

U.S. Lawmakers Introduce Bills Aimed At Addressing Housing Affordability Crisis As Investors Are Expected To Control 40% Of U.S.-Single Family Rental Homes By 2030.

In December 2023, Rep. Adam Smith (D-WA) And Sen. Jeff Merkley (D-OR) Introduced The "End Hedge Fund Control Of American Homes Act Of 2023," Legislation Aimed To Ban Hedge Funds From Owning Single-Family Homes, Which Was Endorsed By A Coalition Of Consumer And Affordable Housing Advocacy Groups As Investors Are Expected To Control 40% Of U.S.-Single Family Rental Homes By 2030.

In Early December 2023, Rep. Adam Smith (D-WA) And Sen. Jeff Merkley (D-OR) Introduced The "End Hedge Fund Control Of American Homes Act Of 2023" To Ban Hedge Funds From Owning Single-Family Homes And Require Them To Sell 10% Of Their Single-Family Homes Over A 10-Year Period.

December 5, 2023: Rep. Adam Smith (D-WA) And Sen. Jeff Merkley (D-OR) Introduced The "End Hedge Fund Control Of American Homes Act Of 2023" To Address The Growing Issue Of Hedge Funds And Other Investment Firms Purchasing Single-Family Homes In The U.S., Exacerbating The Housing Affordability Crisis. "Representative Adam Smith (D-Wash.) and Senator Jeff Merkley (D-Ore.) teamed up to introduce the bicameral End Hedge Fund Control of American Homes Act of 2023. This legislation responds directly and forcefully to a persistent and growing problem — What Happens When Wall Street Buys Most of the Homes on Your Block? The purchasing of single-family homes by hedge funds, especially in the current housing market, has made it more difficult for middle-class Americans to become homeowners and is contributing to America's twin crises of housing unaffordability and wealth inequality." [Rep. Adam Smith, [12/05/23](#)]

- **According To Investopedia, "A Hedge Fund Is A Limited Partnership Of Private Investors Whose Money Is Managed By Professional Fund Managers" And "Is Often Considered A Risky Alternative Investment Choice" "Often Targeting Wealthy Clients."** "A hedge fund is a limited partnership of private investors whose money is managed by professional fund managers who use a wide range of strategies, including leveraging or trading of non-traditional assets, to earn above-average investment returns. Hedge fund investment is often considered a risky alternative investment choice and usually requires a high minimum investment or net worth, often targeting wealthy clients." [Investopedia, [08/11/22](#)]

The Legislation Would Ban Hedge Funds From Owning Single-Family Homes And Require Them "To Sell At Least 10% Of The Total Number Of Single-Family Homes They Currently Own To Families Per Year Over A 10-Year Period." "The End Hedge Fund Control of American Homes Act seeks to put an end to this harmful practice of hedge funds buying up single-family homes by banning hedge funds from owning these types of homes and requiring them to sell at least 10% of the total number of single-family homes they currently own to families per year over a 10-year period. After a 10-year full phase-out, all hedge funds will be completely banned from owning any single-family homes." [Rep. Adam Smith, [12/05/23](#)]

The End Hedge Fund Control Of American Homes Act Has Already Been Endorsed By A Number Of Consumer Rights Groups, Including The "Private Equity Stakeholder Project, CONSUMER ACTION, National Consumer Law Center (On Behalf Of Its Low-Income Clients), Washington Low-Income Housing Alliance, National Housing Resource Center, Americans For Financial Reform, And The

National Housing Law Project. "The End Hedge Fund Control of American Homes Act is endorsed by the Private Equity Stakeholder Project, CONSUMER ACTION, National Consumer Law Center (on behalf of its low-income clients), Washington Low-Income Housing Alliance, National Housing Resource Center, Americans for Financial Reform, and the National Housing Law Project." [Rep. Adam Smith, [12/05/23](#)]

In 2021, "Investors Bought 24% Of All Single-Family Houses Sold Nationwide" And Are Expected To Control 40% Of U.S. Single-Family Rental Homes By 2030.

In 2021, "Investors Bought 24% Of All Single-Family Houses Sold Nationwide," "Up From 15% To 16% Annually Going Back To 2012." "Investors bought 24% of all single-family houses sold nationwide last year, up from 15% to 16% annually going back to 2012, according to a Stateline analysis of data provided by CoreLogic, a California-based data analytics firm." [Stateline, [07/22/22](#)]

According To MetLife Investment Management, Institutional Investors Are Expected To Control 40% Of U.S. Single-Family Rental Homes By 2030. "Institutional investors may control 40% of U.S. single-family rental homes by 2030, according to MetLife Investment Management. And a group of Washington, D.C., lawmakers say Wall Street needs to back away from the market." [CNBC, [02/21/23](#)]

MetLife Investment Management Estimates Institutional Investors Will Own Approximately 7.6 Million Single-Family Homes. "By 2030, the institutions may hold some 7.6 million homes, or more than 40% of all single-family rentals on the market, according to the 2022 forecast by MetLife Investment Management." [CNBC, [02/21/23](#)]

During A June 2022 House Financial Services Hearing, Private Equity Stakeholder Project Executive Director Jim Baker Warned Lawmakers That Investors Made Up A "Record 28% Of Single-Family Home Sales" In The First Quarter Of 2022, As Housing Rents Increased Over 13% Over The Previous Year.

During A June 2022 House Financial Services Subcommittee Hearing, Jim Baker, Executive Director Of The Private Equity Stakeholder Project, Noted That Single-Family Housing Rents Had Increased Over 13% Over The Previous Year, With Investors Making Up A "Record 28% Of Single-Family Home Sales" In The First Quarter Of 2022.

During A June 2022 House Financial Services Subcommittee Hearing Entitled, "Where Have All The Houses Gone? Private Equity, Single Family Rentals, And America's Neighborhoods," Jim Baker, Executive Director Of The Private Equity Stakeholder Project, Provided Testimony That Single-Family Housing Rents Had Increased Over 13% Over The Previous Year, With Some Areas Seeing Increases As High As 39%. "Over the past decade, housing in the U.S. has become increasingly consolidated into the hands of large corporations and investors, while rents and home prices have skyrocketed to unprecedented levels. Tenants in single-family rental homes are facing a particularly tight squeeze. Nationally, rents in this type of housing have increased more than 13% over the past year, and in metro areas like Miami and Phoenix single-family rents have increased a staggering 39% and 19%, respectively." [House Financial Services Committee, [06/28/22](#)]

- **According To Its Website, The Private Equity Stakeholder Project's Mission "Is To Identify, Engage, And Connect Stakeholders Affected By Private Equity With The Goal Of Engaging Investors And Empowering Communities, Working Families, And Others Impacted By Private Equity Investments. "** "The mission of the Private Equity Stakeholder Project is to identify, engage,

and connect stakeholders affected by private equity with the goal of engaging investors and empowering communities, working families, and others impacted by private equity investments." [The Private Equity Stakeholder Project, accessed [12/11/23](#)]

Baker Went On To Note That In The First Quarter Of 2022 "Investors Made Up A Record 28% Of Single-Family Home Sales," A Significant Increase From "19% In The First Quarter Of 2021 And 16% Between 2017 And 2019. "In the first quarter of 2022, investors made up a record 28% of single-family home sales, according to a report published last week by the Harvard Joint Center for Housing Studies. That's up from 19% in the first quarter of 2021 and 16% between 2017 and 2019. In the first quarter of 2022, investors made up 33.1% of home sales in Atlanta, 32.3% in Jacksonville 32.3% in Charlotte, 29.0% in Phoenix, and 28.2% Miami. 'Investors with large portfolios (at least 100 properties) drove much of this growth,' wrote the Harvard researchers." [House Financial Services Committee, [06/28/22](#)]

In July 2023, U.S. Senators—Led By Senate Banking Chairman Sherrod Brown (D-OH)—Introduced The "Stop Predatory Investing Act," Aimed At Barring Investors From Receiving Tax Breaks After Buying Up Single-Family Rental Homes, Receiving Support From Numerous Consumer And Affordable Housing Advocacy Groups.

In July 2023, Several U.S. Senators—Led By Senate Banking Chairman Sherrod Brown (D-OH)—Introduced The "Stop Predatory Investing Act," Which Bars Investors Who Buy Up Single-Family Rental Homes And Hike Rents From Being Able To Receive Tax Breaks, Receiving Support From Numerous Consumer And Affordable Housing Advocacy Groups.

July 2023: Senators Sherrod Brown (D-OH), Ron Wyden (D-OR), Tina Smith (D-MN) Jeff Merkley (D-OR), Jack Reed (D-RI), John Fetterman (D-PA), Elizabeth Warren (D-MA) And Tammy Baldwin (D-WI) Introduced The "Stop Predatory Investing Act," Which Would Prohibit Investors Who Buy Up Single-Family Housing From "Deducting Interest Or Depreciation On Those Properties." "Today, U.S. Senator Sherrod Brown (D-OH), Chair of the Senate Banking, Housing, and Urban Affairs Committee, along with Senator Ron Wyden (D-OR), Chair of the Senate Finance Committee, and Senators Tina Smith (D-MN), Jeff Merkley (D-OR), Jack Reed (D-RI), John Fetterman (D-PA), Elizabeth Warren (D-MA) and Tammy Baldwin (D-WI) introduced a new bill to restrict tax breaks for big corporate investors that buy up homes, often driving up local housing prices and rents. The Stop Predatory Investing Act would prohibit an investor who acquires 50 or more single-family rental homes from deducting interest or depreciation on those properties. Right now, two big investors own more than 12,000 homes in just three Ohio markets, and other large investors don't report how many homes they own." [U.S. Senate Committee on Banking, Housing, and Urban Affairs, [07/11/23](#)]

The Legislation Ultimately "Restricts Tax Breaks For Private Equity And Large Investors That Currently Give Them An Advantage In The Market For Affordable Single-Family Homes, And Helps Make Homeownership A Reality For More Families Across The Country." "The bill restricts tax breaks for private equity and large investors that currently give them an advantage in the market for affordable single-family homes, and helps make homeownership a reality for more families across the country." [U.S. Senate Committee on Banking, Housing, and Urban Affairs, [07/11/23](#)]

The Bill Received Support From "The National Association of Local Housing Finance Agencies, Americans for Financial Reform (AFR), Enterprise Community Partners, The Local Initiatives Support Corporation (LISC), The National Community Stabilization Trust (NCST), The National Housing Law Project (NHLP), The National Low Income Housing Coalition (NLIHC), And The National Housing Resource Center (NHRC)." "The Stop Predatory Investing Act is supported by the National Association of Local Housing Finance Agencies, Americans for Financial Reform (AFR), Enterprise Community Partners, the

Local Initiatives Support Corporation (LISC), the National Community Stabilization Trust (NCST), the National Housing Law Project (NHLP), the National Low Income Housing Coalition (NLIHC), and the National Housing Resource Center (NHRC). " [U.S. Senate Committee on Banking, Housing, and Urban Affairs, [07/11/23](#)]

In July 2023, The Real Estate Roundtable Denounced The "Stop Predatory Investing Act," With Its President And CEO Jeffrey DeBoer Calling It "A Short-Sighted Proposal" That Would Drive Up Housing Costs And "Discourage New Home Construction," With The Trade Group Spending \$1.2 Million While Lobbying Against The Bill.

In July 2023, Real Estate Roundtable President And CEO Jeffrey DeBoer Claimed The Stop Predatory Investing Act "Is A Short-Sighted Proposal" That Would Lead To Higher Housing Costs, "Reduce Property Values," And "Discourage New Home Construction."

July 2023: Following Introduction Of The "Stop Predatory Investing Act," Real Estate Roundtable President And CEO Jeffrey DeBoer Called The Bill "A Short-Sighted Proposal That Will Drive Up Housing Costs For Working Families, Reduce Property Values For Existing Homeowners, And Further Discourage New Home Construction." "Real Estate Roundtable President and CEO Jeffrey DeBoer, below, said, 'Improving and expanding housing affordability is a goal we all share, and any illegal or unjust actions by landlords should not be tolerated. However, this legislation is a short-sighted proposal that will drive up housing costs for working Americans, reduce property values for existing homeowners, and further discourage new home construction.'" [Real Estate Roundtable, [07/14/23](#)]

- **According To Its Website, The Real Estate Roundtable Consists Of The Chairs, Presidents And CEOs Of The Largest Real Estate Companies Across The Commercial Real Estate Industry.** "The Real Estate Roundtable is an invitation-only organization whose members are the Chairs, Presidents, and CEOs of top public and privately-owned real estate entities and trade associations, across every segment of the commercial real estate industry – as well as the Managing Directors of major national and international financial, pension, and lending entities. Roundtable members also include significant local and regional real estate leaders and advisors, along with the elected leaders of 18 national real estate associations." [The Real Estate Roundtable, accessed [12/11/23](#)]

The Real Estate Roundtable Also Claimed That "Interest Expense Deductions" Were Not "Tax Breaks." "Depreciation and interest expense deductions are not "tax breaks" as suggested by the bill's sponsors." [Real Estate Roundtable, [07/14/23](#)]

During Q3 2023, The Real Estate Roundtable Spent Over \$1.2 Million While Lobbying Against S. 2224, The "Stop Predatory Investing Act."

Registrant	Lobbying Period	Relevant Lobbying Issues	Amount
The Real Estate Roundtable	Q3 2023	"S. 2224, Stop Predatory Investing Act."	\$1,278,864
TOTAL:			\$1,278,864

- **S. 2224 Is The "Stop Predatory Investing Act.** "This bill denies taxpayers owning 50 or more single family properties any tax deduction for interest paid or accrued in connection with any single family residential rental property. It also disallows depreciation of residential rental property owned by such taxpayers." [Congress.gov, accessed [12/11/23](#)]