

July 31, 2026

New Jersey Enacts FAIR Act to Prohibit Algorithmic Rent-Setting Practices

On July 20, Governor Mikie Sherrill signed into law P.L. 2026, c. 43, the Forbidding the Algorithmic Inflation of Rent (FAIR) Act. The legislation is part of the administration's broader effort to make New Jersey more affordable by ensuring the housing market is fair and competitive. The FAIR Act prohibits residential rental property owners from using algorithmic revenue management software that collects or processes competitors' nonpublic leasing information to set or recommend rental prices. It also prohibits software providers and other "coordinators" from using such software to facilitate agreements or coordinate pricing among competing residential landlords. A "coordinator" is broadly defined to include any person operating algorithmic revenue management software or an algorithmic device that uses nonpublic, competitively sensitive information from multiple residential rental property owners to generate algorithmic recommendations regarding rental prices, lease terms, or occupancy levels. The act does not prohibit the use of certain technologies, including spreadsheets requiring human analysis, publicly available rent estimation tools, traditional real estate listing databases, and government-administered affordable housing programs.

The FAIR Act requires the attorney general to establish a complaint portal on the Department of Law and Public Safety's website for alleged violations and preserves existing remedies under the New Jersey Antitrust Act. Residential rental property owners, property managers, and software providers should review their pricing practices, technology platforms, and vendor relationships to ensure compliance with the new law.

The FAIR Act takes effect on July 1, 2027, providing affected property owners, managers, and software providers time to review and, if necessary, modify their pricing practices before the law becomes effective.

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