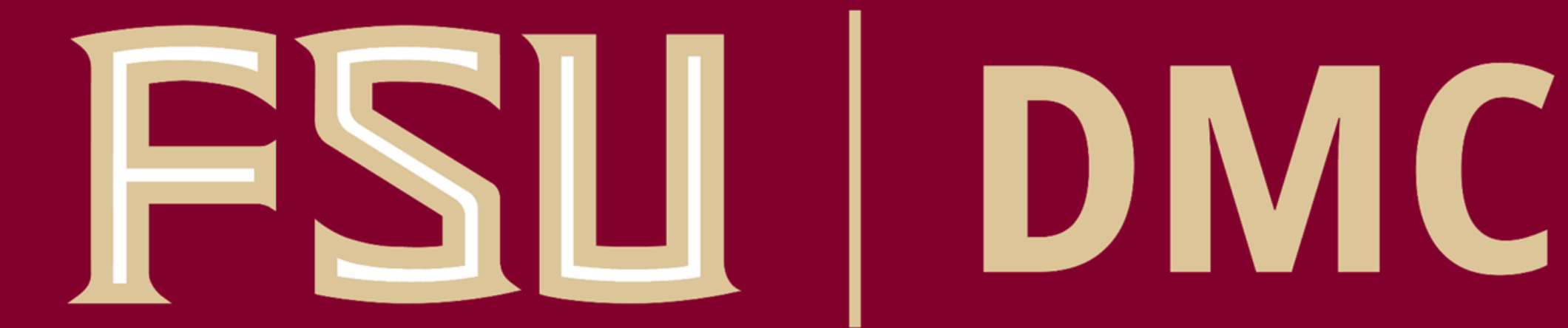


An Analysis of Florida's Investor-Owned Single-Family Homes

Joseph Duran & Alexander Kajda Mentor: Dr. Crystal Taylor, PhD
Florida State University, DeVoe L. Moore Center



Research Questions

1. Is the rate of investor home-ownership increasing or not in Florida?
2. What, if any, are the potential impacts of investment companies purchasing single-family properties on home prices in Florida?

Background

- Since COVID-19, investor purchasing of single-family homes throughout Florida has been on the rise.
- For renters, corporate investors and firms own approximately 10% of Florida's single-family rentals. This rate exceeds five times that of other states.¹³
- For homeowners, research has shown investment property ownership is associated with an increased 'price-to-income' ratios.¹
- Some research suggests that this could be due in part to investment companies purchasing single-family homes at prices higher than homeowners, which leads to an increase in surrounding single-family home prices.²¹

Methodology & Model

Population: Over 5 million FL single-family homes from Florida Geospatial.

Sample: 461,261 single-family homes, only includes homes with updated sales data in 60/67 FL counties.

$$H_0: \mu_{\text{Investor}} = \mu_{\text{Homeowner}}$$

$$H_1: \mu_{\text{Investor}} > \mu_{\text{Homeowner}}$$

Ran an ANOVA model in R Studio that identifies treatment effects for

- 1) *Traditional homeownership*,
- 2) *Small investor-owned* with homes that shares its mailing address with more than 50 other properties, &
- 3) *Large investor-owned* with homes that shares its mailing address with 100 other properties.

- The ANOVA procedure was replicated with market value.

Sale Difference = Recent Sales Price - Market Valuation

Preliminary Results

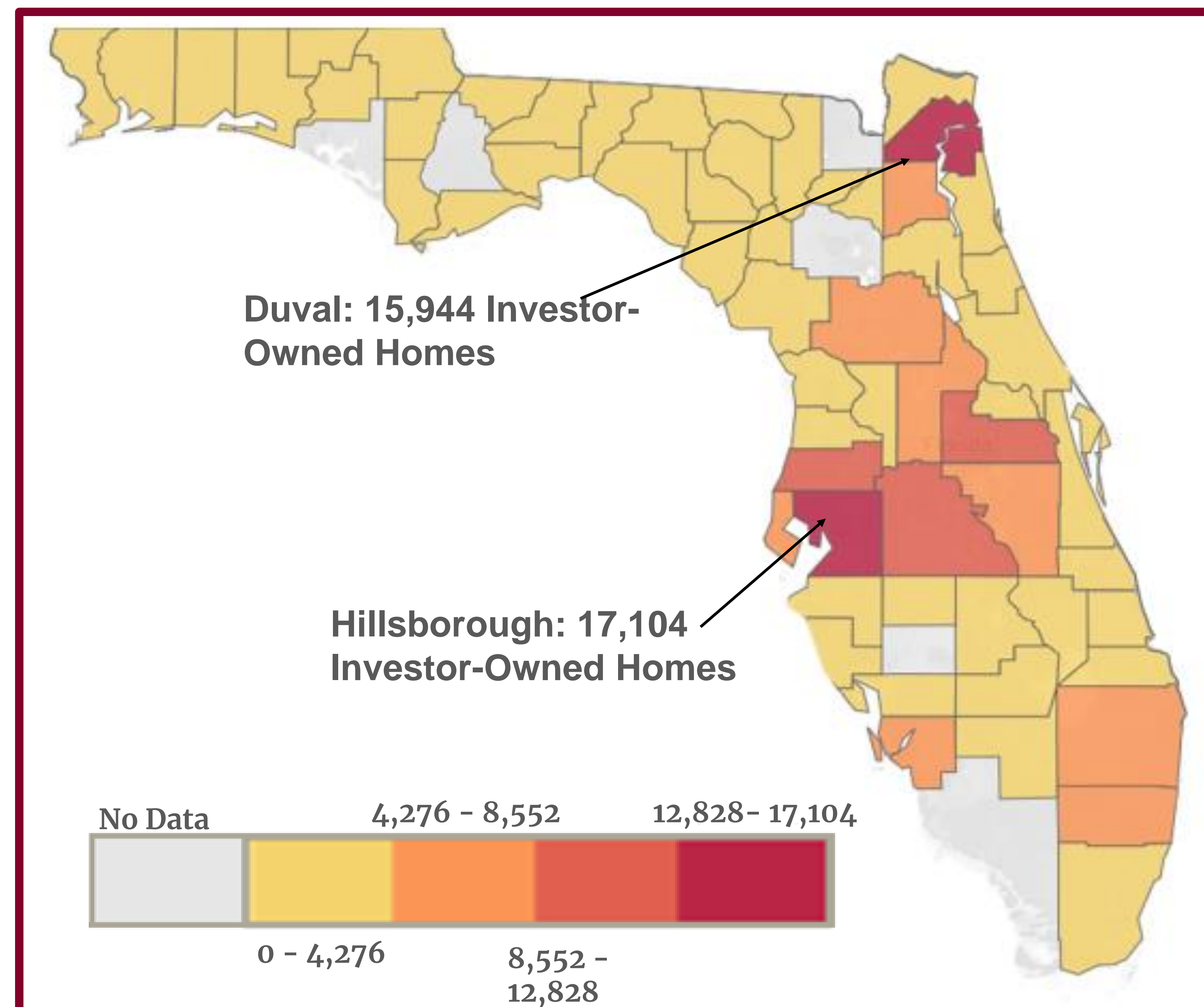


Figure 1. Map of Florida Investor-Owned Homes by County in 2024

- **Limitation:** Data missing from seven counties

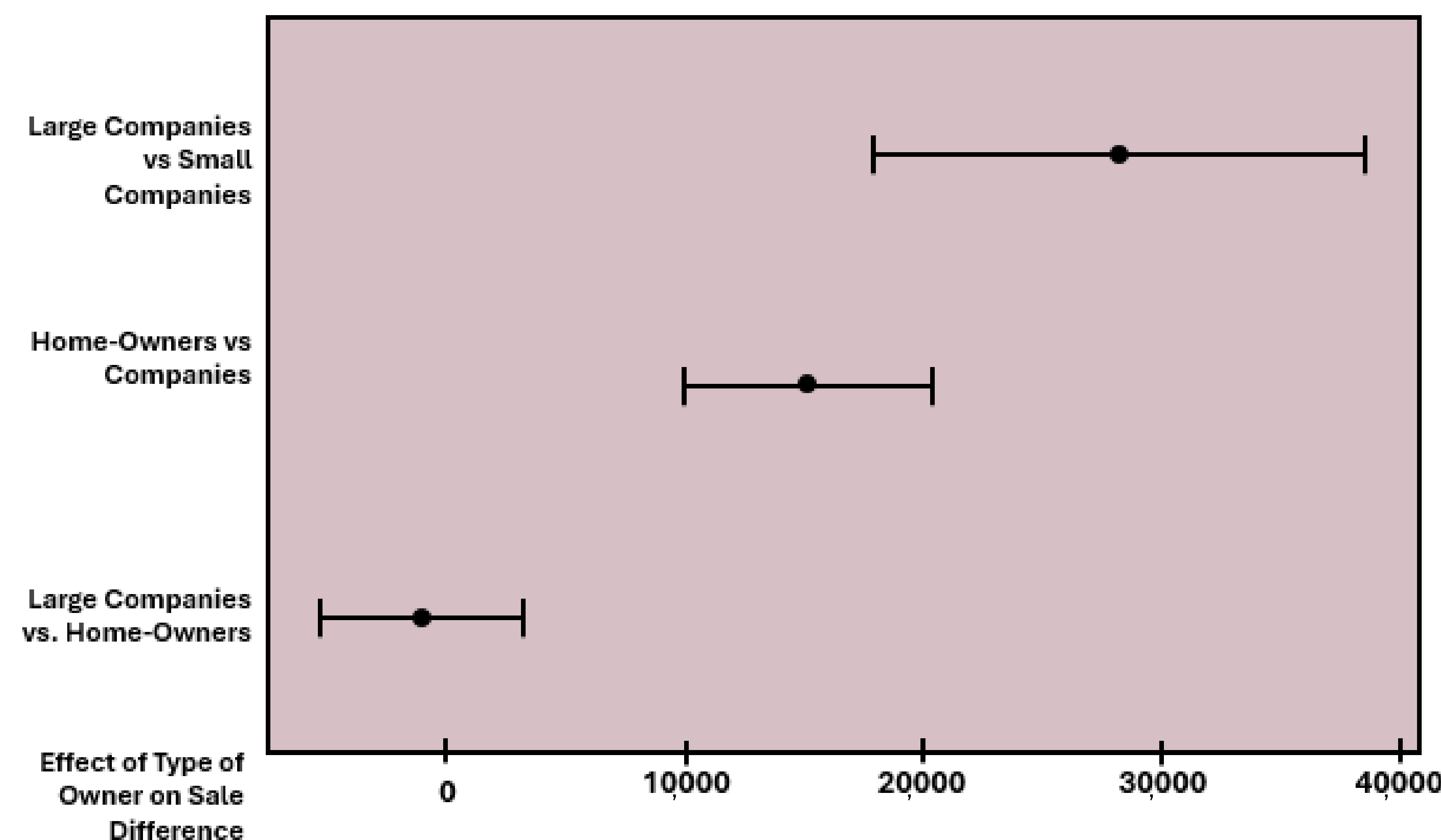


Figure 2. Means Comparison of Different Home Ownership Types in FL

- 139,155 properties owned by investors for an estimated increase of 22,155¹³ over the last year.
- 590 investors identified.
- The median investor has 73 properties.
- The largest investor owns over 28K single-family homes.
- Investment companies buy homes that are \$174,030 cheaper on average.
- Investment companies show a \$15,101 increase in sale difference.

Policy Implications

- Home ownership is a crucial step towards creating generational wealth, and there's currently a high bar of entry into the housing market for several families.
- The Homeowners Assistance Fund (HAF) was implemented during COVID-19 to aid families who lost employment due to supply chain disruptions and to lockdowns.
- Extend HAF to families to incorporate into their incomes to qualify for mortgage loans.

Future Research

- The full scope of this phenomenon is currently limited as the inclusion of investors in the Florida housing market is relatively new and still rapidly increasing.
- Rather than leaning on popular opinions about investment-owned properties, future researchers tracking yearly home sales data can offer data-driven recommendations to policymakers.

References and Acknowledgements

Thank you to Dr. Crystal Taylor, Parker Ridaught, Chloe Offutt, and the DeVoe L. Moore Center

