RETTC Real Estate
Technology &
Transformation
Center

THE ROLE OF ARTIFICIAL INTELLIGENCE & EMERGING TECHNOLOGIES IN RENTAL HOUSING

Like virtually every industry, rental housing providers use emerging technologies to enhance business operations, improve housing affordability and benefit millions of American renters through better service and a resident-demanded tech driven and seamless living experience. A snapshot of some of the ways AI and other technology are used in rental housing is below:

- Rental housing owners and lenders leverage technology platforms to improve efficiencies, underwrite lending, identify investment opportunities to meet growing rental demand and work towards improving housing affordability.
- Rental housing developers use new cutting-edge technologies to build and rehabilitate rental properties and have begun to cut costs by leveraging AI to navigate complex, antiquated and often-discriminatory zoning policies to identify workable land-use strategies to speed development and ultimately improve housing affordability.

The Fair Housing Act and the Fair Credit Reporting Act, coupled with existing state and local laws, provide strong consumer protections as AI and other emerging technologies are used in rental housing and other consumer-facing industries.

- Rental housing operators use AI platforms for improved resident service, more transparent and accurate resident screening and leasing to improve housing opportunity and prevent rising rental housing fraud, home automation, and predictive maintenance.
- Rental housing technology suppliers are transforming the market with tools that improve the resident experience, enable property sustainability and resilience, enhance security for residents, and lower operational costs through risk management solutions.

AI Policymaking Must Protect Innovation

Policymakers are working to understand the role of AI across the economy. It is critical that they see the positive impact tech-driven solutions have in achieving pro-consumer and pro-housing outcomes and the need to avoid regulation that could hinder innovation.

Policymakers are exploring the ways rental housing providers are using AI and algorithms to operate their businesses. Misunderstanding of the underlying technologies has led to uninformed policy proposals, enacted in some jurisdictions, that fail to recognize that the shortage of housing, along with increased operational costs, are the primary drivers of rent increases. Not algorithms.

Revenue management software that incorporates market pricing data has been used in various industries for decades. Collecting market pricing data and using algorithmic analysis is not new. This common tool helps businesses to understand demand and, with additional factors, to help inform a price decrease or increase and more easily help renters find the apartment that is right for them. In fact, HUD has used similar technology for decades to set Fair Market Rents under the critically important Section 8 Housing Choice Voucher Program.

RETTC strongly believes that Congress has a significant opportunity to improve transparency and understanding of AI models rather than pursuing legislation that could harm growth in the real estate technology field and limit its benefits for renters.

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