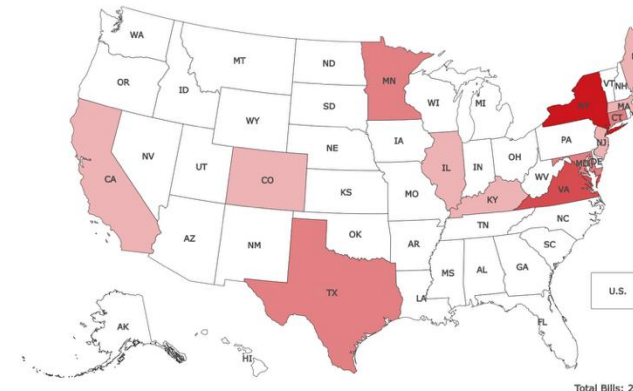
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2. State and City Bill Comparison

BILL TRACK
★ 50 ★



1. Monitor the U.S. Department of Justice lawsuit and consider the DOJ proposed settlement
2. Distinction from the Virginia Antitrust Act
3. Definition of Nonpublic Competitor Data
4. Consideration for realtors and other related markets outside of rentals
5. Consideration for Consumer Transparency