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Public Interest Comment¹ on

The Federal Trade Commission’s Advance Notice of Proposed Rulemaking

Unfair or Deceptive Rental Housing Fee Practices

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REGULATORY STUDIES CENTER

The George Washington University Regulatory Studies Center works to improve regulatory policy through research, education, and outreach. As part of its mission, the Center conducts careful and independent analyses to assess rulemaking proposals from the perspective of the public interest. This comment on the Federal Trade Commission’s advance notice of proposed rulemaking on unfair or deceptive rental housing fee practices does not represent the views of any particular affected party or special interest, but is designed to evaluate the effect of the FTC’s initiative to protect consumer welfare.

I support the Federal Trade Commission’s (FTC’s) March 13, 2026 advance notice of proposed rulemaking (ANPR) seeking information to support development of a [Rule on Unfair or Deceptive Rental Housing Fee Practices](#). The purpose of a future proposed rule would be to “address unfair or deceptive acts or practices relating to advertised rent and other fees and charges in the rental housing industry.” Provided that these practices prove to be prevalent, and that the cost of compliance to rental housing providers is not too high, a carefully-designed rule could increase consumer welfare and social welfare.

¹ This comment reflects the views of the author, and does not represent an official position of the GW Regulatory Studies Center or the George Washington University. The Center’s policy on research integrity is available at <https://regulatorystudies.columbian.gwu.edu/about#integrity>.

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According to the ANPR, the rents featured in advertisements for rental apartments often omit mandatory fees and charges, ranging from “lifestyle fees” to “January fees.”³ There are also numerous ways in which the fees are assessed: mandatory monthly fees, mandatory annual fees, one-time mandatory fees, contingent fees, fees for optional services, fees charged by third parties, and fees that are unknown to housing providers when the lease is signed. When such fees are not included in advertised rents, they make it difficult for apartment seekers to know and compare the total costs of prospective apartments.

Studies in other industries ([income tax](#), [full fare advertising rule](#), [live event tickets](#)) have shown that when fees are not included in the advertised price, consumers spend more than they would if advertised prices included all fees. For example, one study on grocery sales found that posting tax-inclusive prices reduced demand by 8% (Chetty et al., 2009). The primary reason is that hidden fees make it difficult to compare the prices of alternative products and make the total cost of a product appear lower than it is.

One question is why does competition not force all rental housing providers to abandon hidden fees? If renters preferred apartments without hidden fees, then it seems that an apartment building with all-inclusive rent would be more attractive to renters. However, there is evidence from the [hotel](#) and [live event](#) industries that when a firm includes fees in its advertised price, it makes the firm’s products appear more expensive than those of its competitors that are hiding their fees and puts them at a competitive disadvantage.

The FTC’s earlier [Rule on Unfair or Deceptive Fees](#) requires businesses in the live-event ticketing and short-term lodging industries to include mandatory fees in advertised prices. This is a straightforward solution to the problem caused by hidden fees in these industries.

When renters search for rental apartments, they face similar difficulties. Prospective renters show up to sign a lease and learn that, in addition to the advertised rent, there is a garbage pickup fee, a maintenance fee, or other fees. They face the choice of signing the lease or continuing to search. By resuming the search, they would spend more time and incur additional costs, such as an application fee or renter brokerage fee for the next apartment they find.

But if they decide to sign the lease, they can no longer walk away from the deal and are locked into a long-term lease. Because the switching costs increase substantially after the renter signs the lease and moves in, the property provider has the opportunity to charge more fees. Both the potential for additional fees and the high costs of terminating a lease make the problem of deceptive fees in rental apartments more injurious to consumers than in short-term lodging and live event ticketing.

I believe that if the FTC issues a rule on deceptive rental housing fees, it should be a new rule rather than an amendment of the earlier [Rule on Unfair or Deceptive Fees](#). The nature of the

³ Fees mentioned in the rule include lifestyle fees, amenity fees, maintenance fees, common area maintenance fees, pest control fees, parking fees, technology fees, smart home fees, trash collection fees, repair fees, administrative fees, utilities-related fees, air filter delivery fees, move-in fees, community fees, renters' insurance fees, payment processing fees, convenience fees, January fees, roommate fees, guest fees, high risk fees, mail sorting fees, fees to rent month-to-month instead of on an annual basis

rental agreement is fundamentally different than live-event ticketing and short-term lodging, so rules for disclosure would likely be more complex.

Developing fee disclosure rules that allow consumers to understand the cost of rental housing will be challenging, given the vast number and types of fees. Once upon a time, rental apartment pricing was much simpler. Renters paid rent and utilities, if utilities were not included in the rent. A renter paid a security deposit, and may have had to pay a penalty for late rent payments. With this system, it was easy to understand the costs of renting an apartment. Going back to this simple system would be best for consumers, but may be costly for property providers. Enforcing such a rule could be difficult due to the large number of apartment properties in the United States.

The goal should be to come up with disclosure rules that would allow consumers to easily understand the cost of renting an apartment. This would entail, at minimum, including recurring mandatory fees in advertised rent. Mandatory one-time fees and other types of fees should be disclosed to consumers in a way that is simple to understand. The possibility of requiring rental apartment providers to prorate or amortize other types of fees should be carefully considered, as this would allow the fees to be included in the recurring rent charge. The rulemaking should also consider ways to prevent avoidance of the disclosure rule by developing new types of fees.

In conclusion, I recommend that the FTC, in pursuing this rulemaking, conduct research into the prevalence of deceptive rental apartment fees and the extent to which consumers are misled by these fees. The FTC should study how consumers perceive alternative fee disclosure rules to design a system that allows consumers to best understand the cost of renting an apartment without being unnecessarily burdensome to rental apartment providers.