Protecting Housing Innovators and Renters in an AI-Driven Economy

Why Fragmented AI Regulation Increases Cost Burdens and Threatens Both Housing Innovation and Resident Experience

The Challenge

- States and localities are advancing different AI laws with varying requirements around transparency, data use, and accountability.
- While typically well-intentioned, this fragmented approach creates uncertainty and compliance burdens for housing providers and renters which can unnecessarily add to housing costs faced by renters.
- Startups and housing technology innovators are disproportionately impacted.

Why Housing Is Directly Affected

- AI is increasingly used in housing : finance, development, leasing, maintenance, energy management, and resident services.
- Housing providers rely on startups and mid-sized tech firms—not just large platforms—to drive innovation.
- AI has the potential to address many of our nation's longstanding housing challenges, like affordability.

The Startup & Innovation Risk

- Startups lack the legal and financial resources to comply with multiple state regulations.
- Critical venture capital and other investments become more cautious when regulatory risk increases.
- Innovation consolidates among large incumbents, reducing competition and choice.
- Regulatory fragmentation raises costs, slows adoption, and limits investment in housing-focused solutions.

RETTC's Responsible AI Approach

RETTC has developed an AI framework for rental housing that prioritizes renters, and encourages responsible use of technology, creating a system that's built for the present and the future.

- Core principles of that framework include:
    - Transparency and explainability
    - Privacy and data protection
    - Bias mitigation and fairness
    - Improved renter outcomes
    - This demonstrates that responsible innovation is already happening—without the need for a patchwork of conflicting laws.

Why Federal Leadership Matters

- Federal policymakers can protect consumers while enabling innovation to scale.

- Technology does not stop at state borders.

- A clear federal framework provides certainty for innovators, housing providers,and renters alike

Bottom Line

Renters, technology leaders, and housing providers should be able to take advantage of the promise of AI. Without a common sense, unified approach, their experience will be more costly.

Fragmented AI regulation also risks undermining the very startups and housing innovators working to improve affordability, efficiency, and resident experience. Federal leadership is essential to protect innovation, renters, and America's competitive edge.

Congress must work quickly to adopt a bipartisan, consensus-driven federal framework on AI that complements multifamily led efforts to ensure consumer protection, responsible business use of AI and other emerging technologies. In addition, federal regulators should work to ensure businesses of all types have the resources necessary to navigate such a complex landscape.

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