

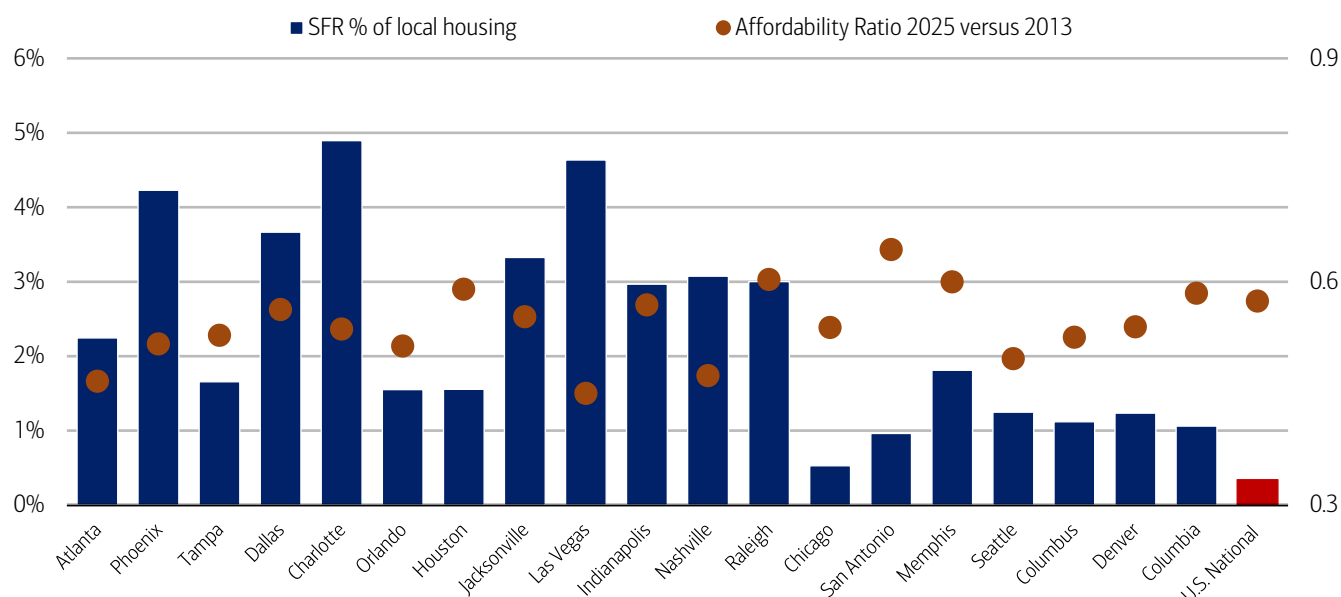
Daily Insights

Small role for institutional ownership in housing costs

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Institutional ownership of single-family rentals (SFRs) tend to be concentrated in specific geographies like Atlanta, Phoenix, Tampa, Dallas, and may account for around 3-5% of the outstanding housing stock in those metros, versus only 0.35% nationally

Percentage of SFR holdings to housing supply in select geographies (y-axis on left-hand side), with 10-year change in affordability (y-axis on right-hand side)



Source: BofA Global Research, U.S. Census, Atlanta Fed

Interpreting the affordability ratio: A ratio of 1 means affordability is unchanged since 2013. However, an affordability ratio below 1 indicates homes are less affordable; for example, 0.5 means the city is about half as affordable in 2025 compared to 2013.

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How impactful might a potential ban on institutional single-family home purchases be in addressing local housing affordability? According to BofA Global Research, restricting big buyers is unlikely to materially affect housing affordability or availability in the near term. They highlight that, nationally, institutional holdings remain well under 1% (0.35%) of the housing stock.

And it's not just homeownership, institutional investors account for only around 3% of single-family rentals (SFR). Meanwhile, about 80% of SFR rentals are owned by mom-and-pop landlords. And while SFR rates vary across cities, even in the cities with the highest percentage of SFRs – including Charlotte, Las Vegas and Phoenix – SFRs generally are still only a small portion of overall housing stock, reinforcing the idea that other factors are likely driving up housing prices.

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