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Trump Takes Steps to Curb Big Investors In Market For Homes

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President Trump said he would move to ban large investors from buying singlefamily homes, the administration's first significant move to address the country's severe housing shortage.

"I am immediately taking steps to ban large institutional investors from buying more single-family homes, and I will be calling on Congress to codify it. People live in homes, not corporations," Trump said in a social-media post Wednesday. It isn't clear if Trump can carry out such a ban without congressional approval, and big investors would still be able to hold on to their hundreds of thousands of existing homes. Yet if the president is able to enact a ban, it would likely ripple through a number of major housing markets across the country.

Wall Street's presence in the housing market began growing after the subprime mortgage crisis started to erupt in 2007, even though institutional investors have never owned more than a tiny slice of the overall housing market. Some estimates put the figure around 2% to 3%.

But in several cities, investors hold a significant share of homes. During the pandemic housing boom, investors accounted for more than 20% of all home sales in some hot markets, including Houston, Miami, Phoenix and Las Vegas.

Sunbelt cities have been a particular target for institutional homeownership. A 2024 analysis by the Government Accountability Office said large institutions owned 25% of rental homes in Atlanta and 18% in Charlotte, N.C. Note

Investors of all sizes spent billions of dollars buying homes over the past dozen years. At the 2022 peak, they purchased more than 1 in every 4 single-family homes sold. Most of these purchases were made by small investors looking to rent out properties. Investor purchases, alongside those made by traditional buyers, slowed when mortgage rates surged.

Single-family rental companies that buy up homes say they offer their residents an opportunity to live in upscale neighborhoods with good school districts that they wouldn't be able to afford to own.

But growing voter anger over high homeownership costs has led government officials from both parties to try to crack down on institutional investors in their local markets. Nebraska, California, New York, Minnesota and North Carolina are among the states where lawmakers have proposed laws to restrict large investor home purchases, though most haven't gone anywhere.

Home prices are up more than 50% nationally since 2019, and the median existinghome price in November rose to $409,200.

Investor purchases have also made it harder for some first-time buyers to compete with Wall Street-backed investment firms, with their allcash offers. Institutions don't always offer more money, but they are able to close a deal quickly and rarely quibble over worn flooring or dated bathrooms.

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A bipartisan Senate bill last year that aimed to increase housing supply by streamlining certain federal programs and improving access to affordable mortgages passed the Senate unanimously. But it was blocked by House Republicans.

Share prices of large institutional homeowners plummeted. Invitation Homes was down about 6% at Wednesday's market close, while shares of American Homes 4 Rent slid more than 4%.

Shares of home builders also fell on Wednesday. These firms sometimes sell their excess supply to large investors or build homes specifically for these firms to rent. D.R. Horton's stock price was down more than 3% on Wednesday.