LABOR & ECONOMY

Wall Street Investors Intensify Aff Housing Crisis

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Research shows that corporate landlords are contributing to a rise in housing prices.

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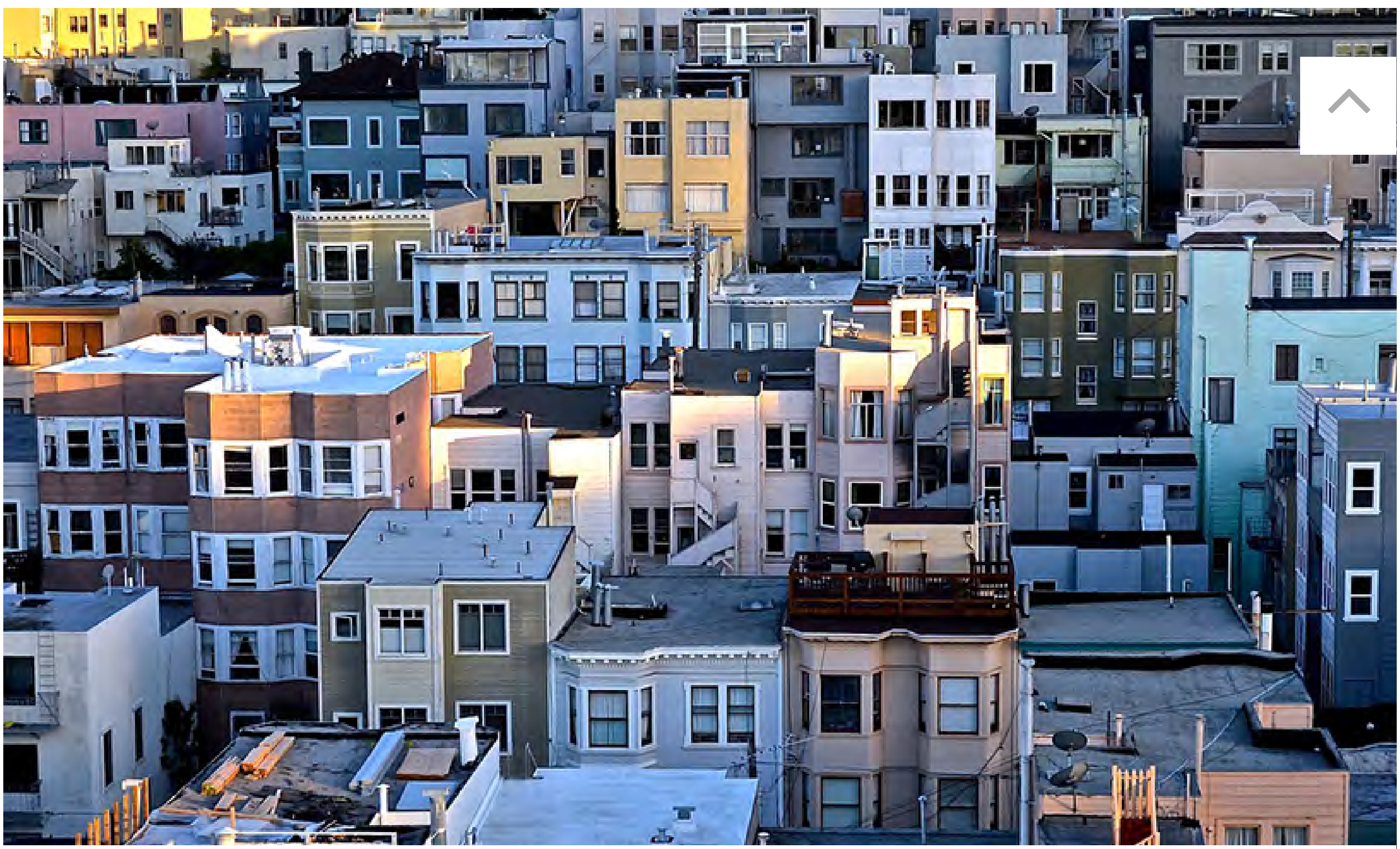

tandem with Wall Street's home buying spre

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Wall Street firms drove up housing and rent prices while depressing homeownership after the financial crisis, according to a new study of economic data.

The analysis from researchers at the Philadelphia Federal Reserve found that after th of the housing market a decade ago, institutional investors such as Blackstone, Cerbe Capital and Golden Tree seized on the opportunity to buy up homes and convert ther rental units.

In all, the researchers found that institutional investors' purchases of residential pro represented nine percent of the overall housing price increases since the crisis — and percent of the decline in homeownership rates.

"Institutional investors have helped local house price recovery but depressed l homeownership rates," the study concluded. Such "buying and selling in the single-f housing market affected the local rental market, raising rental price growth rates."

In mid-2018, housing prices hit their least affordable rates in a decade, according to compiled by ATTOM Data Solutions. Meanwhile, between 2001 and 2015, America sa percent increase in the number of households that spend more than 30 percent of the income on housing, according to data from the Pew Charitable Trusts.

The housing affordability crisis has happened in tandem with Wall Street's buying sp Federal Reserve researchers noted that "the institutional investor-purchased share o family homes has been mostly flat during the early 2000s but picked up significantly mortgage crisis broke out in 2007."

Corporate investors own roughly 200,000 single-family homes, according to industry the last year, major Wall Street firms have continued buying up single-family homes,

control laws. In some cases, the resources backing the campaign came from investme
managing public pension money.

The Fed study did offer one silver lining: It found that institutional investors' presen
housing market did contribute to declining unemployment rates, particularly in cons

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