Myths Vs. Facts: Investor Homeownership

Myth: Institutional investors take homes away from families.

Fact: Institutional investors own just 3% of single-family rentals, less than 0.5% of the total single-family housing stock.[1]

Myth: Institutional investors have priority during the sale of a house.

Fact: An institutional investor must compete with other buyers when purchasing a home.

Myth: The housing affordability crisis exacerbated by institutional investor homeownership.

Fact: The affordability crisis is driven by a lack of housing supply, not demand. More housing supply, for purchase or for rent, lowers housing prices overall.

Myth: Wall Street owns a majority of single-family rentals in communities across the country.

Fact: "Mom-and-pop" investors, those who own 10 or fewer properties, account for a majority of investor-held housing stock.[2]

Myth: Renting means someone is financially in distress and cannot afford to purchase a home.

Fact: Many high-income households rent due to convenience.

[1] https://www.urban.org/urban-wire/will-regulating-large-institutional-investors-actually-make-housing-more-affordable

[2] https://www.realtor.com/news/real-estate-summary/mom-pop-investors-crackdowns-benefits-recap/

NAHB National Association of Home Builders