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OPINION

# Investors are breaking the housing market

Bipartisan response is needed to Wall Street's housing spree.



Signs advocating against short-term rentals sat in the lawns of homes along Loma Vista Drive in North

By [Dallas Morning News Editorial](#)

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The dream of owning a home has become a bitter joke for too many people.

You’ve probably seen some version of the meme: a boomer who bought a house for peanuts lectures a millennial about cutting back on Starbucks to save for a down payment.

There are many complicated causes to what’s driving up the price of homes, but one thing that needs to be addressed is the role of institutional Wall Street buyers or even individual investors who are making a farce of the American dream.

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We believe in the free market, but we also know that markets become

distorted when heavily capitalized firms compete on pricing with regular folks.

## Opinion

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*The Wall Street Journal* reported this week there is increasing bipartisan resolve to address the growing problem of investors crowding families out of the housing market. The total investor share of housing purchases has increased to some 25% of the total market from a stable 18 to 20% from 2016 to 2021.

“At the 2022 peak, they bought more than one in every four single-family homes sold,” *The Journal* reports.



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Bills from both Democrats and Republicans are popping up to make it harder for institutional investors to sweep up so many single-family properties that they affect affordability for both renters and would-be buyers.

That includes plans from Republicans to heavily tax large landlords to get them out of the business of single-family homes. There are also bills to cap ownership.

The scale of the problem is serious. In March, The Texas Tribune reported that [“Texas led the nation in home purchases by investors in 2021,](#) according to the National Association of Realtors — 28% of all homes sold that year went to an institutional investor.” *The Journal* reports that, in and around Atlanta, “11% of all rental homes in the five-county area are now owned by three real-estate companies.”

[We praised Gov. Greg Abbott last month](#) for a pledge to push legislation to address corporate intrusion on the single-family home market.

We don't really know how big the problem in our region is. Tracking it is complicated.

What we do know is that home ownership is a cornerstone of the American dream that is now out of reach for too many people. And those who are buying homes are leveraging too much of their income to afford what they get.

A free market is central to our way of life. But a broken market that is rigged against regular folks undermines our way of life.

Government has to step in smartly here to restore some balance in housing. Because a home is about more than making a buck. It's about having a life.

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