

**TO:** Interested Parties

**RE:** Memo on Large-Scale Build-to-Rent

**DT:** April 2026

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- **Investor ownership contributes to barriers to homeownership**
  - When institutional investors buy up single family homes with all-cash offers and waived inspections, they drive up prices and make it harder for first-time homebuying families to compete for limited supply. In 2025, the share of first-time homebuyers reached a record low of [21 percent](#), and the age of the median first-time homebuyer reached an [all time high of 40](#).
  - U.S. families have been shut out of homeownership due to the failure of wages to keep up with rising home prices: the national median single-family home price [grew to five times](#) the median household income in 2024.
  - Homeownership is a critical pathway to building household wealth and the surge of investor-owned single family homes has effectively prevented thousands of families from becoming homeowners and building wealth.
  - Investors bought up a [record high 30%](#) of single-family home purchases in the first half of 2025, making investors a major force in the available home market (note this analysis doesn't break out investors by size).
  - Investors are not equally concentrated throughout the real estate market: they tend to target lower-value homes, thus buying up a disproportionate amount of what would traditionally be considered “starter homes.” They also target communities with higher shares of Black residents.
  - Large investors are growing:
    - Prior to 2011, no single investor owned more than 1,000 single-family properties anywhere in the United States. By 2021, 32 institutional “mega-investors” collectively owned 446,000 single-family homes.
  - Big investors are a major force in certain markets:
    - Lincoln Land Institute [analysis](#): 20 percent of all St. Louis residential parcels are owned by investors. In Charlotte, 6.9 percent of all residential parcels are owned by out-of-state corporations—more than three times the average level of out-of-state ownership identified across the counties analyzed— accounting for more than 24,000 properties.
    - Investor share is higher in markets with lower housing values and higher shares of black and noncollege residents, according to a 2024 [Philly Fed study](#).
- **Corporate landlords contribute to housing unaffordability and worsen tenant outcomes - raising rents and imposing junk fees, skimping on upkeep, and aggressively evicting tenants**
  - A [Philadelphia Fed study](#) found that upon purchase, investors raise rents at rates 60% higher than the average owner, and higher investor share in a neighborhood correlates with faster rent increases than in neighborhoods with fewer investor landlords.

- Tenants at private equity-owned single-family rental homes faced pandemic-era rent hikes much [higher than the national average](#) — 8 percent annually during the pandemic compared to the 5.4 percent national average.
- The largest build-to-rent operators have [very poor online reviews](#), with complaints ranging from construction defects and HVAC quality to steep rent hikes, poor maintenance, and unfair withholding of security deposits.
- Invitation Homes, the largest single family rental landlord and another major built-to-rent operator, was [forced to settle](#) with the FTC in 2024 after accusations that Invitation regularly broke the law, harming tenants by charging deceptive junk fees, failing to provide proper maintenance, stealing deposits, and intentionally misleading tenants about the federal eviction moratorium during the pandemic.
- [A study of Kansas City landlords](#) found that corporate landlords are 1.6 times more likely to incur maintenance violations for issues such as leaks, pests, heating problems, and broken appliances. They also found that corporate landlords with 100 units or more were 3.7 times more likely to file eviction proceedings than smaller landlords with fewer than 25 units.
- **The public supports banning corporate landlords and institutional investors from housing**
  - As the U.S. public faces ever growing housing costs, they [overwhelmingly support](#) reigning in corporate landlords and institutional investors. In a time of great political divide, few topics unite the American people like banning corporate landlords, with 64% of respondents, including 61% of Republicans and 62% of Independents, in favor of taking action.
- **On top of creating worse renter outcomes, investor--owned build-to-rent does not meaningfully address housing supply problems**
  - Private equity backed build-to-rent has delivered few homes: large-scale build-to-rent has only emerged in recent years, [with 10,000 units in 2019 and only cracking 50,000 units in 2023](#). By contrast, U.S. builders completed just under [1.5 million homes in 2025](#).
  - Build-to-rent won't deliver housing stock in most parts of the country: Because it requires large tracts of unbuilt land, large-scale build-to-rent is mostly prominent in sunbelt suburban/exurban sprawl areas. The [highest number](#) of build-to-rent homes are in the Phoenix metro area, followed by Dallas-Forth Worth and Houston.
  - Build-to-rent diverts construction from affordable for-sale starter homes: The resources that are diverted to construct build-to-rent properties constrain the production of affordable starter homes for first time homebuying families
  - As a model targeting large tracts of unbuilt land, build-to-rent exacerbates sprawl and commuting distances, and diverts investment and construction away from denser and more affordable triplex, quadplex, and multi-family housing.
  - Build-to-rent is a model based on people not being able to afford homes and being trapped renting forever. The answer to our housing woes cannot simply be acceding to corporate landlords and accepting 21st-century company towns as our only option forever. To supply enthusiasts, a unit of housing is a unit of housing, regardless of who owns it. But it does matter who owns our homes! We can support housing supply while also supporting quality of life and affordability for tenants and homeowners.

- **Exempting investor-owned build-to-rent from efforts to constrain the negative impacts of Wall Street investor ownership will worsen the housing affordability problem, not fix housing supply.**
  - The private equity-backed build-to-rent industry is demanding special treatment using the red herring that their predatory business model will address housing supply problems.
  - Private equity backed build-to-rent properties stay out of the hands of homeowners, and contribute to the longstanding home purchase affordability problem. This is not a solution to the housing supply problem.
  - Limitations on private equity-backed single-family build-to-rent homes would not hinder, limit, or restrict their ability to construct multi-family apartment buildings and complexes.
  
- **A permanent loophole for investor-owned build-to-rent will worsen the housing affordability problem, not fix housing supply.**
  - A permanent exemption would keep build-to-rent properties out of the hands of homeowners effectively forever, contributing to the longstanding home purchase affordability problems.
  - With a permanent loophole, Congress would effectively give the build-to-rent industry their blessing to lock in their predatory model and become further entrenched in the housing market. This will increase the numbers of homes that, once built, will stay in the hands of corporate landlords in perpetuity.