

May 14, 2025

Dear Members of the Providence City Council:

On behalf of the ACLU of Rhode Island, I write today in appreciation of your support for Ordinance 48895, Article X - Prohibition of Algorithmic Rent Setting Devices, which was granted unanimous first passage at the May 1, 2025 Council meeting. First Passage of this ordinance is an important step in protecting Providence's residents from unfair rental pricing tactics.

This ordinance prohibits the use of price-fixing rental algorithms in Providence. The software for doing this is sold by RealPage and, as you know, is often used by corporate landlords to drive up rents and decrease competition among landlords. As a recent antitrust case filed by the Department of Justice against RealPage noted, algorithmic pricing for rent makes it easier for landlords to coordinate rental increases with each other.<sup>1</sup> Through this algorithm, landlords can input information about their rentals to instruct the algorithm to generate rent recommendations based on that information and data from other participating landlords.

According to Redfin, Providence is the least affordable city in the country for renters.<sup>2</sup> Many Providence residents are struggling to find adequate housing. This is a direct result of skyrocketing rental prices that fail to match any corresponding increase of incomes. From December 2023 to December 2024, rents in Providence increased 12.6%.<sup>3</sup> While Rhode Island's housing shortage is a large contributor to this problem, the coordination of rental increases between landlords only exacerbates this crisis. Without the use of a price-fixing algorithm to determine and coordinate rents, landlords would otherwise more fairly vie for tenants by competing independently based on their own pricing, lease terms, or other discounts and concessions.

We hope that in eventually passing this ordinance, Providence can serve as an example to show other municipalities in Rhode Island the dangers of completely unregulated algorithmic uses in key decision-making areas that affect basic human rights.

Thank you again for this important work to protect access to housing for all Rhode Islanders.

Sincerely,



Madalyn McGunagle  
Policy Associate

cc: The Hon. Brett Smiley, Mayor

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<sup>1</sup> <https://www.justice.gov/archives/opa/pr/justice-department-sues-realpage-algorithmic-pricing-scheme-harms-millions-american-renters>

<sup>2</sup> <https://www.redfin.com/news/rent-affordability-2025/>

<sup>3</sup> <https://www.boston.com/real-estate/renting/2025/01/29/providence-median-rent-skyrockets/>