**NNIP Camp Detroit, Session 3**

**9/25/24**

**Investor-Owned Housing - What’s Happening in Your Community?**

**Leader:** Leah Hendey

**Notetaker:** Jake Cowan

**Attendees:** Josh Akers, Lee Guekguezian, Noah Urban, Edward Lynch, Kendall Nash, Devin Keithley, Jeremy Pyne, Amy Rohan, Amanda Beavin, Mike Schramm, Mike Henderson, John Cruz(?), Cara Stretch, Dante Haywood, Brandon Stanaway, Nikolai Elneser, Lucas Munson, others?

**Opening Discussion - What are our questions?**

* Evictions - are they happening more in investor owned housing?
* Are investor owned homes linked to short term rentals (airbnb/VRBO)?
* What is the scale of investor owned housing?
* What are investment patterns - how are investors holding properties?
* Who is buying? Out of towners? Is that changing?
* What are the characteristics of investors - e.g. small mom/pop, national funds?
* What protections are there for tenants in investor owned housing?
* Are there housing portfolios for sale in our community that we can we raise $$ to save? (such as portfolios that include NOAH)
* How do we approach this while encouraging the supply side - development - to work?
* Issue to consider: poor condition of a home doesn’t mean the resident is responsible for the poor condition
* Do we know how investor owned housing affects housing affordability?
  + (Josh/KC) - we know some about this from local studies, no national yet
* Policymakers don’t know what’s going on - how do we educate them?
* Tenant surveys - tenant perceptions of affordability varied - 75% more worried about affordability; people don’t know if their building is investor owned, how do they know their landlord? (Lee/MN work)
  + How do we develop standardized data about tenant perceptions in experiences through surveys, qual methods?
  + City - said needed even more evidence to make policy decisions
* (Josh/KC) - Eric Seymour, Dan Immergluck - academics with 10ish years of scholarship on this
  + Key is a systems approach - what are acquisition points? What are touchpoints government can control? What are costs to city of not maintaining?
  + Who is getting locked out of market (affordability)?
  + All starts with foundational understanding of who the investors are
  + What’s the velocity of evictions depending on ownership type?
    - Build an evictions scraper/and then connect to what can advocates and organizers do?
* Need to wrap all of this in a systems approach and connect it to a set of clear problems and policy levers
* City commissions and committee include owners - which can then be like asking landlords to manage landlords
* Are investors going after/targeting older homeowners?
  + Buy homes for cash - assembling housing and selling portfolio to larger investors
* Does investor owned housing create barriers to homeownership entry?
* How do we incentivize different types of housing production - bigger units for family?
* All of these dynamics we talk about with investor owned housing also take place with local owners - local owners are not necessarily universally better - tie this conversation to housing as investment, as a commodity - tie this this broader conversation about rent caps/controls.
* Ohio - affordable housing tax benefit went away - so land bank holds the properties to keep properties affordable (4-5 buildings holding tax free to preserve affordability - occupied rentals) - otherwise rent would go up to cover the taxes
* Local investors can also have large portfolios - might be things they inherit but cannot maintain
* Ownership patterns very a lot in neighborhoods - ownership to stabilize neighborhoods happens a house at a time - and in some places local owners know the market well, acquired properties
  + (Detroit/Josh) Become a matter of who will be the last person holding this title? Shell game. Holding the line with not improving properties or participating in community
* Which mom/pops (or individuals) create LLCs? Who does this? Why? Typologies need to account - Josh has 2 million LLC record reviews under his belt - tedious but necessary work
* MKE - John Johnson - code/example for linking people to LLCs - Marquette School of Law - “Who owns MKE properties” - has Github repo
  + [See article](https://law.marquette.edu/facultyblog/2024/03/landlords-use-many-different-llcs-a-new-tool-mkepropertyownership-com-connects-them/) to get started
  + [John’s Github](https://github.com/jdjohn215)

**Second Half of Discussion, Some focus on local partnerships/local examples**

* Tenant rights Advocates - tying to campaigns - where would we have been if we had policies in place?
* Lincoln Inst for Land Policy product (uses ReGrid) [Who Owns America: The Geospatial Mapping Technology That Could Help Cities Beat Predatory Investors at Their Own Game | Lincoln Institute of Land Policy](https://www.lincolninst.edu/publications/article/2023-07-who-owns-america-mapping-technology-property-ownership-center-for-geospatial-solutions/)
  + Policy people were impressed anyway (Mike Schramm saw this at a presentation)
  + But they didn’t do the tedious LLC record reviews
* Rocket Community Fund - tax foreclosure prevention, tangled titles work - trying to connect more locally, something coalescing there
  + MKE - Reclaiming our Neighborhoods - $$ for housing surveys over decades - grassroots picketing individual landlords - Rocket paid for this to grow and add new neighborhoods
  + Now connecting with residents asking about interior conditions
  + 30k parcels assessed this year
  + Goal is to focus on biggest 3 landlords with bad property conditions
* Multifamily/Single Family - consider these are different investor dynamics (Josh assessing for KC including inner ring suburbs)
  + LISC is partner for national multifamily study
* Hard to try to convince local government that a master property file is foundational data
* How to balance/think about - risk of creating vacancy/vacant prop where there was once an occupied unit (which might be in disrepair but looked ok or functioned well enough that it looked better than a vacant unit)
* Where is the money going to come from for all of this work?
  + [KC: trying launch a real estate investment trust - LISC stress tested this](https://kcrhp.org/2024/07/26/regional-housing-fund-update-webinar/)
  + Underlying is how do we think about production and affordability together
  + Investment is not bad; how do we support keeping money in the community, landlords who want to do better
* San Antonio - just getting started - what is happening with ownership around two new transit lines
* Also in KC - partnering with Sedgwick County (Wichita) provided TA to get them started - meet every 3 months - help places get started - partnering on the how(which we need more of)
* Are we rethinking/do we need to rethink homeownership?
  + Is it the best way to build wealth?
  + How to talk about this without driving people away (e.g. single family homes where there should or could be density)
* Short term rentals - how is that reflected in the data? How much of the ownership market is taken up by this?
  + It’s pretty easy to scrape AirBnB, VRBO harder but very small share of the pie
    - Deduplicating is impossible
    - National Data Vendor (AirDNA) point data is masked - but can see things like # of nights rented - Josh is doing analysis now
      * $20k for full package, $3,500 to look around
  + Can get at it through license data where cities required those
* AirBNB regulations can be context for the potential to regular investor owner housing (Lee/MN has done some policy scans on this); the idea is policy makers might not see that they have any ability to regulate investor owner housing, so show them that they can through examples of regulating short term rentals.
* There is some resentment of long time homeowners to renters - so have renters in these conversations to balance those voices that can at times take up space unchallenged
* [Open Corporates](https://opencorporates.com/use-cases/ngos/) - LLC info - have data available to nonprofits/academia not sure what use restrictions are.
* [BrightQuery](https://brightquery.com/) (no one knows about it here), offered demo to Urban.