

United States Senate

June 13, 2024

The Honorable Adrienne Todman
Acting Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Dear Acting Secretary Todman:

I write to express my concern with the impact of corporate investor activity on the availability and affordability of housing in Nevada. At a time when hardworking Nevada families are facing high prices and low supply when looking for a place to call home, predatory practices by corporate landlords exacerbate existing barriers. As the Department of Housing and Urban Development (HUD) works to fulfill its mission to create quality affordable homes, it is critical the agency play an active role in evaluating and addressing the impact of corporate investor purchases on housing markets to ensure that Nevadans are able to access safe and affordable housing.

Rising home prices and a severe affordable housing shortage have contributed to an untenable housing market for renters and homebuyers in Nevada and across the country. More renters are cost-burdened than ever before, with a recent report finding that half of renters in the United States are spending more than 30 percent of their incomes on rent.¹ First-time homebuyers are also struggling, with steep prices and high interest rates making it nearly impossible for new buyers to enter into affordable homeownership. These trends are being felt acutely in Nevada, which faces a shortage of nearly 80,000 affordable rental homes² and one of the largest increases in home prices over the last decade.³

Widespread corporate ownership of available housing stock has only made the affordable housing crisis worse. In recent years, corporate investors have increasingly invested in single family homes – with nearly 14 percent of Clark County’s single family housing stock owned by non-occupant corporate investors in 2023.⁴ This level of investor ownership can have significant negative effects on nearby communities, especially on older, middle-income communities and communities of color where corporate investments are frequently concentrated. Investor activity can drive up home prices and rents, with home prices in areas with a large investor presence often increasing as investor presence grows. Further, the predatory practice of buying up entire neighborhoods enables bad actor corporate investors to unreasonably raise rents without facing competition – often while leaving maintenance and assistance requests unanswered. High

¹ https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf

² <https://nlihc.org/housing-needs-by-state/nevada>

³ <https://www.reviewjournal.com/business/housing/nevada-had-3rd-highest-home-price-hike-in-past-decade-report-says-2796777/>

⁴ <https://www.reviewjournal.com/business/housing/why-does-wall-street-want-to-buy-your-house-2911641/>

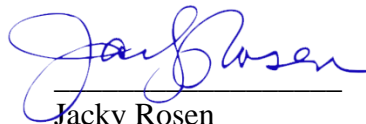
corporate ownership also may present barriers to affordable homeownership for first-time and middle-income homebuyers, as most individual homebuyers cannot compete with investors' all cash offers or bulk purchases and are therefore crowded out from accessing affordable homes.

By raising housing prices and decreasing the supply of affordable homes on the market, many bad actor corporate investors are putting the American Dream of homeownership and housing security out of reach for too many. With Nevadans already struggling to pay their gas, grocery, and child care bills, families simply cannot afford unnecessary and predatory housing cost increases. As HUD considers ways to address the impact of increased corporate investor activity on affordable housing access, I urge the agency to:

- Investigate whether home prices are being manipulated by artificially reducing housing capacity, excessively increasing prices, or through other predatory practices;
- Monitor home purchases across the country to investigate market manipulation, including through data collection of housing purchases by corporate investors;
- Collect and analyze data on bad actor corporate investor practices that unfairly prevent applicants and tenants of rental housing from accessing or staying in their units; and
- Robustly support programs that help mitigate the impact of bad actor corporate investors in our neighborhoods by increasing housing supply and supporting homebuyers, including the National Housing Trust Fund program, the Low-Income Housing Tax Credit program, the HOME Investment Partnerships Program, and down payment assistance programs.

Thank you for your consideration. I look forward to working with you to lower housing costs, increase access to affordable housing, and ensure Nevadans are safeguarded from predatory practices by bad actor corporate investors.

Sincerely,



Jacky Rosen
United States Senator