



House Bill 1475 – Consumer Protection – Dynamic Pricing Disclosure and Prohibition on Rent-Setting

Position: Unfavorable

Maryland REALTORS® oppose HB 1475 which requires a disclosure of dynamic pricing in real estate and prohibits the use of “algorithmic devices” in the setting of housing rents when those devices use data from different property owners. While the REALTORS® support open markets and oppose price fixing, the REALTORS® are concerned over the legislation’s prohibition and limitation on the use of market information to assist landlords in setting fair rental prices and tenants seeking fair rental prices. REALTORS® represent both landlords and tenants.

Many of the landlords that REALTORS® work with are property owners of single-family rentals who are not experienced in renting property and need advice about how to fairly price their property. Additionally, REALTORS® sometime help tenants seeking single family properties to rent. The Maryland REALTORS® are concerned that the language in HB 1475 could impede the use of market data which includes historical prices and supply levels. In different markets, this information yields different results. In tight supply markets, prices would typically increase. When supply and vacancies are abundant, prices would typically decrease.

Market data has always been used to provide guidance to the ultimate decision maker – the property owner or tenant – in determining fair market value for rental homes. Prohibiting aggregation of important information makes it more likely, rather than less likely, that properties will not be fairly priced. For these reasons, the REALTORS® recommend an unfavorable report.

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