

Insights

RENT NOW, PAY LATER? FTC WARNS PROPERTY MANAGEMENT SOFTWARE COMPANIES TO MAKE SURE THEIR ADVERTISED PRICES ARE ACCURATE

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SUMMARY

The Federal Trade Commission (FTC) has issued warning letters to thirteen property management software providers notifying them that their pricing practices may violate consumer protection and antitrust laws. The warning letters reflect a larger movement towards enforcing consumer protection and antitrust laws against all types of pricing algorithm providers and users. Clients should consider reviewing their pricing programs with antitrust and consumer protection counsel to ensure compliance amidst growing enforcement scrutiny.

On December 8, 2025, the FTC issued warning letters to thirteen unnamed property management software providers across the nation, asserting that the software providers' pricing mechanisms may violate consumer protection laws and impede competition. While the FTC has not yet formally accused any of the thirteen providers of actively engaging in illegal conduct, the letters demonstrate the heightened enforcement risk from federal and state authorities on the market effects of pricing software.

The FTC's primary concern is that property management software providers may hinder the flow of accurate pricing information. The FTC claims that property management software programs may be providing inaccurate or limited pricing information to rental property managers and owners by failing to include all mandatory rental fees when calculating total monthly rental prices. (The FTC has had longstanding concerns about such tactics in other sectors, such as car or ticket sales.) The FTC argues that this practice may harm both consumers and competition in the rental housing market by preventing potential renters from accessing complete pricing information on property websites and online listing platforms, as well as by limiting rental property managers' and owners' ability to aggregate or advertise accurate cost information.

Critically, the letters warn that any companies engaging in the allegedly deceptive or unfair pricing conduct related to rental housing may be subject to legal action including injunctions and civil

penalties. Currently, the FTC can impose a civil penalty of up to \$53,088 per violation, a number that rises with inflation and usually counts each advertisement or day of advertisement as a separate “violation.” As some of us discussed [elsewhere](#), these penalties can quickly add up.

The FTC warning letters illustrate the increasing scrutiny of pricing platforms and their effects on competition and consumers. Just last week, Greystar, the largest multi-family rental property manager in the nation, [agreed](#) to pay \$23 million to the FTC and \$1 million to the State of Colorado to resolve claims that the company misled consumers about rental costs. In their complaint, the FTC and Colorado alleged that Greystar deceptively advertised low monthly rents to entice consumers and keep them from comparison shopping, only to tack on hidden monthly fees at the end of the sales process. As part of the settlement, the federal and state Greystar is required to change its pricing and advertising practices to ensure potential renters have complete monthly cost information during the decision-making process.

Similarly, the U.S. Department of Justice Antitrust Division (DOJ) [settled](#) with RealPage Inc. last month to resolve claims that the company’s algorithmic pricing software violates antitrust law. (The DOJ did not settle [ongoing antitrust claims](#), joined by 10 states, against property management companies that used RealPage’s algorithm.) The DOJ alleged that RealPage used nonpublic, competitively sensitive rental rate and lease term information to train its algorithm, which then generated pricing recommendations to landlords. The DOJ argued this practice allowed landlords to undermine fair pricing, limit housing options for consumers, and stifle competition within the housing market. As part of the settlement, the DOJ requires RealPage to [change its pricing software methodology](#) in numerous ways.

State legislatures are also [taking interest](#) in regulating pricing mechanisms, with California passing two new antitrust laws aimed at curbing the distribution of common pricing algorithms, and New York requiring disclosure to customers when retailers use an algorithm to set their prices. These efforts signal that a client’s pricing software may open the door to consumer protection and antitrust violations, enforcement proceedings, and hefty penalties.

Given this rising tide of enforcement scrutiny of pricing platforms, the FTC’s suggestion for companies to conduct a comprehensive review of their practices, including software and code that controls the flow of information to other internet listing sites, is a reasonable one. Clients should also evaluate any AI or algorithmic software that affect their prices, including data input sources and the level of automation in pricing decisions. This is especially true if clients use third-party pricing algorithms that involve “benchmarking” to competitors, claim to detect “outliers,” or name specific competitors that also use their algorithms.

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