



Manual vs. Systematic Rents

Insider Spotlight

Giving you the insider scoop on how rents are priced as well as Noon's opinions

If as you're online shopping you notice the rent on your desired apartment changing daily or a few times within a week - congrats, you've spotted some systematic pricing!

Manual Pricing

Fact: Renters speak directly with landlords or leasing agents; pricing decisions are made independently and often without data-driven tools.

Opinion: This method is increasingly antiquated—like a dinosaur in today's tech-forward rental market—and tends to yield more negotiable rents, less consistency, and greater flexibility for applicants but also greater possibility of discrimination.

Systematic Pricing

Fact: Uses software like RealPage's YieldStar, which ingests confidential data across competing landlords (occupancy, concessions, renewal rates) and outputs rent suggestions via algorithm.

Fact: The software is widely used—estimated on millions of units nationally—and is designed to maximize landlord revenue and reduce rent concessions.

Opinion: Systematic pricing is less flexible and often results in non-negotiable or minimally negotiable rents, grounded in data rather than conversation.

Legal & Public Policy Context

Fact: In August 2024, the U.S. DOJ filed a federal antitrust suit against RealPage and major landlords (e.g. Greystar, Camden) alleging that the YieldStar algorithm facilitated collusion on rent pricing across millions of units.

Fact: The White House Council of Economic Advisors estimated renters paid approximately \$70/month more because of the anticompetitive coordination by algorithmic pricing—around \$3.8 billion in added costs in 2023.

Fact: The DOJ and multiple state attorneys general filed additional lawsuits and some reached settlements (e.g., DC AG's settlement with W.C. Smith Co. prohibiting use of software that uses competitor data).

Fact: San Francisco, Philadelphia, and other cities/states have passed legislation banning algorithms like YieldStar to set rent prices.

Opinion: While airlines have long used dynamic pricing without legal challenges, at scale in rental housing this practice has triggered complaints—and, in some jurisdictions, legal bans—because it can act like price fixing.

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Algorithmic Pricing: Benefits & Risks

Benefits (Fact)

Responsive pricing: Buildings using systematic pricing tend to raise rents during strong-demand periods and adjust downward during soft months—producing more accurate, time-sensitive pricing than many manual strategies.

Risks (Fact & Emerging Concern)

Reduced competition: When widely adopted in a market, the same algorithm can produce coordination among landlords, raising average rents and decreasing occupancy across the board .

Limited negotiations: Tenants often report difficulty negotiating rent or concessions once systematic pricing is in play— leasing offices generally follow algorithm outputs strictly.

Renter Strategies for Timing & Leverage

Monitor price changes strategically:

Tuesdays: After weekend touring activity, property managers feed updates into Systematic Pricing, often resulting in price changes on Tuesday evenings or Wednesday mornings.

Fridays (or late Thursday): Communities ramp up specials to attract weekend traffic— reduced pricing, new concessions or special offers typically post on Friday.

Tactical touring tips:

Tour on Sunday or Monday and ask for a 48-hour quote hold.

Renters can often wait to see if Tuesday or Friday yields a better rate or promotion.

Check online listings on Tuesday evening and again Friday morning to compare shifts in pricing and specials.

Lease-up communities / seasonal demand:

In high-demand periods (e.g. summer or new openings), pricing systems may minimize concessions—watch for any glitch or lag before rent resets.

Summary Comparison

Feature	Manual Pricing	Systematic Pricing
Price Setting	Landlord/Agent discretion	Data-driven algorithm based on market/competitor inputs
Negotiability	High	Low or non-negotiable
Transparency	Varies; often flexible	Algorithmic, internally managed
Timing of Changes	Irregular	Often on predictable days - Tuesday/Friday
Consumer Risk	Lower risk of collusion	Risk of uncompetitive pricing and legal scrutiny
Potential Rent Discounts	More likely	Often minimized or automatically excluded

Distinguishing Fact from Opinion

♦ Facts:

Lawsuits filed, government findings, exact estimates of cost to renters, specific local legislation.

YieldStar’s basic mechanism and use in large segments of the national rental market.

♦ Opinions:

Describing manual pricing landlords as “dinosaurs.”

Claims about manual pricing being inherently more negotiable or systematic pricing being necessarily rigid—though based on patterns observed, individual experiences may vary.

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