

The Georgia Tech logo, featuring the words "Georgia" and "Tech" stacked vertically in a bold, sans-serif font, with a stylized tower icon to the right.

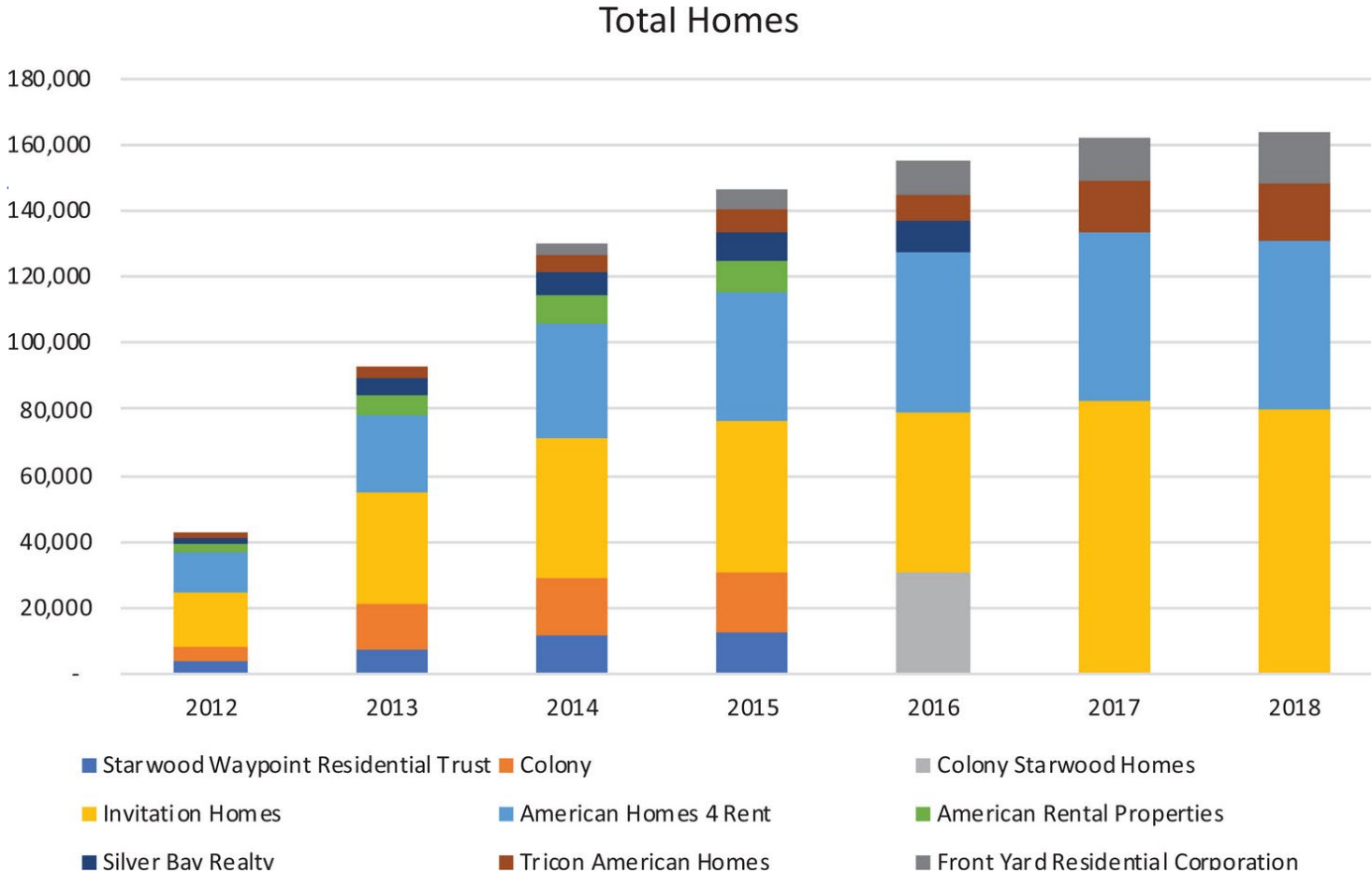
**Georgia
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CREATING THE NEXT

Single Family Rental Investors, Eviction and Gentrification

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Institutional investors emerged out of the foreclosure crisis



2012: Ben Bernanke encourages institutional investors to use capital to convert REOs to Rentals

2012: FHFA, Fannie Mae and Freddie Mac's pilot bulk sales program

2011-2013: Institutional Investors buy 350,000 homes nationwide

2013: Deutsche Bank and Blackstone/Invitation Homes issue first SFRS

2014: Other SFRS follow

2017: Fannie Mae invests \$1B in IH SFRS

Where are Single Family Rentals concentrated?

Regional Concentration:

Sunbelt

Neighborhoods with growing SFR:

Racial and ethnic diversity

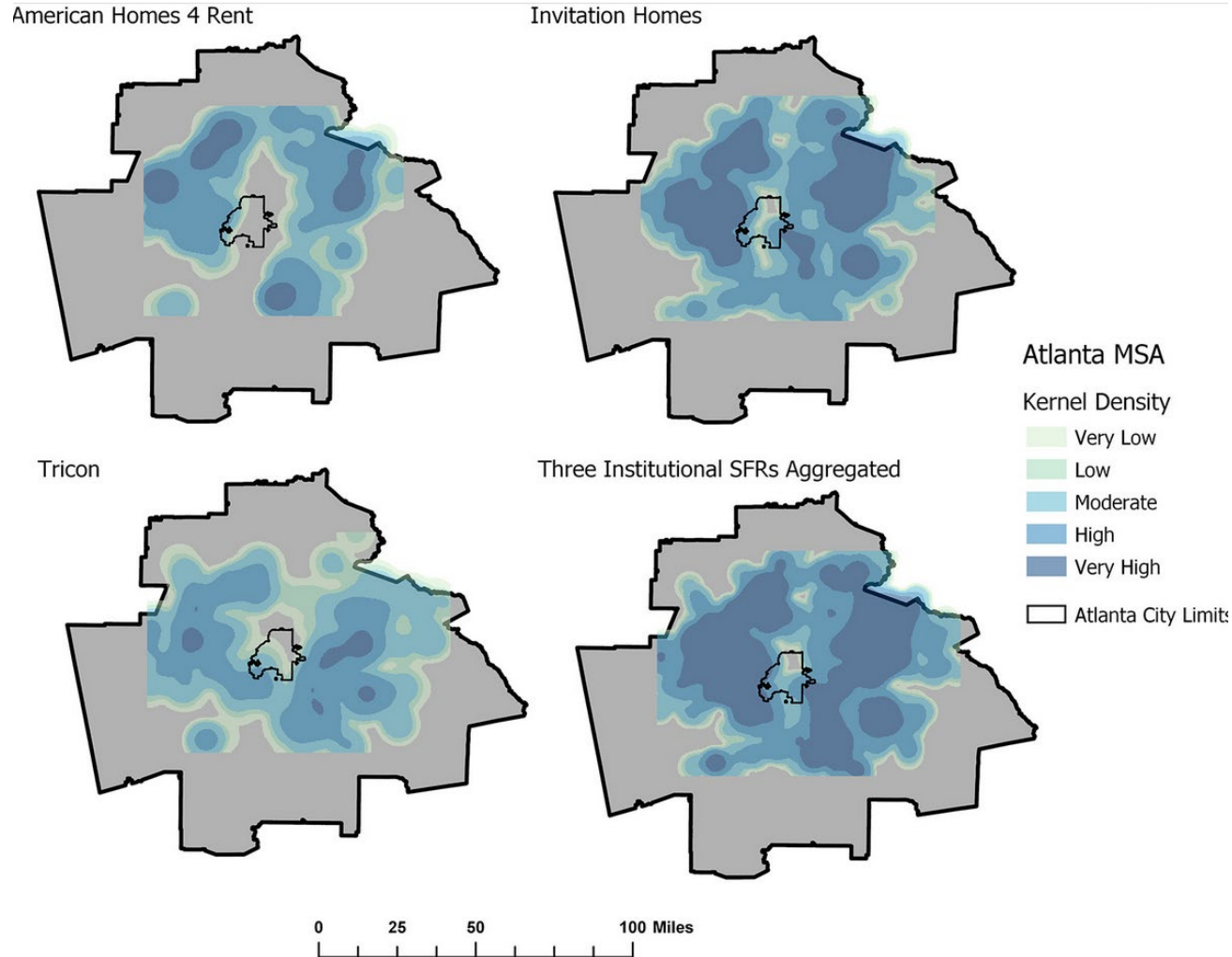
High prevalence of children

Low HCV rates

Rising economic disadvantage

High	Low	Middle
Las Vegas	Baton Rouge	(All Others)
Los Angeles	Jackson	
Stockton	Oklahoma City	
Tucson	McAllen	
Phoenix	Little Rock	
San Diego	Madison	
Riverside	Charleston	
Oxnard	Des Moines	
Miami	Omaha	
Atlanta	Augusta	
Orlando	Greensboro	
San Francisco		
Bakersfield		
Milwaukee		
Memphis		
Sacramento		
Colorado springs		

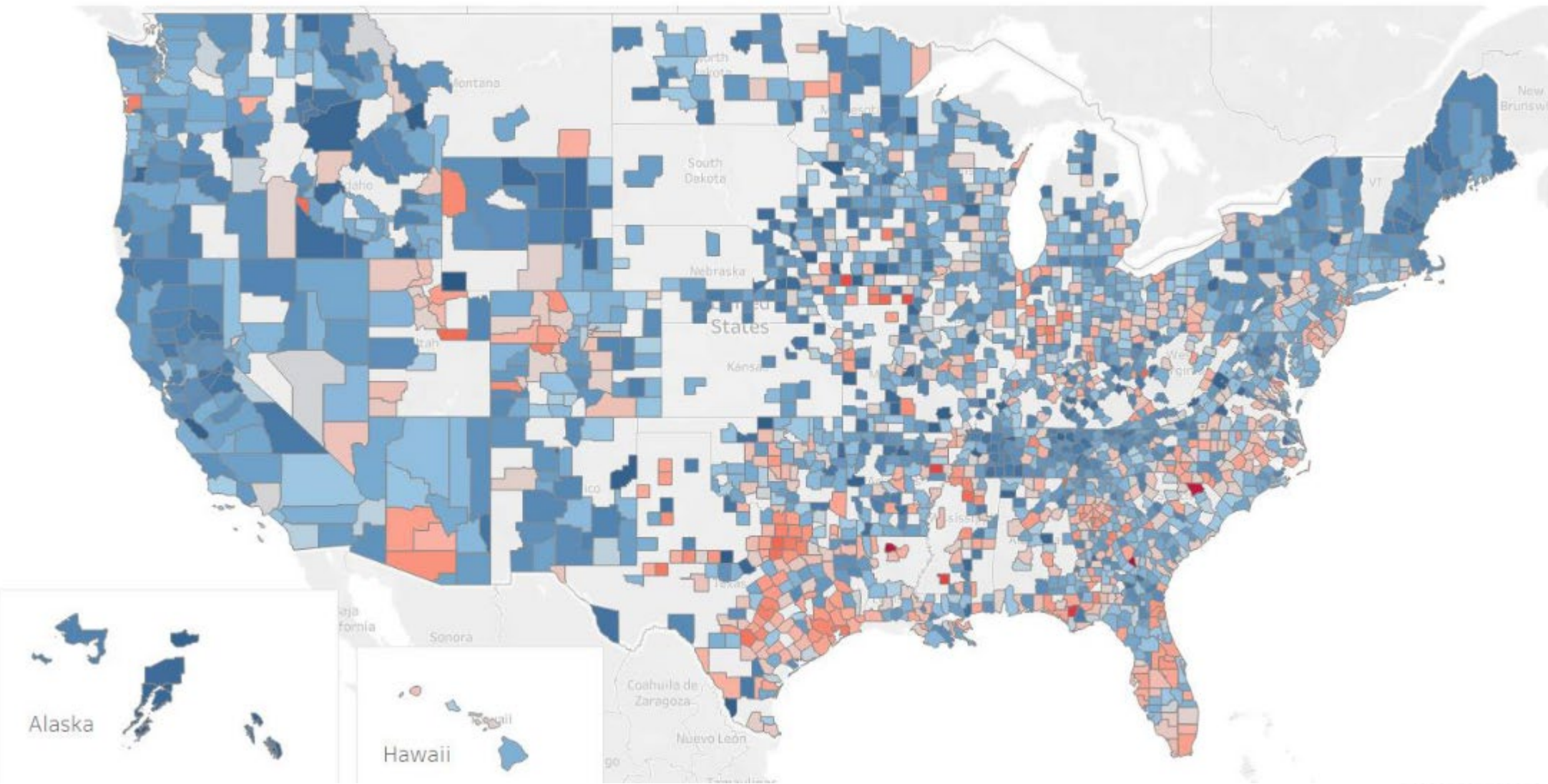
Within cities, where are institutional investors renting homes?



In many cities, a majority of these homes are outside of the principal city limits, though in some areas there is a significant presence within the city.

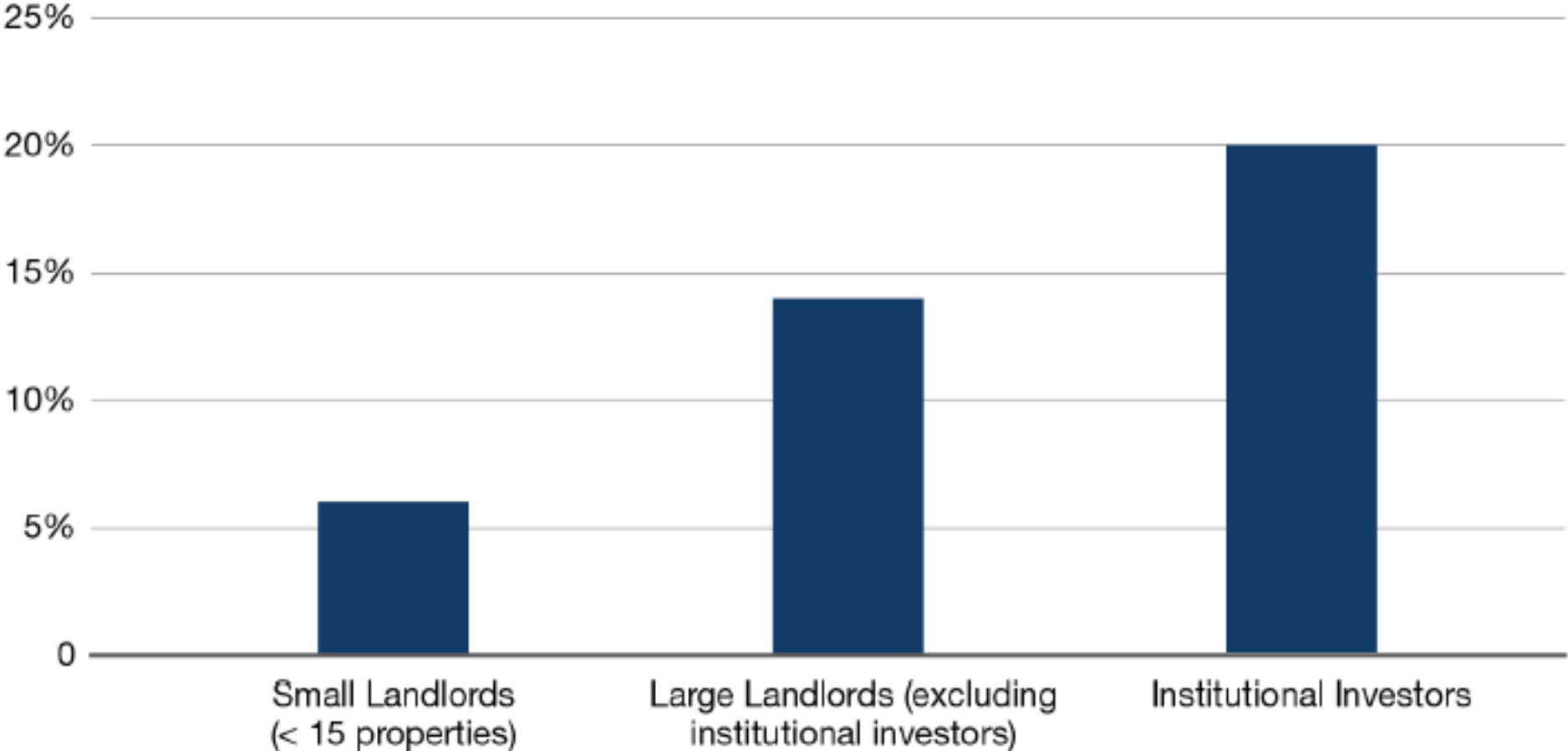
While Institutional Investors have low market share nationwide, they comprise high percentages of submarkets in particular regions.

In 2021, institutional investors purchased 13% of all single family homes. They focused purchases across the sunbelt, and in communities of color.



Source: NAR, 2022

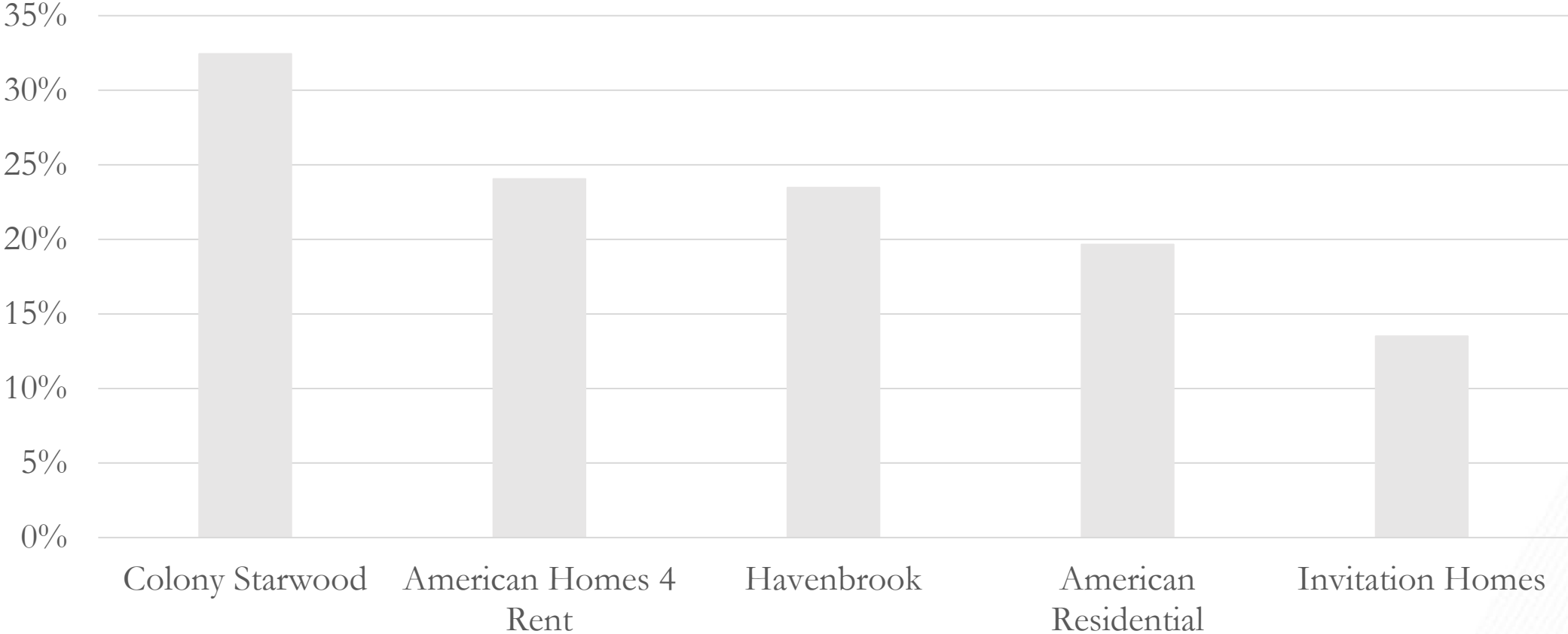
Eviction Filing Rates by Single Family Rental Landlord Type, 2015



Source: Raymond, E. L., Duckworth, R., Miller, B., Lucas, M., & Pokharel, S. (2018). From foreclosure to eviction: Housing insecurity in corporate-owned single-family rentals. *Cityscape*, 20(3), 159-188.

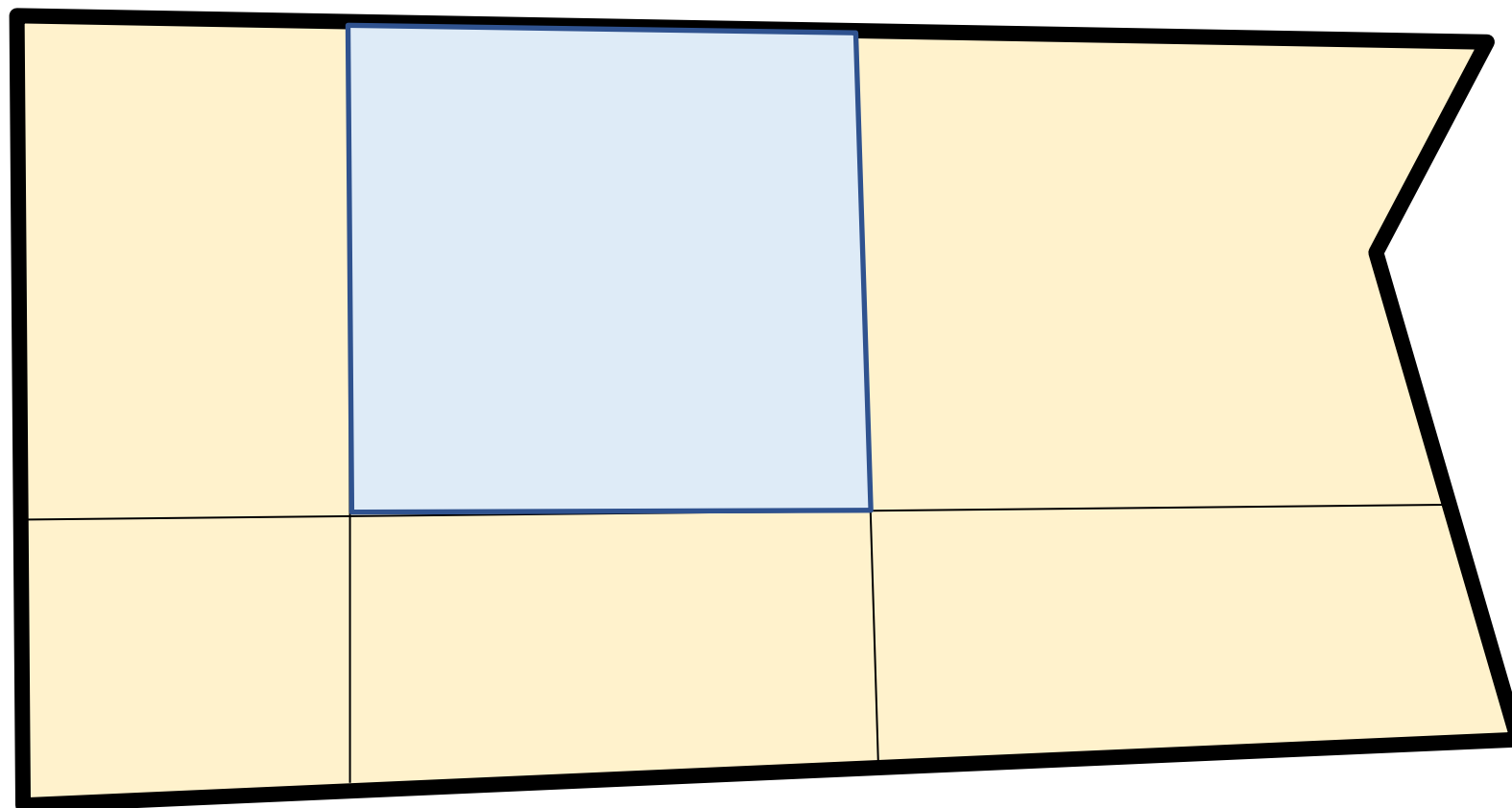
Some Institutional Investors evict far more often than other firms.

Percent of tenants served with an eviction notice in 2015



Source: Raymond, E. L., Duckworth, R., Miller, B., Lucas, M., & Pokharel, S. (2018). From foreclosure to eviction: Housing insecurity in corporate-owned single-family rentals. *Cityscape*, 20(3), 159-188.

Change in demographics between neighborhoods with and without an investor apartment purchase



Census Tract



Block Group with Investor Apartment Purchase



Block Group without Investor Purchase

Source: Raymond, E. L., Miller, B., McKinney, M., & Braun, J. (2021). Gentrifying Atlanta: Investor Purchases of Rental Housing, Evictions, and the Displacement of Black Residents. *Housing Policy Debate*, 31(3-5), 818-834.

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In Metro Atlanta, by summer of 2021, large corporate investors purchased 17% of all SF homes, and 53% of all SFR

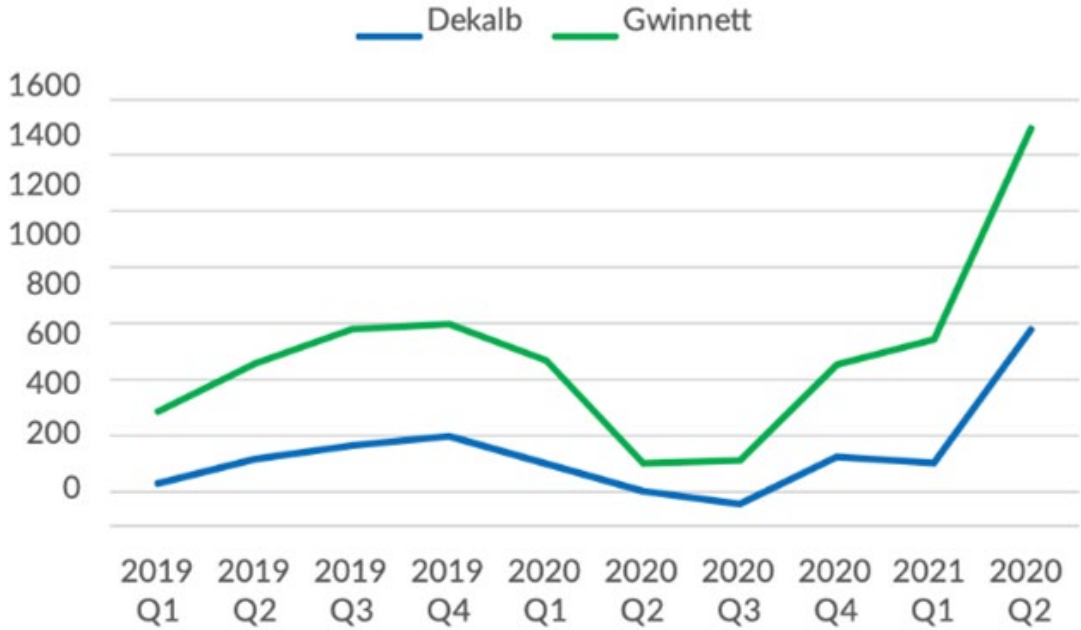


FIG. 1. CORPORATE INVESTOR PURCHASES OF SINGLE-FAMILY HOMES IN GWINNETT AND DEKALB COUNTIES.

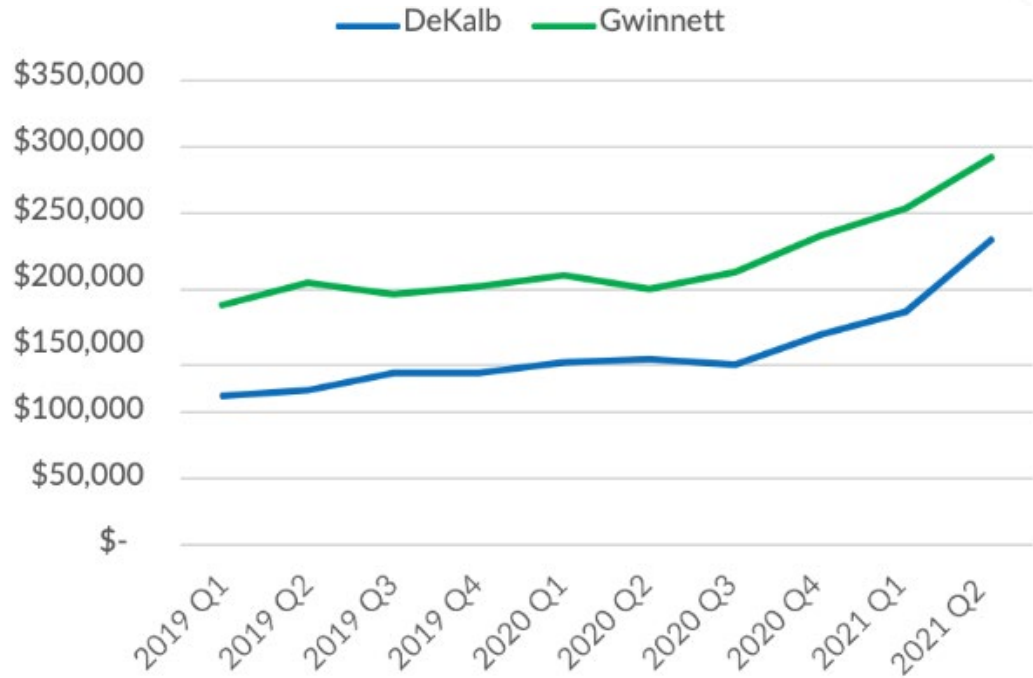


FIG. 2. SINGLE-FAMILY RENTALS, MEDIAN SALES PRICE BY COUNTY.

Raymond, E; Zha, Yilun; Knight-Scott, E; Cabrera, L. (2022). Large corporate buyers of residential rental housing during the COVID19 Pandemic in three southeastern metropolitan areas. *Planning + Property Lab at Georgia Tech*, 2022-1.

In Atlanta, prices rose by just 9% for owner occupied homes, but by 28% for single family rentals

TABLE 2. MEDIAN PURCHASE PRICE BY TYPE OF BUYER

Buyer Type		2019 Q2	2020 Q2	2021 Q2	% change 2019 Q2 – 2021 Q2	CAGR
<i>Large Corporate Firms</i>	Single-family Rental	\$132,500	\$119,891	\$275,000	108%	28%
	Rent-to-Own	\$154,700	\$265,000	\$254,000	64%	18%
	Trading Partner	\$215,750	\$190,419	\$280,700	30%	9%
<i>Other Corporate Buyers</i>		\$147,500	\$160,000	\$231,500	57%	16%
<i>Households / Owner-Occupied</i>		\$260,000	\$274,000	\$335,200	29%	9%

Raymond, E; Zha, Yilun; Knight-Scott, E; Cabrera, L. (2022). Large corporate buyers of residential rental housing during the COVID19 Pandemic in three southeastern metropolitan areas. *Planning + Property Lab at Georgia Tech*, 2022-1.

In all three cities, SFR and RTO firms purchase in predominantly Black and nonwhite Hispanic neighborhoods

Demographic Characteristics of Large Corporate Buyer Purchases, by Firm type

	Rent-To-Own	Single Family Rental	Trading Platform
Percent Renters	33%	38%	29%
Percent Nonwhite	84%	84%	60%
Percent Immigrant	13%	12%	21%
Poverty Rate	0.12	0.15	0.11

Raymond, E; Zha, Yilun; Knight-Scott, E; Cabrera, L. (2022). Large corporate buyers of residential rental housing during the COVID19 Pandemic in three southeastern metropolitan areas. *Planning + Property Lab at Georgia Tech*, 2022-1.

Takeaways

1. Institutional investors purchase primarily in cities that already have an elastic supply of housing, and are optimistic about Build-to-Rent
2. No longer distressed property investors; outcompete households on price; secondary market investor appetite and ISFR cost of debt in financial markets is key
3. Rising market share may create opportunities for monopolistic price setting but we lack national property datasets to accurately determine market share or effectively track rents
4. There are serious disparate impact issues

Thank you!

Raymond, E. L., Miller, B., McKinney, M., & Braun, J. (2021). Gentrifying Atlanta: Investor purchases of rental housing, evictions, and the displacement of black residents. *Housing Policy Debate*, 31(3-5), 818-834.

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