

# Corporate-Tech Landlordism—The New Era

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## ABSTRACT

*Corporate landlords buy single-family rental homes en masse and employ property technologies to execute fully automated transactions and tenant communication systems. The rapid emergence of corporate landlords is inseparable from the property technologies on which they rely. As such, corporate landlords using property technology to mass acquire and rent single-family homes is referred to as “corporate-tech landlordism.” This new era of landlordism is changing the nature of the landlord-tenant relationships and highlights gaps in the effectiveness of local law to protect tenants’ rights.*

*Property technologies used to purchase single-family homes at scale monopolize and target urban, suburban, and rural markets, rapidly depleting housing stock for prospective buyers in unprecedented ways. Automated property management and tenant communication systems leave tenants with few alternatives to address conditions violations. Corporate profit incentives push corporate-tech landlords to disregard maintenance requests and other landlord responsibilities. Additionally, rent pricing technologies identify ideal conditions for coordinated rent hikes, fee extractions, and bulk evictions, exacerbating housing insecurity.*

*Corporate-tech landlordism is changing landlord-tenant law. As this Article shows, state law is ill-equipped to address the full scope of corporate-tech business across the country. Next, the Article explores the impact of corporate-tech landlords on housing markets and landlord-tenant relations. It then argues that Congress should use its Commerce Clause power to address corporate-tech*

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*business activity and its use of property technologies. Reform should create federal tenant protections to level the landlord-tenant playing field and promote accountability. While landlord-tenant law has historically been local law, policymakers in the new era of corporate-tech landlordism must confront the need for federal intervention.*

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## I. INTRODUCTION

A collective concern in the United States is the need for more housing stock. However, the questions of how, where, and what to build are where views diverge.<sup>1</sup> An opportunity for large investors presented itself in the wake of the Great Recession of 2008. As a result of the foreclosure crisis, a large number of single-family homes were unoccupied and inexpensive.<sup>2</sup> Lenders auctioned off single-family homes in bulk and at low cost.<sup>3</sup> Cheap prices, bulk stock, and geographic proximity of foreclosed homes made buying them efficient for large investors who had not traditionally been involved in the single-family market.<sup>4</sup> Vacant homes absorbed by Fannie Mae and Freddie Mac were also auctioned off to institutional investors, as opposed to being resold to individual buyers.<sup>5</sup> The combination of the recession, low home prices, and high vacancy rates set

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<sup>1</sup> U.S. DEP’T OF HOUS. & URB. DEV., *Glossary of Terms to Affordable Housing* (Aug. 18, 2011), <https://perma.cc/4W4X-VVXC> (defining affordable housing as housing on which the occupant pays no more than 30% of gross income for housing costs, including utilities); *Housing Trust Answers*, TOWN OF WESTBOROUGH, MASS., <https://perma.cc/Z54N-P2SG> (archived May 3, 2025) (defining workforce housing as housing that is affordable to households with total income between 60% and 120% of the Area Median Income (AMI)). In Massachusetts, Workforce Housing programs exist for households with incomes up to 130% of AMI. *Id.*

<sup>2</sup> Brett Christophers, *How and Why U.S. Single-Family Housing Became an Investor Asset Class*, 49 J. URB. Hist. 430, 435–37 (2023) (explaining the conditions of the U.S. housing market, with cheap housing available in bulk, that attracted institutional investors to purchase single-family homes and create the single-family rental market); *see also* Tyler Dukes, *Corporate Landlords Caused Billions in Lost Wealth, Study Says*, RALEIGH NEWS & OBSERVER (Jun. 7, 2023), <https://perma.cc/5DWL-PN7T>.

<sup>3</sup> Christophers, *supra* note 2, at 435–36 (noting that between 2011 and 2014, institutional investors paid 6–12% less than individuals making similar purchases; for example, Blackstone reported that the average price paid for the approximately 25,000 single-family homes it had acquired nationwide in May 2013 had been just \$153,000, versus an estimated average 2006 value for those homes of \$303,000).

<sup>4</sup> *Id.* at 436–37 (explaining that investment in single-family housing was considered too fragmented to be managed economically by large investors dealing in the tens and hundreds of millions, but bulk sales made the investment worthwhile).

<sup>5</sup> U.S. GOV’T ACCOUNTABILITY OFF., GAO-24-106643, RENTAL HOUSING: INFORMATION ON INSTITUTIONAL INVESTMENT IN SINGLE FAMILY HOMES 8–9 (2024) [hereinafter GAO Report] (explaining how government sponsored enterprises Fannie Mae and Freddie Mac launched the REO-to-Rental Initiative pilot program in 2012, which allowed pre-qualified investors to bid on large portfolios of foreclosed properties, to help stabilize the housing market). *See also* Aaron Glantz, *The Housing Crash Was an Opportunity for America. Obama Blew It*, DETROIT FREE PRESS (Nov. 17, 2019), <https://perma.cc/85ZY-6ARN>. How the Federal Housing and Federal Housing Finance Agency handled foreclosed homes was met with disapproval. Critics suggest that it was easier for the federal government to offload foreclosed homes to private investors rather than invest in fixing homes and funding buy-back programs for individuals who lost their homes in the crisis. *Id.* The federal government attempted to alleviate housing scarcity by collaborating with nonprofit organizations and individuals, but the small number of programs were woefully inadequate or underfunded. *Id.*

the stage for the financialization of housing, the process whereby homes are treated like a commodity, as a vehicle for wealth and investment rather than as a social need.<sup>6</sup> Corporate landlords continued to buy, build, and rent significant numbers of single-family rentals (SFRs), primarily in Sun Belt states like Georgia and Texas.<sup>7</sup> Transaction data in a report published by Amherst Capital estimated that institutional investors owned at least 220,000, and possibly closer to 300,000, SFR homes by 2018.<sup>8</sup>

In the post-foreclosure era, property technology (proptech) emerged as a critical tool for facilitating the continued acquisition of single-family homes by enabling corporate-tech landlords to more easily track geographically dispersed housing markets.<sup>9</sup> Traditionally, the pre-acquisition stage is one of the most analytically rigorous phases of real estate investing. In the pre-digital age, appraising vast numbers of single-family homes was incredibly time-consuming and expensive.<sup>10</sup> Now, institutional investors “use automated digital platforms with varying degrees of customization to search for, screen, and evaluate” acquisition targets.<sup>11</sup> Real estate investment software (acquisition software)

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<sup>6</sup> GERALD A. EPSTEIN, *FINANCIALIZATION AND THE WORLD ECONOMY* 3–16 (Edward Elgar Publ’g. 2005); Ryan Dezember, *Wall Street as Landlord: Blackstone Going Public with a \$10 Billion Bet on Foreclosed Homes*, WALL ST. J. (Dec. 6, 2016), <https://perma.cc/ZLK8-YB9R> (explaining that after the 2008 U.S. foreclosure crisis, private equity recognized the potential profitability of rentals, overcoming Wall Street’s initial historical reluctance that stemmed from significantly varying and hyper-local market values). The Invitation Homes initial public offering (IPO) sparked the largest home-buying spree in history, investing \$10 billion to acquire repossessed properties on courthouse steps and in online auctions. The IPO also established a partnership with Dallas-based Blackstone Group LP to maintain, manage, and rent out these homes. This prompted various private equity firms and hedge funds to adopt similar strategies, institutionalizing the rental-home business. *Id.*

<sup>7</sup> See Eric Seymour & Taylor Shelton, *How Private Equity Landlords Prey on Working-Class Communities of Color*, 32 NEW LAB. F. 54, 59 (2023) (studying effects of institutional landlords in Atlanta, Georgia metro area); e.g., Taylor Shelton et al., *Horizontal Holdings: Untangling the Networks of Corporate Landlords*, 114 ANNALS AM. ASS’N GEOGRAPHERS 1819, 1819–31 (2024); Eric Seymour et al., *The Metropolitan and Neighborhood Geographies of REIT- and Private Equity-Owned Single-Family Rentals*, J. URB. AFFS., Nov. 2023, at 1–4 (examining the concentration of private equity firms and REITS in mostly Sun Belt states). See also *Evidence Matters: Winter 2023*, HUD USER (Jan. 17, 2023), <https://perma.cc/G4R9-JN7D> (examining effects of institutional landlords in Dallas and Tarrant counties in Texas).

<sup>8</sup> Christophers, *supra* note 2, at 434 (citing *An Update on Institutional Single-Family Rental Activity*, AMHERST CAP. MKT. COMMENT. (Apr. 2018), <https://perma.cc/MC7E-PN8B>) (noting that Amherst Capital Management is a real estate credit investment services company).

<sup>9</sup> SFRs were not historically profit generating assets because it was difficult for investors to navigate homes in fractured markets, which is why corporate landlords mostly invested in multifamily homes.

<sup>10</sup> *Id.* at 438.

<sup>11</sup> Christophers, *supra* note 2, at 438. SFRs were not historically profit-generating assets because it was difficult for investors to navigate homes in fractured markets, which is why corporate landlords mostly invested in multifamily homes.

can use big data to filter across fractured single-family housing markets.<sup>12</sup> The software can also quickly identify real estate listings and help institutional landlords by providing investment analytics and generating bulk offers to rapidly expand their portfolio.<sup>13</sup> For example, Main Street Renewal, the property arm of Amherst Capital, described how proptech automated an initial pass-through of 130,000 SFR underwrites, and the remaining long and arduous process eventually resulted in 1,500 purchased properties.<sup>14</sup> Amherst suggested that “[t]he entire process . . . uses [a] vast amount of data that is impossible to distill into actionable information without the use of technology.”<sup>15</sup> Thus, proptech significantly streamlines the pre-acquisition stage by minimizing the need for human involvement in the more complex layers of the underwriting process.<sup>16</sup>

After acquisition, proptech offers substantial advantages to institutional landlords in managing their properties. Automated real estate transactions and tenant communication systems have become standard practice. News outlets highlight the automation trend by landlords, commonly referring to corporate owners as “robot landlords” or “AI landlords.”<sup>17</sup> Robot and AI landlords are not human-sized machines that collect rent and manage properties, despite what the names suggest. Rather, these terms refer to the full automation of property listings, online tours, tenant recruitment, online applications, digitized leases, keyless entry, rent collection systems, tenant management systems and surveillance, and automatic eviction filings.<sup>18</sup> Essentially, all contact between

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<sup>12</sup> Multifamily rental properties have long been considered a core portfolio holding for institutional investors. See *Beware the Backlash as Financiers Muscle into Rental Property*, THE ECONOMIST (Sept. 25, 2021), <https://perma.cc/3UBC-UULV>. The same is true with other scalable commercial properties like office, retail, and industrial buildings. See Hudson Cashdan, *Modeling an Asset Class: Why Wall Street May Be in the Single-Family Rental Market for Keeps*, TOPTAL FIN. (Dec. 13, 2021), <https://perma.cc/2KBU-MXAS>.

<sup>13</sup> Desiree Fields, *Automated Landlord: Digital Technologies and Post-Crisis Financial Accumulation*, 54 ENV’T & PLAN. A: ECON. & SPACE 160, 169 (2022) (explaining how acquisition software works generally).

<sup>14</sup> *Id.* at 438.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 438–39.

<sup>17</sup> See Nick Keppler, *Robot Landlords Are Buying Up Houses*, VICE (Nov. 28, 2022), <https://perma.cc/RV22-SS8E>; Travis Spencer, THE REAL ESTATE MINDSET, *Robot Landlords Are Buying Homes Across the Nation*, YOUTUBE (Dec. 31, 2022), <https://perma.cc/QZV6-2JXG>; Serena Smith, *Be Afraid: AI Landlords Are Coming*, DAZED (Jul. 1, 2024), <https://perma.cc/JBX6-XTJ6>; Megan Johnson, *The Robots Are Coming for Real Estate*, BOSTON.COM (Sept. 25, 2024), <https://perma.cc/CK6M-7D6M>.

<sup>18</sup> See Erin McElroy et al., *Keeping an Eye on Landlord Tech*, SHELTERFORCE (Mar. 25, 2021),

tenants and corporate landlords becomes virtual.<sup>19</sup> I refer to corporate landlords' broad adoption of proptech as corporate-tech landlordism.

The merger of large corporate landlords and technology has significant implications for housing markets nationwide. Concentrated ownership in target areas throughout the Sun Belt and other regions, as well as the potential to manipulate rental prices in violation of antitrust law, puts the business activities of corporate-tech landlords squarely within congressional authority to regulate interstate commerce.<sup>20</sup> Addressing the price fixing that has allegedly resulted will require a new way of thinking about appropriate limitations on the full automation of tenant management, rent collection, and property management systems. Renters are allegedly paying inflated rent prices because of corporate-tech landlord collusion, which is harmful for tenants who already endure a severe lack of affordable housing.<sup>21</sup>

There are competing justifications for why corporate-tech landlordism can be beneficial for tenants. Corporate-tech landlordism in the SFR industry offers real gains—increased housing stock, geographic flexibility, and transactional efficiency.<sup>22</sup> However, it also encompasses troubling business practices that contribute to market distortions, absentee ownership, uninhabitable living

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<https://perma.cc/5XUY-W8QZ> (discussing importance of monitoring use of landlord technology and surveillance systems of tenants); *see generally* LANDLORD TECH WATCH, <https://perma.cc/34XV-DGK5> (archived Apr. 11, 2025) (displaying map of keyless entry system); ANTI-EViction MAPPING PROJECT, <https://perma.cc/V3VU-CSQY> (archived Apr. 11, 2025) (providing links for tenants to report keyless systems).

<sup>19</sup> *See Tricon Residential CEO Gary Berman – Single Family Rentals an Exciting Asset Class*, SEEKING ALPHA (Oct. 11, 2021), <https://perma.cc/JX5E-WME6> (video interview featuring Tricon Residential President and CEO Gary Berman explaining that Tricon “use[s] technology in every aspect of [its] business, everything from acquisition all the way through maintenance and into the call center to improve [its] operating metrics and offer residents a much better experience”).

<sup>20</sup> *See generally* Complaint, United States v. RealPage, Inc., No. 1:24-cv-00710 (M.D.N.C. Mar. 1, 2024) [hereinafter DOJ Complaint] (alleging that RealPage facilitated a conspiracy among large residential landlords to fix rental prices in violation of Section 1 of the Sherman Act); *see also* Amended Complaint, United States v. RealPage, Inc., No. 1:24-cv-00710 (M.D.N.C. Jan. 7, 2025) [hereinafter Amended DOJ Complaint] (adding additional landlord defendants and expanding the coalition of state attorneys general joining suit).

<sup>21</sup> DOJ Complaint, *supra* note 20.

<sup>22</sup> *See* Patrick Sisson, *House-Flipping Tech Powers a Boom in Single-Family Rentals*, BLOOMBERG (Feb. 16, 2024), <https://perma.cc/5YZZ-Q4QH> (describing how technology firms “are entering the market to streamline the process, making it faster to acquire, upgrade, rent and assemble a collection of single-family rentals.”); Joshua Coven, *The Impact of Institutional Investors on Homeownership and Neighborhood Access* (2025), <https://perma.cc/QKN4-PXSK> (finding that institutional investors lowered rental prices through economies of scale but increased cost of homes for entry-level homebuyers).

conditions, and large-scale increases in eviction rates. There are many competing claims about SFRs' benefits and drawbacks.

For example, David Singelyn, the CEO of the public corporation American Homes 4 Rent (AMH), was interviewed by CNBC in 2020 about reports on a new community of over 200 single-family rental homes. Singelyn stated that the country "is undersupplied in rentals and today American Homes is building high quality, single family rentals" and proceeded to describe how well their build-to-rent business was performing in comparison to the overall real estate market.<sup>23</sup> The interview was posted on X, and users who claimed to be tenants of AMH properties in that area responded in the comments section under the interview.<sup>24</sup> On August 4, one user wrote, "This company owes my family about \$900 due to their negligence, withholding our home keys, and withholding our mailbox key for a month. Contact Tradd in Moncks Corner SC, better yet come out and interview all the angry residents here."<sup>25</sup> This tenant quote is anecdotal, and reviews tend to be left by more unhappy consumers than happy ones. However, social media comments, consumer review platforms, investigative journalism, and an increasing number of lawsuits suggest a pattern beyond individual anecdotes.<sup>26</sup>

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<sup>23</sup> Diana Olick, *Big Landlords Jump into the Homebuilding Business as Demand for Single-Family Rentals Surges*, CNBC (Jun. 10, 2022), <https://perma.cc/Y7MR-WUR8>.

<sup>24</sup> On June 10, 2022, user "epicride" wrote, "[w]ow what a line of BS. They all see that the people are going to get paid less taxed more and force them into rentals. While we are all getting robbed from inflation." CNBC (@CNBC), X (Jun. 10, 2022, 1:45 PM), <https://perma.cc/9V59-49LE>. User "Alfred" also wrote, "Hope the government makes it cost prohibited to own rental single-family housing @POTUS". *Id.*

<sup>25</sup> WokeBoogeyMan (@WokeBoogeyMan), X (Aug. 4, 2022, 9:21 AM), <https://perma.cc/U7GZ-4ANJ> (responding to the interview in Olick, *supra* note 23).

<sup>26</sup> Another issue to consider regarding posted reviews is selection bias working against larger landlords. Larger landlords are more likely to have a larger number of tenants post negative experiences, as opposed to tenants with small landlords. Tenants with small landlords may have similar complaints but are less likely to complain publicly. Even so, the one anecdote highlights some of the challenges tenants can have with larger landlords concerning the inability to compel corporate-tech landlords to abide by conditions requirements for entire residential communities. See *How Corporate Landlords Harm Community Health*, STRATEGIC ACTIONS FOR A JUST ECONOMY (Jun. 18, 2024), <https://perma.cc/L2YS-CF9S> (discussing harm caused by corporate landlords against community health across several states); Gretchen Morgenson, *These Tenants Fought One of America's Largest Corporate Landlords — And Scored Some Wins*, NBC NEWS (Jul. 5, 2023), <https://perma.cc/KB6C-994Q>; *Invitation Homes Revocation of A- Rating by the Better Business Bureau due to Violation of BBB Standards*, BETTER BUS. BUREAU, <https://perma.cc/LXA6-9DS9> (explaining why the credit standard was revoked). On October 14, 2024, the BBB Board of Directors revoked Invitation Homes' accreditation due to its failure to adhere to BBB requirement for Accredited Businesses. See also *Invitation Homes Profile*, BETTER BUS. BUREAU, <https://perma.cc/L39E-BYZ> (detailing that due to the volume of complaints, only 15% of total complaints can be displayed on the

In addition to tenant concerns, prospective first-time home buyers in markets with heavy corporate-tech activity are concerned about homeownership remaining out of reach entirely.<sup>27</sup> Initially, the foreclosure crisis was concentrated in Latinx and Black communities because that is where most subprime loans were offered. Foreclosure hotspots developed in Atlanta and other Sun Belt cities, allowing corporate-tech landlords to buy in bulk at geographically concentrated foreclosure auctions.<sup>28</sup> Over time, corporate-tech landlords continued to buy properties in locales where they already had operations—a practice referred to as “infill”—and they eventually dominated local markets.<sup>29</sup> As a result, corporate-tech landlord acquisitions have reduced opportunities for homeownership.<sup>30</sup> One study found that in Atlanta, the growing presence of institutional investors between 2007 and 2016 undermined local homeownership, particularly among Black families.<sup>31</sup>

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webpage). *But see* American Homes 4 Rent Rating of A+, BETTER BUS. BUREAU, <https://perma.cc/YD6B-LEZJ> (suggesting that the business responds and addresses tenant complaints). *See Watchdog Letters to State Attorneys General Urge Probes of Alleged-Rent Fixing, RealPage-Linked Corporate Landlords Operating in Their States*, ACCOUNTABLE.US (Jul. 1, 2024), <https://perma.cc/Z39X-5GM4> (encouraging attorneys general to investigate use of price-fixing technology by large corporate landlords).

<sup>27</sup> See Dukes, *supra* note 2. *See generally* Emily Dodwell et al., *Investor Home Purchases and the Rising Threat to Owners and Renters: Tales from 3 Cities*, DREXEL UNIV. PUBL’N, Sept. 2022, at 4 (reporting on the negative impact of institutional investment on entry-level home buyers and renters in Philadelphia, Jacksonville, and Richmond).

<sup>28</sup> Christophers, *supra* note 2, at 436.

<sup>29</sup> *Id.* at 437. Infill increases landlords’ pricing power, allowing them to influence market rents and be a price-maker rather than price-taker. *Id.* Institutional investors have attained sufficient local dominance to enjoy what scholars call “near-oligopolistic power” over certain local SFR markets. *Id.* *See also* Desiree Fields, *Digital Experiments with Landed Property: Robots, Race, and Rent*, 115 J. ECON. & HUM. GEOGRAPHY 329, 339 (2024) (stating that corporate-tech landlord market share at the local level is crowding out homeownership opportunities and reducing the affordability of home purchase in high-growth metropolitan areas, and these effects are most pronounced for Black would-be buyers). In the media, Invitation Homes (formerly Blackstone) “has repeatedly refuted such suggestions that it has sufficient scale and power in any locality to influence market rents.” Christophers, *supra* note 2, at 437. But it has said something rather different to the financial markets. In reporting on results for the second quarter of 2018, for example, Fred Tuomi, then Invitation Homes’ chief executive, noted that “pricing power remained strong”—an unambiguous statement. *Id.*

<sup>30</sup> See Lambie-Hanson et al., *Institutional Investors*, CONSUMER FIN. INST. 20 (2019) (concluding that institutional investors have helped with local house price recovery but depressed homeownership rates); *see also* Coven, *supra* note 22, at 2 (explaining positive impacts of corporate-tech landlords on rental housing supply, but negative impact on homeownership opportunity); *see* John D. Johnson, *The Rise and Impact of Corporate Landlords*, MARQUETTE LAW., Summer 2023, at 48, 52 (describing consequences of institutional investors on homeowners in Milwaukee and their inability to compete with large cash offers).

<sup>31</sup> Brian Y. An, *The Influence of Institutional Single-Family Rental Investors on Homeownership: Who Gets Targeted and Pushed Out of the Local Market*, 44 J. PLAN. EDUC. &

Importantly, the presence of small landlords did not yield the same consequences, highlighting that large-scale SFR acquisition has distinct implications for individual home buyers.<sup>32</sup> A separate 2025 study emphasized the net effects of institutional investors across two categories: renters and homeowners.<sup>33</sup> The analysis of the Atlanta metropolitan area showed that the welfare-improving effect of expanded rental supply ultimately outweighs increased concentration from institutional purchases, resulting in a net positive impact on renter welfare.<sup>34</sup> In contrast, the study concluded that institutional acquisitions of single-family rentals “generate[d] opposing welfare effects” on homebuyers, hurting them due to a shift in housing supply.<sup>35</sup>

The true impact of corporate-tech landlords on the SFR industry, renters, and homeownership is evolving. But, as it was before 2008, the housing market is now at an inflection point. Scholars are unearthing how corporate-tech business models—marked by mass purchases of single-family homes and exploitative tenant and property management systems—are harming tenants and communities by prioritizing profit above all else.<sup>36</sup> Scholars are also investigating whether the concentration of institutional investors in certain markets, like Atlanta, influences their ability to shape market rents and sales prices.<sup>37</sup> Several studies find that increase in corporate-tech market power

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RSCH. 2231, 2231 (2024); *see also* *Homeownership Rate (5-year estimate) for Fulton County, Georgia*, FED. RES RSRV. BANK OF ST. LOUIS (2024), <https://perma.cc/A9TU-Z4BB> (showing evidence that in more recent years Black homeownership rates have increased, but that could also be a result of a slowdown of investor activity).

<sup>32</sup> An, *supra* note 31; FED. RES RSRV. BANK OF ST. LOUIS, *supra* note 31; *see also* Coven, *supra* note 22, at 51.

<sup>33</sup> Felipe Barbieri & Gregory Dobbels, *Market Power and the Welfare Effects of Institutional Landlords*, at 49–50 (2025), <https://perma.cc/JE9K-MNYU> (finding that although institutional investors have gained market power and raised rents somewhat, their large-scale acquisitions have expanded the supply of rental housing enough to ultimately benefit renters).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> Seymour et al., *supra* note 7, at 5 (stating that research has consistently linked “corporate landlords and their profit-maximizing business models to high and rising rents and numerous ancillary fees, increasing the risk of delinquency and eviction”).

<sup>37</sup> Christophers, *supra* note 2, at 437. Recent lawsuits suggest market rent abuses have occurred. See Danielle Kaye, *Landlords Used Software to Set Rents. Then Came the Lawsuits*, N.Y. TIMES (Jul. 19, 2024), <https://perma.cc/U68Z-B3HH>. See Elora Lee Raymond et al., *Gentrifying Atlanta: Investor Purchases of Rental Housing, Evictions, and the Displacement of Black Residents*, 31 Hous. POL’Y DEBATE 818 (2021) (asserting greater market share within specific submarkets allows investors to raise rents and sales prices quickly resulting in gentrification and eviction-led displacement).

result in swift rent hikes and eviction-led displacement.<sup>38</sup> These studies vary in how they define large corporate landlords, often using terms like “corporate landlords” and “institutional investors” interchangeably, even though the scope and composition of their property portfolios may differ substantially. An Atlanta-based study—discussed in greater detail later in this Article—defines large corporate landlords as those owning 150 or more properties.<sup>39</sup> In contrast, another study of Milwaukee defines large corporate landlords as entities holding portfolios in the thousands.<sup>40</sup> This inconsistency can create more questions than answers about the trends of corporate-tech landlord ownership.

Corporate-tech landlords featured in this Article own portfolios ranging from 30,000 to over 80,000 properties across states and regions.<sup>41</sup> To date, major players in the SFR industry, such as Invitation Homes, AMH, Tricon Residential, and Petrium Properties, own well over 200,000 single-family homes combined.<sup>42</sup> Though corporate-tech landlords are less than three percent of the total residential market nationwide and corporate-tech landlord investment has slowed in the last year, investors are still buying homes faster today than

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<sup>38</sup> *Id.* See also Seymour et al., *supra* note 7, at 1–2 (noting that institutional landlords tend to raise rents aggressively, add excessive fees, and automatically file for evictions in areas where they have a concentration of ownership, causing concern for tenant well-being); see Nicole Summers & Justin Steil, *Pathways to Eviction*, 50 L. & Soc. INQUIRY, 129, 133 (2025) (finding that “large, corporate owners are more likely to file ‘serial’ or repeat evictions against the same households as compared with individual property owners”); see Johnson, *supra* note 30, at 48–54.

<sup>39</sup> See Seymour & Shelton, *supra* note 7 (Figure 2 illustrates that large corporate landlords in the study were measured as having between 150–200 properties).

<sup>40</sup> See Johnson, *supra* note 30, at 48–54 (analyzing the nationwide trend of corporate landlords impacting the single-family housing stock post-foreclosure crisis reveals a targeted approach in Milwaukee, Wisconsin, where homeownership rates declined from 80% pre-crisis to 68% in 2018, notably concentrated in majority-Black areas).

<sup>41</sup> DESIREE FIELDS & MANON VERGERIO, CORPORATE LANDLORDS AND MARKET POWER: WHAT DOES THE SINGLE-FAMILY RENTAL BOOM MEAN FOR OUR HOUSING FUTURE? 1 (U.C. Berkeley eScholarship 2022) (noting in the executive summary the number of single-family homes owned by large corporate investors); see also Research Memo: *New AFR Research Estimating Minimum Number of Private Equity-Owned Housing Units*, AM. FOR FIN. REFORM (Jun. 28, 2022), <https://perma.cc/5PD3-UQES> (stating that Tricon Residential owns 31,000 homes and Petrium Partners owns more than 80,000 homes). The report estimates that as of June 2022, at a minimum, private equity firms owned real estate rented by around 1.6 million families, including at least 1,071,056 apartment units, 275,468 manufactured home lots, and over 239,018 single-family rental homes. *Id.* Because of private equity’s deliberate opacity, these numbers most likely understate private equity ownership.

<sup>42</sup> AM. FOR FIN. REFORM, *supra* note 41.

before the COVID-19 pandemic.<sup>43</sup> Recent research by MetLife Investment Management (MIM) estimated that cumulatively, institutional investors (beyond the few major companies listed above) owned about 700,000 single-family rentals in 2022, or “about 5 percent of the 14 million SFRs nationally.”<sup>44</sup> The MIM study estimates that by 2030, institutional investors will increase SFR holdings to 7.6 million homes, more than forty percent of all SFRs.<sup>45</sup> Further, scholars have shown that corporate-tech landlords own upwards of eighty percent of SFR properties in certain Atlanta communities, demonstrating the potential for SFR oligopolies in target markets.<sup>46</sup> Not coincidentally, many of the communities with concentrated ownership are in states with laws favorable to landlords, such as Georgia, Arizona, Florida, and Nevada.<sup>47</sup> Given these figures and the emerging impact of corporate-tech landlord activity on people and communities across the nation, this housing phenomenon requires investigation.

This Article makes two contributions to the literature examining corporate-tech landlords and proptech. It is the first to critically analyze the constitutional feasibility of creating a federal landlord-tenant law under the Commerce Clause. As the financialization of housing ushers in a new era of power disparities between hyper-resourced corporate lessors and increasingly disempowered lessees, a regulatory vacuum persists. This Article begins to fill that void. Second, this Article adopts a more market-friendly approach that does not seek to restrict single-family rentals as an asset class, but instead aims to address the growing power imbalance by exploring the potential for uniform, national landlord-tenant law remedies. These two contributions are timely. While corporate-tech landlords currently control a small share of properties nationwide, they dominate some markets already, and their portfolios are only growing. Now is the time to assess their conduct and propose solutions.

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<sup>43</sup> See Hudson Cashdan, *Modeling an Asset Class: Why Wall Street May Be in the Single-Family Rental Market for Keeps*, TOPTAL FIN. (Dec. 13, 2021), <https://perma.cc/YBW9-GSDH>; see also Lily Katz & Sheharyar Bokhari, *Investor Home Purchases Fell a Record 49% Year Over Year in the First Quarter*, REDFIN (May 31, 2023), <https://perma.cc/D23Z-EW26>.

<sup>44</sup> Yardi Matrix, *Institutional Investment in Single Family Rentals Is on the Rise*, PR NEWSWIRE (Aug. 1, 2022), <https://perma.cc/7TT9-QMDE>.

<sup>45</sup> *Id.*

<sup>46</sup> Seymour & Shelton, *supra* note 7, at 58; see also GAO Report, *supra* note 5, at 15 (cataloguing a variety of concentrated markets where corporate-tech landlords own up a quarter of all SFRs). Sun Belt cities that initially experienced an influx of institutional investment after 2008 continue to have the largest amount. *Id.* For example, as of June 2022, regions with the heaviest concentration of institutional investment were Atlanta, Jacksonville, and Charlotte (25%, 21%, and 18% ownership rates).

<sup>47</sup> FIELDS & VERGERIO, *supra* note 41, at 24–25.

The Article proceeds as follows. Part I traces the rise of corporate-tech landlords and examines the divergence between traditional and new-era landlordism. Part II analyzes the adverse impacts of corporate-tech landlordism on housing, emphasizing how the collateralization of single-family rentals can be exploitative and contribute to persistent housing inequality. It also catalogs business models and proptech tools that create housing instability across markets. Part III underscores the need for congressional intervention by providing a comparative analysis of state-level regulations and the limitations of tenant protections in jurisdictions with high concentrations of corporate-tech landlord activity. Part IV proposes federal regulatory measures aimed at addressing the imbalance in bargaining power and enhancing accountability for corporate-tech landlords.

## II. THE RISE OF CORPORATE-TECH LANDLORDISM

The rapid growth of corporate-tech landlords was a combination of macroeconomics and sociopolitical shifts in the wake of the Great Recession.<sup>48</sup> The foreclosure crisis paved the way for the rise of corporate-tech landlords. A substantial number of foreclosed single-family homes in close geographic proximity sat vacant.<sup>49</sup> Banking institutions sought to recoup financially by auctioning off groups of unoccupied homes to institutional investors.<sup>50</sup> The Federal Housing Finance Agency supported the conversion of foreclosed single-family homes into SFRs by structuring bulk transactions in collaboration with

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<sup>48</sup> Les Dunseith, *Corporate Landlords Sought to Profit During Last Economic Crisis, Study Finds*, UCLA LUSKIN SCH. OF PUB. AFFS. (Nov. 5, 2020), <https://perma.cc/6MPY-AVMB> (stating that a study conducted by UCLA revealed a notable increase in corporate landlordism in California, particularly in Los Angeles, during the Great Recession). This surge predominantly affected working-class communities of color, as foreclosures disproportionately led to Black and Latino residents losing their homes to corporate entities. Simultaneously, these properties transitioned into rentals now owned and controlled by corporate giants. *Id.*

<sup>49</sup> Christophers, *supra* note 2, at 436–37; *see generally* Alan Mallach, *Tackling Vacancy and Abandonment: Strategies and Impacts after the Great Recession*, CTR. FOR CMTY. PROGRESS, (2021), <https://perma.cc/CX9Y-YSWT> (discussing concentrated vacancy rates in the wake of Recession).

<sup>50</sup> Laurie Goodman et al., *A Profile of Institutional Investor-Owned Single-Family Rental Properties*, URB. INST. (Apr. 13, 2023), <https://perma.cc/593D-QAZU> (estimating that approximately 574,000 single-family homes across the United States were owned by institutional investors, characterized as entities with ownership stakes in at least 100 such homes, which represents 3.8% of the 15.1 million single-unit rental properties nationwide); *see also* Carlos Walters, *Wall Street Has Purchased Hundreds of Thousands of Single-Family Homes Since the Great Recession. Here's What That Means for Rental Prices*, CNBC (Feb. 21, 2023), <https://perma.cc/2UAN-JXTS> (estimating that institutional investors may control 40% of U.S. single-family rental homes by 2030, according to MetLife Investment Management).

private industry.<sup>51</sup> Proptech advanced opportunistically, enabling institutional investors to rapidly scale their portfolios.

The combination of these circumstances is unprecedented. Market conditions and developments in digital technologies transformed SFRs into large-scale investment strategies for corporate-tech landlords. This trend threatens tenants' rights, as the rise of corporate-tech landlordism has ushered in a new era of landlord-tenant relationships that current laws fail to adequately address. Moreover, the circumstances under which investment groups expanded from owning virtually no single-family homes to hundreds of thousands in the post-crisis period highlight the dynamic shift from traditional landlordism to institutional investor models.<sup>52</sup> To understand this shift, it is important to examine the state of SFRs before the recession and the key attributes of traditional landlordism that distinguish it from today's corporate-tech model.

#### *A. Traditional Landlordism and the SFR Market*

Before 2008, the United States SFR market comprised approximately ten million homes, most of which were owned by individuals or small businesses.<sup>53</sup> Individual owners typically own a handful of properties (four or less).<sup>54</sup> Around the time of the Recession, about three quarters of all other entities owned ten or fewer properties.<sup>55</sup> Regional proximity to investment properties and maximizing property value through long-term appreciation are typical of small landlord ownership.<sup>56</sup> For individual and small business landlords, rental income typically functions as either a retirement resource or a supplement to

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<sup>51</sup> See *An Examination of the Fed. Hous. Fin. Agency's Real Estate Owned (REO) Pilot Program: Field Hearing Before the Subcomm. on Cap. Mkts. and Gov't Sponsored Enter. of the Comm. on Fin. Servs.*, 112th Cong. 5–6 (2012) (statement from Meg Burns, Senior Associate Director for Hous. and Regul. Policy) (explaining purpose of REO pilot project).

<sup>52</sup> Christophers, *supra* note 2, at 435; see also FIELDS & VERGERIO, *supra* note 41, at 28.

<sup>53</sup> Christophers, *supra* note 2, at 435.

<sup>54</sup> See Nadia Evangelou, *Mom and Pop Business Owners' Day: Landlords of Small Rental Properties*, NAT'L ASS'N REALTORS (Mar. 29, 2023), <https://perma.cc/5X6W-PPCX> (reporting on business practices of small landlords).

<sup>55</sup> See *Id.*

<sup>56</sup> ALAN MALLACH, LOC. INITIATIVES SUPPORT CORP., MEETING THE CHALLENGE OF DISTRESSED PROPERTY INVESTORS IN AMERICA'S NEIGHBORHOODS 12 (2010) (reporting on market conditions and small and large investor activity in Phoenix, Arizona and New Haven, Connecticut). The report was prepared for the Local Initiatives Support Corporation. See also Elora Lee Raymond et al., *From Foreclosure to Eviction: Housing Insecurity in Corporate-Owned Single-Family Rentals*, 20 CITYSCAPE 159, 167 (2018) (describing small landlord strategy as "holders" properties because they earn profit from long-term appreciation of property value).

wage-based income.<sup>57</sup> And individual or small landlords typically invest within a standard metropolitan statistical area (SMSA), making them stakeholders in their regions. By contrast, before 2008, corporate landlords largely avoided single-family homes—despite dominating the multifamily rental market—because the geographic dispersal of these properties made it more difficult to monitor market activity and manage operations.<sup>58</sup>

In addition to benefiting from proximity, smaller landlords also tend to adopt buy-and-hold strategies, maintaining ownership of properties for extended periods.<sup>59</sup> They earn returns on investment primarily through home appreciation, rendering their assets relatively illiquid, except for cash flow through rent collection, until the time of sale.<sup>60</sup> The relationship between individual landlords and their tenants plays a key role in securing rental property profitability.<sup>61</sup> High tenant turnover or inconsistent rent payments can severely impact smaller landlords, who are more vulnerable to cash flow disruptions than larger owners with broader portfolios and greater financial buffers. As such, it is in the interest of smaller owners to prioritize consistency and avoid tenant turnover. While landlords may raise rents when tenants turn over, finding new tenants can be time-consuming and involve significant administrative costs. Small landlords are therefore incentivized to preserve long-term lease agreements and renew leases with tenants who pay rent on time.<sup>62</sup>

Maintaining strong relationships with tenants who pay on time, care for the property, and return it at the end of the lease requires mutual responsibility

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<sup>57</sup> MALLACH, *supra* note 56.

<sup>58</sup> *See id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> The following sources provide examples of industry professionals and property management companies informing readers about the benefits of long-term tenants for property owners. The blog posts do not specifically state that long-term rentals provide stability for small landlords directly. However, one can infer from context that these posts are intended to reach landlords with one to several investment properties. *See, e.g.*, *How to Attract Long-Term Tenants*, KEYRENTER PROP. MGMT. RICHMOND (2021), <https://perma.cc/AGZ6-CSKH> (describing how long-term tenancies provide stable income, among other benefits); Trevor Henson, *Navigating the Rental Landscape: Pros and Cons of Long-Term Leases*, BEACH FRONT PROP. MGMT. (Feb. 26, 2025), <https://perma.cc/G69A-26YT> (suggesting that long term rentals may be best for properties in residential locations); Derek M. Seal, *4 Benefits of Securing Long-Term Tenants*, MAXFIELD PROP. MGMT. (Dec. 28, 2022), <https://perma.cc/5B7W-7AKJ> (explaining benefits of long-term tenants for landlords). *But see Are Long-Term Tenants Better Than Short-Term?*, THAYER & ASSOC., INC. (Mar. 23, 2023), <https://perma.cc/A9UA-DZKC> (weighing pros and cons of both short term and long-term tenants).

and responsiveness. Landlords, in turn, are expected to provide habitable living conditions and not disrupt tenants' quiet enjoyment while in possession of the property. Given the wide variation in how small landlords manage their properties, my analysis centers on normative best practices. However, in a seller's market and absent a recession, those who maintain their properties are more likely to preserve or increase market value.<sup>63</sup> Barring external factors such as financial hardship or plans to sell the property to a contractor or flipper, small landlords have few incentives to neglect maintenance.<sup>64</sup> By being responsive to tenants, neighbors, and community stakeholders, small landlords are more likely to maximize the value of their buy-and-hold investments.<sup>65</sup> In sum, small landlords have more to lose if they mismanage their real estate because it is a primary asset.

Studies examining corporate-tech business practice present a very different picture. In 2011, in the beginning stages of the financialization of SFRs, no corporate-tech landlord owned more than a thousand SFRs.<sup>66</sup> By 2018, corporate-tech landlords collectively owned hundreds of thousands of SFRs.<sup>67</sup> With so many properties, corporate-tech landlords generally have few connections to the towns, cities, or regions where they invest and often choose sites based primarily on market data and projected population growth.<sup>68</sup> Accordingly, the management practices of large, private, or publicly backed equity landlords often differ from those of regional landlords who reside within close proximity to their rental properties. For example, studies show that the larger the landlord, the higher their rate of evictions—they prefer to maximize

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<sup>63</sup> See also *How Proper Maintenance Increases Your Rental Property Value*, MARKEN PROP. MGMT. (Dec. 20, 2024), <https://perma.cc/BD2Z-U5EA> (describing why property maintenance increases value of rental property).

<sup>64</sup> See *Why Regular Property Maintenance Can Maximize Returns for Single Family Portfolios*, LESSEN (May 21, 2024), <https://perma.cc/335T-8GXD> (explaining that regular property maintenance protects a landlord's financial interests by increasing tenant retention, reducing costly repairs, and maximizing returns).

<sup>65</sup> Jay Chang, *How to Build Wealth with Rental Properties Through Buy & Hold Investing*, BIGGERPOCKETS, <https://perma.cc/3KPV-YEX6> (explaining that properties that fall into disrepair can reduce or eliminate the investor's profit when they decide to sell).

<sup>66</sup> Christophers, *supra* note 2, at 435.

<sup>67</sup> *Id.*

<sup>68</sup> LAURIE GOODMAN ET AL., URB. INST., A PROFILE OF INSTITUTIONAL INVESTOR-OWNED SINGLE-FAMILY RENTAL PROPERTIES 7 (2023) (noting that mega-investors of SFRs are highly concentrated in fast-growing metropolitan statistical areas). Mega-investors tend to pick areas that combine robust rent increases and population growth with limited housing supply. *Id.*

rent increases by forcing lease terms to end prematurely.<sup>69</sup> Part II of the Article will discuss mass evictions in more detail.

Highlighting the differences between traditional and new-era landlordism is not intended to romanticize a past in which individual or small business landlords were considered the gold standard—that would be profoundly inaccurate. Rather, the goal is to illustrate the differing market objectives between landlords with strong regional and community ties and those of large-scale absentee investors. Smaller landlords are not exempt from criticism; many have been complicit in slum-lording practices by focusing on rent collection while neglecting tenant retention and property upkeep.<sup>70</sup> However, the widespread ownership of SFRs by slumlord-like entities, often numbering in the hundreds or thousands across various regions, can produce more severe and far-reaching harms for both tenants and their communities. With concentrated ownership in target markets, corporate-tech landlords are well-positioned to exploit tenants through price-fixing, inadequate property maintenance, and the ability to carry out such practices at scale. A closer look at corporate-tech landlordism and its downstream effects is instructive.

#### *B. Corporate-Tech Landlordism and the SFR Market*

The same investment firms and financial institutions that contributed to the 2008 housing crisis ultimately profited from it, acquiring thousands of foreclosed homes across the country while millions of Americans faced displacement.<sup>71</sup> Many homes were lost following repossession by banks

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<sup>69</sup> Summers & Steil, *supra* note 38, at 131 (finding that the most significant predictor of a tenant experiencing a forced move for violation of a civil probation agreement is having a corporate subsidized landlord). Summers also asserts that “large, corporate owners are more likely to file ‘serial’ or repeat evictions against the same households as compared with individual property owners,” *Id.* at 156. See Johnson, *supra* note 30, at 48–54.

<sup>70</sup> Beyond the private sphere, systemic neglect by state and federal governments of public housing, which largely house low-income families of color, is also problematic and a symptom of decades-old discriminatory housing policy. While neglect of public housing is beyond the scope of this article, similar trends of disrepair, neglect, and frequent evictions are happening within the broader SFR story. SFR disrepair is racialized because absentee landlordism and serial evictions are occurring more often in communities of color, an important topic that will be explored in Part II. Also, while condition issues are more common in communities of color, they also occur in the enclaves of the “American dream” neighborhoods primarily accessible to more affluent (white) families. Perhaps the broader impact of corporate-tech landlordism will ultimately be the impetus for federal tenant protections to gain political traction.

<sup>71</sup> Teresa Eilers, SENIOR COMPREHENSIVE PROJECT, *The Rise of Wealth Disparity in the United States and Its Effects on Democracy: An Evaluation of the Great Recession and the Dodd-Frank Act*,

(becoming real estate owned properties, or REOs) and subsequent sheriff's sales.<sup>72</sup> At this time, homeownership dropped by five percent nationwide.<sup>73</sup> Since the foreclosure crisis, more households are renting for a variety of reasons, including "home price instability; demographic shifts; changing tastes among millennials . . . widening wealth and income inequality; and . . . credit tightness that characterizes the post-crisis mortgage markets."<sup>74</sup> After the foreclosure crisis, SFR ownership shifted dramatically from individual homeowners and small landlords to institutional investors, ushering in a new era of corporate-tech landlordism.<sup>75</sup>

### *1. Foreclosures and the Merger of Public Initiatives and Private Interests*

The foreclosure crisis allowed institutional investors to acquire single-family homes at a scale never seen in history.<sup>76</sup> Atlanta, Georgia serves as a useful case study for the rise of corporate-tech landlordism. During the housing crisis, Atlanta saw a significant spate of residential foreclosures, which occur when lenders repossess homes following mortgage payment defaults.<sup>77</sup> Atlanta also experienced a wave of construction foreclosures from banks repossessing newly built homes due to missed payments by construction firms.<sup>78</sup> The

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URB. & ENV'T POLICY, 2012, at 30 (explaining that in 2008, over two million households were foreclosed, which resulted in homeownership wealth migrating from the bottom 90% to the top 1%). Banks also embarked on a foreclosure spree to collect and pay off investors during the crisis. *Id.* at 29. Further, the U.S.'s wealthiest financial firms were both the primary beneficiaries of and major contributors to the crisis. *Id.* at 20, 43–44; *see also* Matthew Goldstein, *Goldman Sachs Forecloses on 10,000 Homes for 'Consumer Relief,'* N.Y. TIMES (May 22, 2020), <https://perma.cc/6APG-VCFC> (explaining that Goldman Sachs's role in the crisis resulted in business opportunities).

<sup>72</sup> FIELDS & VERGERIO, *supra* note 41, at 28.

<sup>73</sup> Raymond et al., *supra* note 56, at 160; *see also* Brandon M. Weiss, *Corporate Consolidation of Rental Housing & the Case for National Rent Stabilization*, 101 WASH. UNIV. L. REV. 553, 553–87 (2023) (describing the accumulation of single-family homes post Great Recession).

<sup>74</sup> Raymond et al., *supra* note 56, at 160 (citing Arthur Acolin et al., *A Renter or Homeowner Nation?* CITYSCAPE, Volume 18, Number 1 2016, at 145–58); Laurie Goodman et al., Urb. Inst., *Headship and Homeownership: What Does the Future Hold?* (2015), <https://perma.cc/8775-RMSL>; Dan Immergluck & Jonathan Law, *Investing in Crisis: The Methods, Strategies, and Expectations of Investors in Single-Family Foreclosed Homes in Distressed Neighborhoods*, 24 Hous. Pol'Y DEBATE 568–593 (2014).

<sup>75</sup> Raymond et al., *supra* note 56, at 160.

<sup>76</sup> Christophers, *supra* note 2, at 435 (referencing Amherst Capital's description of institutional investors expanding their growth from approximately 100 or less properties to several thousand properties was an occurrence "for the first time in history").

<sup>77</sup> Raymond et al., *supra* note 56, at 165 (distinguishing types of foreclosures).

<sup>78</sup> *Id.*

concentration of residential foreclosures in Atlanta's older urban neighborhoods, coupled with construction foreclosures in affluent suburbs—both viewed as having strong long-term economic prospects—created a highly appealing environment for institutional investors.<sup>79</sup> Scholar Brett Christophers aptly set the scene of a foreclosure auction that took place in Atlanta to illustrate the rise of corporate-tech landlords in the SFR market:

That day [a Tuesday morning in the late summer of 2012], around nine hundred homes were to be auctioned off. All had been foreclosed upon . . . . In the United States, sales of foreclosed homes typically take place on the steps of the courthouse of the county in which the houses are located . . . . What was distinctive about the Gwinnett County auction was its scale. In many parts of the United States, auctions occur daily, meaning that the number of homes for sale is usually small. But in Georgia, they take place solely on the first Tuesday of each month. During the U.S. foreclosure crisis that began in 2007 . . . huge numbers of homes could be on the block at Georgia's monthly auctions. One regular attendee at those auctions called it "Super Tuesday."<sup>80</sup>

States like Texas operated similarly, conducting monthly foreclosure auctions that facilitated rapid property turnover.<sup>81</sup> As the foreclosure crisis escalated, residential properties were increasingly sold in bulk, creating new opportunities for large-scale investors.<sup>82</sup> Institutional investors—including Blackstone, now operating as Invitation Homes, and Starwood Capital, which merged with Waypoint Real Estate—acquired extensive portfolios of homes at deeply discounted prices.<sup>83</sup> For example, in one day, Blackstone purchased over 1,380 single-family homes for around \$100 million.<sup>84</sup> By purchasing inexpensive properties in bulk, Blackstone reported that they spent nearly fifty percent less

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<sup>79</sup> *Id.*

<sup>80</sup> Christophers, *supra* note 2, at 432–433.

<sup>81</sup> *The Foreclosure Process: The Sale*, TEX. STATE LAW LIBR. (last updated Jun. 6, 2025), <https://perma.cc/PGZ5-5TQH>, (noting that foreclosure auctions are held the first Tuesday of each month between 10:00 a.m. and 4:00 p.m. at county courthouses).

<sup>82</sup> Christophers, *supra* note 2, at 436.

<sup>83</sup> *Id.*; see also *id.* at 433–34 (discussing how five entities emerged as the dominant players buying foreclosed homes in bulk at national auctions, including Blackstone, Colony Capital, Starwood Capital, Waypoint Real Estate Group, and American Homes 4 Rent).

<sup>84</sup> *Id.*

than they would have for the same properties in 2006.<sup>85</sup> From an economic standpoint, the combination of low acquisition costs and high volumes made the SFR market an attractive investment opportunity. Between 2011 and 2017, private equity groups and hedge funds invested nearly \$36 billion to acquire more than 200,000 homes nationwide.<sup>86</sup> Investor groups were also attractive buyers for lenders because the uneasiness of the failed mortgage system still loomed overhead, making their all-cash offers, even at lower price points, seem more secure.<sup>87</sup>

Corporate-tech landlords also owe some of their growth to a 2012 REO-to-Rental pilot program pioneered by the Federal Housing Finance Agency (FHFA), the conservator of Fannie Mae and Freddie Mac.<sup>88</sup> The program developed structured transactions to facilitate the transfer of single-family homes from REOs and banking institutions to capital investors.<sup>89</sup> The government's goals in structuring these bulk sale transactions was to assist private-industry to meet the growing demand for single-family rentals across a variety of demographics post-recession.<sup>90</sup> The pilot program proved to be lucrative and overtime large financial firms focused on the SFR market and increased their investments by securitizing single-family rental homes.

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<sup>85</sup> *Id.* at 436 (stating that meanwhile, in May 2013, Invitation Homes (formerly Blackstone) reported that the average price paid for the approximately 25,000 single-family homes it had acquired nationwide was \$153,000, versus an estimated average 2006 value for those homes of \$303,000).

<sup>86</sup> Alana Semuels, *When Wall Street Is Your Landlord*, THE ATLANTIC (Feb. 13, 2019), <https://perma.cc/J4JZ-WP2D>.

<sup>87</sup> Christophers, *supra* note 2, at 436 (describing the buying power of all-cash buyers). The author suggests that two important factors contributed to the rapid increase of corporate landlord portfolios: foreclosed homes had to be purchased in cash at auctions, and banks avoided servicing mortgage loans in wake of the financial crisis. *Id.*

<sup>88</sup> Raymond et al., *supra* note 56, at 164 (explaining the origin of the REO program). The REO Pilot Program, launched in 2012 by the Federal Housing Finance Agency, sought to gauge investor interest in converting foreclosed homes into rental properties in bulk, offering portfolios of homes in metropolitan areas such as Atlanta, Chicago, Las Vegas, Phoenix, and Florida; see *Testimony Before the S. Comm. on Banking, Hous., & Urb. Affs.*, 117th Cong., 5 (2021) (testimony of Desiree Fields, Assistant Professor, Univ. of Cal., Berkeley) (explaining that the government, through the REO Pilot Program, signaled to private industry that bulk purchases of foreclosed properties were welcomed). Fields stated that “[w]hile real estate investors had long considered bulk purchases of distressed real estate, the REO Pilot Program signaled to large players that the state welcomed their role as landlords.” *Id.*

<sup>89</sup> Raymond et al., *supra* note 56, at 164.

<sup>90</sup> See *An Examination of the Fed. Hous. Fin. Agency's Real Estate Owned (REO) Pilot Program: Field Hearing Before the Subcomm. on Cap. Mkts. and Gov't Sponsored Enters. of the Comm. on Fin. Servs.*, 112th Cong. 5–6 (2012) (statement from Meg Burns, Senior Assoc. Dir. for Hous. and Regul. Pol'y) (detailing the goals of the REO Pilot Program to stabilize neighborhoods, reduce the inventory of foreclosed properties, promote rental opportunities, and meet the growing demand for single-family rental housing).

In an interview with *The Atlantic*, the senior associate director of the Office of Housing and Regulatory Policy of the FHFA shared, “[t]here was this glut of foreclosed properties in parts of the country, and inadequate demand from the traditional home-buying population and even traditional investors . . . . We were trying to influence demand.”<sup>91</sup> As a result, private demand grew exponentially, setting the stage for the securitization of a new asset class: SFRs.<sup>92</sup>

The securitization of SFRs continued in the wake of the FHFA pilot transaction.<sup>93</sup> Blackstone created Invitation Homes, which issued its first SFR securitization in 2013.<sup>94</sup> Collaboration between government-sponsored enterprises (GSEs) and institutional investors achieved the goal of infusing private investment into the single-family housing market. In 2017, Fannie Mae signaled the permanence of private industry involvement by guaranteeing up to \$1 billion in debt from Invitation Homes Inc., which was and is the owner of the country’s largest portfolio of rental homes.<sup>95</sup> In 2018, Freddie Mac invested “\$11 million of a \$1 billion pilot program to back institutional investment in affordable single-family homes.”<sup>96</sup>

Once again, Atlanta provides a clear picture of the SFR takeover described above. A May 2024 report by the U.S. Government Accountability Office found that institutional investors own approximately twenty-five percent of SFRs in the Atlanta metropolitan area, and recent investigative reporting suggests that

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<sup>91</sup> See Semuels, *supra* note 86 (quoting Meg Burns, then a senior FHFA official, discussing how the REO pilot program sought to respond to inadequate traditional demand for foreclosed properties).

<sup>92</sup> Raymond et al., *supra* note 56, at 164 (explaining that the private market eventually developed and standardized financial instruments to allow broader market investment to convert foreclosed homes into SFRs).

<sup>93</sup> Raymond et al., *supra* note 56, at 165.

<sup>94</sup> *Id.*

<sup>95</sup> See Ryan Dezember & Nick Timiraos, *Blackstone Wins Fannie’s Backing for Rental Home Debt*, WALL ST. J. (Jan. 24, 2017), <https://perma.cc/M4AP-FC32> (commenting further on the move to guarantee debt of Wall Street Investors owning SFRs). Fannie’s latest move represents a shift from about four years ago, when regulators blocked Freddie from backing bulk buyers of foreclosed homes due to concerns that banks wouldn’t be able to compete with its cheap debt. Fannie’s support will likely make it cheaper for buyers like Blackstone to add homes in the future. Its guarantee of payment makes the debt less risky for investors than the rental-backed bonds that Invitation and its rivals sold amid a dearth of financing for home purchases after the housing meltdown. *Id.* “The question is, to what extent does the cheaper financing that accompanies Fannie’s guarantee result in greater competition for single-family homes?” said Heidi Learner, chief economist at real-estate brokerage Savills Studley. She said the agreement “is essentially a sign that individual homeownership is no longer a government priority.” *Id.*

<sup>96</sup> Raymond et al., *supra* note 56, at 165.

as of May 2025, this share may have increased to as much as thirty percent.<sup>97</sup> The effect of the shift from individual owners and small landlords to corporate-tech landlords is discussed in more detail in Part II. In short, the consequences of this market trend were most severe in target regions where investor activity was high. For example, one study of Fulton County, Georgia (near Gwinnett County, referenced above) found that increased numbers of institutional investors in the SFR market, along with the layering of finance through single-family rental securitization offerings, have exacerbated housing insecurity for middle-income renters.<sup>98</sup> Given the nationwide prevalence of corporate-tech landlord portfolios, the findings of this localized study are cause for concern.

As referenced earlier, the largest public and private SFR operators control over 200,000 homes, with many portfolios ranging from 29,000 to over 80,000 properties.<sup>99</sup> Corporate ownership extends beyond major firms, with many other businesses owning upwards of 1,000 SFR homes.<sup>100</sup> According to MIM market projections, by 2030 corporate ownership is expected to reach 7.6 million single-family rental homes, representing roughly 40% of the SFR market.<sup>101</sup> These future predictions are startling. The following Subpart provides a closer look at prominent institutional investors in the SFR business.

## 2. *Top Investors in the SFR Market*

Progress Residential is the largest single-family rental landlord in the country, with over 85,000 SFRs in its portfolio with plans to grow its investments.<sup>102</sup> Progress Residential is owned by the investment firm Pretium

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<sup>97</sup> GAO Report, *supra* note 5, at 14–15 (noting that Sun Belt cities like Atlanta, which experienced an influx of institutional investors post-Recession, have the largest institutional investor ownership rates); *see also* Matt Reynolds, *Investors Now Own 30% of Metro Atlanta's Single-Family Rental Homes, Data Shows*, ATLANTA J.-CONST. (May 14, 2025), <https://perma.cc/5J9H-BEUE> (referencing an ongoing study by Taylor Shelton on the latest ownership rates in the Atlanta metro area).

<sup>98</sup> Raymond et al., *supra* note 56, at 163.

<sup>99</sup> FIELDS & VERGERIO, *supra* note 41, at 28; *see* Christine Stuart, *Democratic Legislation Aims to Curb Hedge Fund Ownership of Single-Family Homes*, NAT'L MORTG. PRO. (Dec. 8, 2023), <https://perma.cc/FK4M-SUEC>.

<sup>100</sup> *Id.*

<sup>101</sup> YARDIMATRIX, *Build-to-Rent Fuels Growth in Institutional Single-Family Rental Market*, BULLETIN (Jul. 2022), <https://perma.cc/97Z7-P5XM> (noting 2030 prediction of SFR ownership).

<sup>102</sup> PROGRESS RESIDENTIAL, <https://perma.cc/4SGW-U4TQ> (archived May 28, 2025) (indicating they own more than 85,000 single-family homes); *see* Our Story, INVITATION HOMES, <https://perma.cc/XZC8-TTPU> (archived Apr. 17, 2025) (stating that they own over 80,000 single-family homes in the “Invitation Homes IPO” section).

Properties.<sup>103</sup> As of February 2024, Pretium reported that it aims to expand its build-to-rent initiatives by investing \$1 billion to purchase new rental homes from builders, suggesting exponential growth in their operations.<sup>104</sup> The latest CEO of Progress Residential, Adolfo Villagomez, published an op-ed reporting that the company is collaborating with housing authorities across the country to offer more homes accepting housing choice voucher programs.<sup>105</sup> The company is projecting responsiveness to growing demand for more affordable housing options.<sup>106</sup> However, while Progress Residential touts efforts to expand opportunities for tenants, advocacy groups like the Private Equity Stakeholder Project are challenging that narrative by reporting that the company has extracted \$60 million in value from Black communities in Minnesota.<sup>107</sup> Tenants have had some success in asserting their claims of mistreatment, but these challenges may have little effect on Progress Residential's growth.<sup>108</sup>

Invitation Homes is the second-largest corporate-tech landlord, owning over 80,000 single-family homes.<sup>109</sup> Invitation Homes was founded by Blackstone in 2012.<sup>110</sup> The latter provided much of the capital.<sup>111</sup> By 2016, the company had its initial public offering (IPO) and was listed on the New York Stock Exchange (NYSE).<sup>112</sup> Since 2016, Invitation Homes has expanded its operations.<sup>113</sup> By June 2024, it had increased its build-to-rent portfolio through

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<sup>103</sup> Leah Draffen, *Pretium, Progress Residential Announce Plans to Expand Affordable Single-Family Rental Housing*, BUILDER (Nov. 9, 2022), <https://perma.cc/H7KQ-ZUMZ>.

<sup>104</sup> *Pretium Announces Billion Dollar Investment to Purchase New Rental Homes*, RESNET (Feb. 28, 2024), <https://perma.cc/BG67-9MSM>.

<sup>105</sup> Adolfo Villagomez, *The Critical Role of Single-Family Rentals in Solving the Housing Crisis*, PROGRESS RESIDENTIAL (Feb. 26, 2024), <https://perma.cc/33YQ-EEKF>.

<sup>106</sup> *Id.*

<sup>107</sup> See *Key Points*, PRIV. EQUITY STAKEHOLDER PROJECT 1 (last visited May 30, 2025), <https://perma.cc/AQQ7-4JPQ> (detailing figures of wealth extraction).

<sup>108</sup> *Id.* at 8 (documenting wins in court against conditions violations, among other issues).

<sup>109</sup> See *Our Story*, INVITATION HOMES, <https://perma.cc/XZC8-TTPU> (archived Apr. 17, 2025); *Invitation Homes Completes \$650 Million Acquisition of Single-Family Rental Home Portfolio*, JONES DAY (2023), <https://perma.cc/9V6Z-9GGL>.

<sup>110</sup> See Christophers, *supra* note 2, at 434 (explaining background of Blackstone and Invitation Homes partnership); see *Meet Our Management Team*, INVITATION HOMES, <https://perma.cc/3RS7-QKY5> (archived May 28, 2025).

<sup>111</sup> Christophers, *supra* note 2, at 434.

<sup>112</sup> Kerry Curry, *Invitation to a Housing Revolution*, D MAG. (Apr. 8, 2018), <https://perma.cc/C5Y7-VVD7> (explaining how Invitation Homes became the biggest owner of single-family rental houses in the country).

<sup>113</sup> See, e.g., Mary Salmons, *Invitation Aims to Buy up to \$1B in Houses in 2024*, MULTIFAMILY DIVE (Feb. 23, 2024), <https://perma.cc/8K95-JPPM>; see also Jon Leckie, *Invitation Adds 1,000 New Single-Family Rentals to Portfolio, Plans for More*, CoSTAR (Jun. 7, 2024), <https://perma.cc/WDU3-5WJQ>.

collaboration with national and regional homebuilders, resulting in an investment of \$247 million.<sup>114</sup> Future expansion will be focused in Dallas, Houston, South Carolina, and North Carolina.<sup>115</sup> Commenting on the growth of Invitation Homes, its CEO stated, “[w]e returned to a more sustainable growth profile, while continuing to expand and improve on the overall resident experience.”<sup>116</sup> While Invitation Homes has significantly expanded its operations, the company’s narrative about positive tenant experiences has been challenged by numerous complaints—prompting a Federal Trade Commission investigation that resulted in a substantial settlement.<sup>117</sup>

Another major player in the SFR industry is Tricon Residential Inc. (Tricon), which was founded in 1988 in Ontario, Canada.<sup>118</sup> The current CEO is Gary Berman.<sup>119</sup> Under Berman’s tenure, on May 2, 2024, Tricon was bought out by Blackstone Real Estate Partners X and Blackstone Real Estate Income Trust, Inc. because Blackstone was ready to re-enter the SFR industry.<sup>120</sup> The merger positioned Blackstone and Tricon as the third-largest corporate-tech landlord in the SFR market, with a portfolio exceeding 60,000 homes.<sup>121</sup> As a result of this merger, Tricon claims that it “will continue to help hard-working American families access quality single-family homes and good schools in desirable neighborhoods, and our commitment to genuine, caring customer service remains unwavering.”<sup>122</sup> However, like Invitation Homes and Progress

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<sup>114</sup> Leckie, *supra* note 113.

<sup>115</sup> *Id.*

<sup>116</sup> See Salmonsen, *supra* note 113.

<sup>117</sup> See Larissa Bungo, *FTC Says Invitation Homes Was Anything but Inviting* (Sep. 24, 2024) <https://perma.cc/EF9Y-EQFQ> (detailing complaints and settlement agreement of \$48 million).

<sup>118</sup> TRICON RESIDENTIAL, <https://perma.cc/7A34-LZMQ> (archived Apr. 18, 2025) (explaining that Tricon Residential provides rental solutions across the U.S. Sun Belt and Canada through a technology-enabled operating platform and on-ground operating teams).

<sup>119</sup> *Id.*

<sup>120</sup> See *Blackstone Real Estate Completes Privatization of Tricon*, BLACKSTONE (May 1, 2024), <https://perma.cc/VE9F-PPNT>; Lance Lambert, *Blackstone Will Have the Third-Largest U.S. Single-Family Portfolio Once It Completes Its Tricon Residential Acquisition*, RESI CLUB ANALYTICS (Jan. 30, 2024), <https://perma.cc/R69J-G6NL> (commenting on re-entry into SFR industry).

<sup>121</sup> See *Blackstone Real Estate Completes Privatization of Tricon*, BLACKSTONE (May 1, 2024), <https://perma.cc/VE9F-PPNT> (outlining details for investors); Lambert, *supra* note 120 (discussing announcement of merger and SFR ownership numbers).

<sup>122</sup> See *Blackstone Real Estate Completes Privatization of Tricon*, BLACKSTONE (May 1, 2024), <https://perma.cc/VE9F-PPNT>.

Residential, numerous tenants have filed complaints against Tricon, suggesting the company may not be providing quality customer service.<sup>123</sup>

Lastly, American Homes 4 Rent (AMH) was incorporated in Maryland in 2012 by B. Wayne Hughes.<sup>124</sup> David Singelyn is the current CEO.<sup>125</sup> AMH began investing in SFRs in 2008.<sup>126</sup> While its focus was initially on acquiring foreclosed homes and transforming them into SFRs, it has since shifted its focus to build-to-rent projects the size of entire communities.<sup>127</sup> Its primary business is built-to-rent and its in-house home-building division differentiate AMH from other corporate-tech landlords.<sup>128</sup> AMH is based in Las Vegas,<sup>129</sup> and as of March 31, 2024, it owns nearly 60,000 single-family properties in the Southeast, Midwest, Southwest and Mountain West regions of the United States.<sup>130</sup> AMH also has many unsatisfied tenants.<sup>131</sup>

These four companies are only a small sample of all corporate-tech landlords operating in the United States. But combined, they own far more single-family rentals than other corporate landlords.<sup>132</sup> Due to the scale of their holdings and their public reporting obligations, these companies offer meaningful insight into the practices of corporate-tech landlords. Two trends in

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<sup>123</sup> See Camila Lopez, *How to File a Complaint Against Tricon Residential*, JUSTICE DIRECT (Jan. 8, 2025), <https://perma.cc/BM42-XLN7> (describing Tricon as having a 1.49/5 rating and numerous complaints filed with the BBB); see also *Finalization of Blackstone Acquisition of Tricon Residential Stands to Worsen Affordable Housing Crisis*, PRIV. EQUITY STAKEHOLDER PROJECT (May 16, 2024), <https://perma.cc/DT6W-6MNL>.

<sup>124</sup> American Homes 4 Rent Announces B. Wayne Hughes' Retirement from the Board, AM. HOMES 4 RENT (May 3, 2019), <https://perma.cc/553Z-L8CX>.

<sup>125</sup> *Business Profile: American Homes 4 Rent*, BETTER BUS. BUREAU (2024), <https://perma.cc/UC5J-5ZZJ>.

<sup>126</sup> See Nick Pipitone, *American Homes 4 Rent Is Battling a Crowded Build-To-Rent Market*, PROPMODO (Aug. 28, 2024), <https://perma.cc/GSA4-N6VG>.

<sup>127</sup> *Id.*

<sup>128</sup> Lance Lambert, *Why This Mega-Landlord Is Betting Big on Build-to-Rent Housing*, FASTCOMPANY (Jul. 31, 2024), <https://perma.cc/6GSA-G4BC>.

<sup>129</sup> *Id.*

<sup>130</sup> See AMH Is a Leader in the Single-Family Home Industry, AM. HOMES 4 RENT (2024), <https://perma.cc/EG99-KECY> (explaining that American Homes 4 Rent is a Maryland real estate investment trust that develops, renovates, leases, and manages single-family homes as rental properties).

<sup>131</sup> See, e.g., *American Homes 4 Rent – Reviews*, YELP, <https://perma.cc/5F8V-K2C7> (showing posted Yelp reviews with a 1.4/5 rating).

<sup>132</sup> GAO Report, *supra* note 5, at 13 (reporting on how many single-family homes are owned by institutional investors, defined as owning 1,000 or more properties). One estimate reported that as of June 2022, there were 32 institutional investors in the United States who collectively owned nearly 450,000 homes, about 3% of all SFRs. As of the end of 2022, the five largest investors owned about 300,000 homes or nearly 2% of all SFRs nationally. Invitation Homes, American Homes 4 Rent, Tricon Residential, and Premium Properties are all among the five largest institutional investors. *Id.*

the descriptions of these top SFR companies are worth noting. The first key point is that each of these companies has already expanded, and intends to further expand, its presence in the single-family rental and build-to-rent sectors. A second notable pattern is that tenants of each company have raised public concerns about imbalances of power, alleging substandard conditions and exploitative rent practices. Technology also plays an important role in the growth of these large corporate-tech landlords and how they manage their tenants.

### *C. The “Tech” in Corporate-Tech Landlordism*

Technology was critical for corporate-tech landlords to scale their portfolios both during and after 2008. Prior to the recession, SFRs were seen as inefficient investments, largely because managing dispersed “scatter-site” properties posed operational challenges and failed to attract institutional financing.<sup>133</sup> Around 2012, the SFR market became increasingly attractive to investors, as post-crisis housing conditions—combined with advances from the 2008 tech boom—provided the tools and scaling potential needed to make SFRs a worthwhile investment.

Specifically, large supplies of discounted single-family homes, lack of mortgage credit, and increased rental demand gave investors an opportunity to step in, acquire properties at scale, and securitize rental income from their large single-family home portfolios.<sup>134</sup> AMH noted that “the difficulty of efficiently acquiring individual homes was a fundamental reason SFR companies with a

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<sup>133</sup> Fields, *supra* note 13, at 161; see also Christophers, *supra* note 2, at 435 (describing how institutional investors did not deem the SFR market worthy of investment because the market was deemed too small of a venture).

<sup>134</sup> Fields, *supra* note 13, at 161 (citing James Mills et al., *Large-Scale Buy-to-Rent Investors in the Single-Family Housing Market: The Emergence of a New Asset Class?* (Fed. Rsr., Fin. & Econ. Discussion Series 2015-084, 2015), <https://perma.cc/C2S3-FKML>). Securitizing single-family homes involves a company bundling together many rental properties and then using the properties as collateral to issue bonds to investors. See *U.S. Single-Family Rental Securitization Ratings Methodology*, MORNINGSTAR 1 (2018) (introducing methodology for securitization of SFRs), <https://perma.cc/WKN3-6VNM>. Investors receive rent payments from the pooled rent collected from the tenants living in SFRs, which turns the rental income into a tradable security on the stock market. *Id.* These rent payments to investors are known as rental cash flows. If tenants default on rent payments, the corporate landlord can sell the property or quickly replace tenants to recoup losses and continue payments to investors. *Id.* See James Chen, *Securitization: Definition, Pros & Cons, Example*, INVESTOPEDIA (Jul. 14, 2024), <https://perma.cc/PD5T-3ZQH> (explaining how securitization works, including cash flows from which investors are paid).

national presence did not develop sooner.”<sup>135</sup> At the same time, proptech enabled investors to optimize collection of rents by automating the process.<sup>136</sup> By streamlining the management of geographically dispersed properties, proptech created the tools needed to translate rent income into a tradable asset on capital markets.<sup>137</sup> The sustainability of SFRs as a new asset class ultimately hinged on institutional investors’ ability to systematize core aspects of property acquisition (like underwriting) and management (such as rent collection) through the use of proptech.<sup>138</sup>

While the use of proptech enabled corporate-tech landlords to achieve a large SFR inventory quickly, the technology had to be employed at strategic stages of the SFR supply chain to make mass acquisition and management possible. The economist Desiree Fields has suggested that institutional investors adopted twentieth-century “Fordist logics of mass production and vertical integration to achieve economies of scale and control costs along the supply chain.”<sup>139</sup> In vertical integration, a company brings outsourced operations in-house to consolidate control over the supply chain.<sup>140</sup> Fields explains that the sale of securities to bond investors is the end point of a supply chain and that the chain begins with establishing sources of supply (in this case, rental income from SFRs).<sup>141</sup> The SFR asset class depends on the ability to acquire target properties at scale, rehabilitate them, lease them to rent-paying tenants, manage properties, and oversee tenant turnover to ensure more rent flow.<sup>142</sup>

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<sup>135</sup> *Id.* at 169.

<sup>136</sup> Fields et al., *supra* note 13, at 164.

<sup>137</sup> *Id.*

<sup>138</sup> *Id.* at 164.

<sup>139</sup> *Id.* Fordism is a mass production system named after the automobile manufacturer Henry Ford. It features workers assigned to specific tasks, strict job boundaries, and clear distinctions between mental and manual labor roles. High production volumes were essential for maximizing economies of scale and lowering unit costs. Relationships between assembly firms and suppliers were typically kept at arm’s length, with large inventories maintained to prevent production disruptions. Patrick E. Mears & John T. Gregg, *The Motor Vehicle Manufacturing and Assembly Process*, 7 COLLIER BANKR. PRAC. GUIDE P 131.03 (2024) (citing Andrew Mair et al., *The New Geography of Automobile Production: Japanese Transplants in North America*, 64 ECON. GEOGRAPHY 352, 352–53 (1988)).

<sup>140</sup> Vertical integration is when a firm extends its operations within its supply chain and brings in previously outsourced operations in-house. The direction of vertical integration can either be upstream (backward) or downstream (forward). It can be achieved either by internally developing an extended production line or by acquiring vertically. *Vertical Integration: Bringing In Previously Outsourced Operations In-House*, CORP. FIN. INST. (2024), <https://perma.cc/H4XG-YHL8>.

<sup>141</sup> Fields, *supra* note 13, at 167.

<sup>142</sup> *Id.*

### 1. The Acquisition Phase

Vertical integration and automation of stages like acquisition and property management proved essential, enabling corporate-tech landlords to efficiently control and standardize key elements of the SFR supply chain.<sup>143</sup> For example, in the acquisition phase, corporate-tech landlords use an “acquisition engine” or “acquisition platform” to analyze neighborhood demographic data fed into a proprietary underwriting algorithm.<sup>144</sup> Driven by target yield specifications, which reflect the desired return to investors through interest or dividends, algorithms identify attractive properties and propose corresponding price points.<sup>145</sup> Accordingly, these underwriting algorithms streamline the start of the SFR asset supply chain, making acquisition algorithms the mechanism “by which finance capital was able to access sources of raw material [SFRs].”<sup>146</sup>

To illustrate the SFR supply chain further, the real estate group of Amherst Capital, Main Street Renewal, disclosed their acquisition process in more detail. They use a “market surveillance tool” that tracks up to five hundred newly listed homes for sale on a daily basis within their target markets.<sup>147</sup> The tool filters the listings and computes automated valuations by running all properties through an underwriting model.<sup>148</sup> The model outputs projected “rents, refurbishing costs, taxes, insurance, and other expenses to calculate an estimated net operating income and capitalization rate for each property”—and combines these predictions with census-tract-level data, including population, “homeownership rates, vacancy levels, incomes, crime indices, school quality, mortgage delinquencies, etc.”<sup>149</sup> Thus, they “have a ‘bid list’ of targeted properties with projected returns automatically run” and ready to go each morning.<sup>150</sup> While human involvement is still required, the time

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<sup>143</sup> *Id.* (sharing point of view from interview of managing director of Invitation Homes).

<sup>144</sup> *Id.* at 169. Data points may include neighborhood desirability, proximity to employment centers, transportation corridors, community amenities, construction type, and required ongoing capital needs.

<sup>145</sup> *Id.*

<sup>146</sup> *Id.* See also *Yield Targeting: The Most Efficient Way to Manage Risk, Income, and Portfolio Expectations*, ADVISORS CAP. MGMT. (2024), <https://perma.cc/YX86-5CHD> (defining yield targeting and explaining how yielding strategies could be used to match investment client needs).

<sup>147</sup> Christophers, *supra* note 2, at 438.

<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Id.*

commitment is substantially minimized by beginning with fully automated projections.<sup>151</sup>

Other examples are illustrated by Invitation Homes and Tricon. Invitation Homes used an “integrated acquisition platform,” which enabled it to underwrite more than one million single-family homes between 2012 and 2017, with each such home being evaluated on sixty-four different criteria.<sup>152</sup> Bids were placed on approximately 300,000 of the one million homes, and 48,000 were ultimately acquired.<sup>153</sup> Similarly, Tricon uses an algorithm that purchases single-family homes based on their own proprietary model.<sup>154</sup> They own a ninety-factor algorithm that incorporates neighborhood type, price, size, and more.<sup>155</sup> In the first quarter of 2018, using their proprietary algorithm, Tricon made offers on 1,500 single-family homes and purchased 400, all within the Sun Belt.<sup>156</sup>

The abundance of available homes in the wake of the Great Recession, coupled with the rise of new technologies, greatly enhanced the efficiency of portfolio scaling.<sup>157</sup> The next important phase in the SFR supply chain is the ability to streamline management of nationwide SFR portfolios to ensure the asset (rent) flows without disruption.

## 2. *The Management Phase*

Effective SFR management requires securing tenants (via advertising, property viewings, and digital platforms for applications and payments), performing maintenance and repairs, managing tenant turnover, and administering evictions. Geographic distance and full digitization of landlord-

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<sup>151</sup> *Id.*

<sup>152</sup> *Id.* at 438–39.

<sup>153</sup> *Id.* at 439.

<sup>154</sup> See Steve McLean, *Tricon Becomes \$10.5B Rental Housing Powerhouse*, REAL ESTATE NEWS EXCHANGE (Mar. 19, 2020), <https://perma.cc/C99E-JL6L> (commenting on Tricon’s proprietary TriAD software). The software “scans hundreds of thousands of homes every five or 10 minutes on multiple listing services” and “uses a 90-point criteria [sic] that acts as a funnel to determine if a home fits Tricon’s purchase criteria.” *Id.* The CEO was quoted as stating that as soon as homes are listed, the software can analyze the listing, underwrite a home, make an offer in five minutes. *Id.*

<sup>155</sup> *Id.*

<sup>156</sup> Natalie Wong Bloomberg, *Toronto-Based Landlord Tricon Snaps Up U.S. House Listings as Rental Market Booms*, TORONTO STAR (May 16, 2018), <https://perma.cc/DG6M-LWDU> (summarizing Tricon Residential’s goals to grow its market share in the United States, based on what CEO Gary Berman described as an “insatiable” demand in the United States to rent single-family homes).

<sup>157</sup> *Id.*

tenant interactions fundamentally changed the landlord-tenant relationship in contrast to traditional landlordism. The widespread adoption of smartphones provided corporate-tech landlords with a significant advantage, allowing them to automate tenant communications and better manage the logistical challenges posed by dispersed property portfolios.<sup>158</sup> Tenants have both benefited and experienced challenges because of the digitization of housing.

Along with direct access to listings and applications on their phones, keyless entry systems are an example of an efficiency benefit for tenants. Keyless entry systems enabled leasing agents working for corporate-tech landlords to jump from completing twelve leases a month (already considered high) to a staggering thirty leases a month, which means more tenants get into more units faster.<sup>159</sup> But again, digitization also creates challenges. Corporate-tech landlords increasingly use digital technologies to delegate repair responsibilities to tenants, despite these tasks historically falling within the landlord's duties and, in many cases, being legally mandated under the warranty of habitability.<sup>160</sup> The offloading of home repairs is where views about prop-tech benefits tend to diverge between tenants and corporate-tech landlords. According to a chief executive at a 2016 investment event, "tenants are happy to do a lot of work property managers do themselves."<sup>161</sup> Examples of off-loaded tasks include submitting maintenance requests with photos through a mobile app—which can eliminate the need for an on-site contractor to diagnose issues—and accessing do-it-yourself blogs and instructional videos provided by corporate-tech landlords on their websites.<sup>162</sup> Automating as many interactions with tenants as possible allows corporate-tech landlords to speed up the supply chain, reduce cost, reduce labor, and ultimately avoid disruption in the flow of rental income to capital markets.<sup>163</sup>

One former CTO of a large-scale SFR company stated, "one of the biggest things is just knowing where your stuff is, knowing the status of things. We like to think of our business as a manufacturing line; it's this linear process that has to happen... if you have 20,000 assets all over the country, how do you know

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<sup>158</sup> Fields, *supra* note 13, at 171.

<sup>159</sup> *Id.*

<sup>160</sup> *Id.*

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*; see, e.g., INVITATION HOMES, <https://perma.cc/8JNG-LTWW> (describing their maintenance app as "easy-to-use" and "the best way to request a repair, keep up your Fridge List, get updates, and watch how-to videos.").

<sup>163</sup> *Id.*

which asset is in which phase?”<sup>164</sup> Vertically integrated firms like Invitation Homes, AMH, Tricon, and Waypoint were well positioned to capitalize on digital tools that emerged from the tech boom, as investing in technology made managing large-scale homeownership far more feasible.<sup>165</sup>

### 3. *Data Collection and How Data Is Used*

Corporate-tech landlords are collecting not only rental income from SFRs, but also a continuous flow of data about their prospective and current tenants. Fields explains that accumulation of data emerges as a chief advantage of vertical integration because in-house operations mean data remains in-house.<sup>166</sup> As the CEO of an SFR company disclosed, “we larger operators end up becoming data and logistics companies . . . due to the massive amounts of data [we collect]” on consumer preferences, among other metrics.<sup>167</sup> The data collected is used to analyze and control operations throughout the SFR supply chain and influences decision-making of corporate-tech landlords that can affect the lives of tenants. For example, corporate-tech landlords use data to “optimiz[e] operations,” as described by a former director of repairs and maintenance operations for one SFR company.<sup>168</sup> The director explained, “how an analysis of maintenance requests,” which compared units at different rent levels, resulted in the company deciding to provide renters who pay less rent with fewer amenities “because the data showed [that renters paying lower rates] tended to generate more maintenance requests.”<sup>169</sup>

The decision to optimize for fewer amenities may represent a relatively benign manifestation of optimization, especially given that tenants paying lower rents may not occupy high-amenity homes as often as higher rent tenants. However, using the same logic, applying optimization models to more consequential metrics—such as access to units for tenants who typically rent at lower rates, including those who are housing insecure—has the potential to systematize exclusion.<sup>170</sup> The broader concern about mass data collection

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<sup>164</sup> Fields, *supra* note 13, at 168.

<sup>165</sup> *Id.* at 164.

<sup>166</sup> *Id.* at 174.

<sup>167</sup> *Id.*

<sup>168</sup> *Id.* The author, Desiree Fields, anonymized interviews with SFR CEOs and leadership. As such, the quoted material references general titles.

<sup>169</sup> *Id.*

<sup>170</sup> See e.g., Karl Racine, *What Do Algorithms Have to Do with Civil Rights? How My Office Is Cracking Down on 21st Century Discrimination*, MEDIUM (Apr. 5, 2022), <https://perma.cc/77HG-VTRM>.

affecting the lives of corporate-tech tenants is what some scholars refer to as the “information dragnet.”<sup>171</sup> The new era of landlordism is “marked by the simultaneity” of aggregated and individualized records, the tendency of data to “stubbornly follow individuals as they move between platforms and the non-digital world,” and the commodification of that data to the point where automation “obscures . . . human agency.”<sup>172</sup> The “information dragnet” is how big data is collected through the daily lives of tenants—where they shop, socialize, and more—and how the digital footprint they leave can affect how they may be categorized and sorted by proptech.<sup>173</sup> The implication of this data-driven sorting—drawing from public sources like census data, social media, and internal corporate-tech landlord databases—is that models designed to optimize the SFR supply chain for profit can directly shape landlords’ operating decisions. For example, proptech, powered by big data analytics, can systematically inform corporate-tech landlords about which tenants are deemed desirable and likely to pay for additional amenities, as opposed to lower-paying tenants, who may be considered less desirable and charged higher security deposits.<sup>174</sup>

Tenant-screening software is another example. Tenant-screening tools use algorithms trained on big data, which includes credit histories, criminal records, and eviction filings to predict whether an applicant will be a responsible tenant.<sup>175</sup> Predictive models rely on behavior trends of applicants who have similar characteristics as opposed to individual applicant profiles.<sup>176</sup> The Massachusetts case *Louis v. SafeRent* illustrates the problem of generalizing the characteristics of prospective tenants.<sup>177</sup> The *Louis* plaintiffs alleged violations of the Fair Housing Act and claimed that tenant screening software discriminated against Black and Hispanic rental applicants who use vouchers

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<sup>171</sup> Fields, *supra* note 13 at 177 (citing Marion Fourcade & Kieran Healy, *Seeing Like a Market*, 15 SOCIO-ECON. REV. 9, 9–29 (2016) (coining the term “information dragnet”)).

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

<sup>174</sup> *Id.* Corporate-tech landlords with stores of data on current or past tenants can use the information to attract desirable tenants or avoid undesirable tenants, especially in communities where these landlords have a concentration of ownership. *See also* Nadiyah J. Humber, *A Home for Digital Equity: Algorithmic Redlining and Property Technology*, 111 CALIF. L. REV. 1449–60 (2023) (describing the origin of data bias in proptech from eviction, criminal, and credit history).

<sup>175</sup> See The Promises and Perils of Residential Proptech: In a Nutshell, TECH-EQUITY COLLABORATIVE (May 3, 2023), <https://perma.cc/QVN5-9U9P>.

<sup>176</sup> *Id.*

<sup>177</sup> 685 F.Supp.3d 19 (D. Mass. 2022).

because voucher holders historically have lower credit scores.<sup>178</sup> The *Louis* plaintiffs were denied housing because the SafeRent tenant-screening tool produced a score that did not meet the landlord's minimum requirements.<sup>179</sup> However, credit histories did not account for on-time rent payments, which are arguably a stronger indicator of a tenant's reliability in paying rent.<sup>180</sup> The plaintiffs in *Louis* had impeccable rent payment histories, but their profiles were generalized with biased data associated with voucher-holders, and their applications were ultimately denied.<sup>181</sup> Landlords in *Louis* stated that they used tenant-screening tools to make decisions to accept or deny the plaintiffs based solely on assigned scores, without considering other information to assess their candidacy.<sup>182</sup> As demonstrated, mass data collection can "carry economic rewards and punishments that contribute to socio-spatial stratification."<sup>183</sup> Understanding corporate-tech landlords' benefits and consequences on the housing market is a developing area of research. The following Part explores the consequences of corporate-tech landlordism in more detail. It highlights the distributional impacts of growing market power and the operational strategies of corporate-tech landlords that create problematic conditions for tenants.

### III. ADVERSE IMPACTS OF CORPORATE-TECH LANDLORDISM

Corporate-tech landlords are increasing their market power in target areas in ways that negatively affect tenants. One primary concern is that concentrated ownership of SFRs in specific markets has led to inefficiencies, such as intentional unit vacancies, and algorithmic collusion to fix rent prices.<sup>184</sup>

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<sup>178</sup> Amended Complaint ¶¶ 4, 20, *Louis v. SafeRent Sols., LLC*, No. 1:22-cv-10800 (D. Mass. May 25, 2022), <https://perma.cc/R8WV-LX97> [hereinafter *SafeRent Complaint*].

<sup>179</sup> *Id.* at ¶ 7.

<sup>180</sup> *Id.* at ¶ 47.

<sup>181</sup> *Id.* at ¶ 83.

<sup>182</sup> *Id.* at ¶ 25. *Louis v. SafeRent* plaintiffs successfully defeated SafeRent's motion to dismiss in an opinion published in July 2024. See Memorandum and Order on Defendants' Motions to Dismiss, *Louis v. SafeRent Sols., LLC*, No. 1:22-cv-10800 (D. Mass. May 25, 2022), <https://perma.cc/A84Y-9XKZ>. Justice Angel Kelley held that SafeRent's scores were subject to the Fair Housing Act because it is directly related to the rental transaction and determined who was qualified to occupy the housing unit. *Id.* at 19. The case ultimately settled for \$2.28 million on November 20, 2024, and proceeds will be distributed to other class members impacted by SafeRent scores. See *Past Cases: Louis, et al. v. SafeRent Solutions, et al.*, COHEN MILSTEIN, <https://perma.cc/7R26-8MGX>.

<sup>183</sup> Fields et al., *supra* note 13, at 177.

<sup>184</sup> See Heather Vogell et al., *Rent Going Up? One Company's Algorithm Could Be Why*, PROPUBLICA (Oct. 15, 2022), <https://perma.cc/YC47-GVHZ>; see also Rya Jetha, *San Francisco*

Aggravating housing insecurity is another major concern. Corporate-tech landlords manage SFRs like a run-of-the-mill business rather than an essential social need.<sup>185</sup> Business models include optimizing their assets by squeezing as much revenue as possible for shareholders without adequately considering the lived experience of tenants. It is not common for tenants to have human interactions with corporate-tech landlords due to the automation of tenant and property management systems.<sup>186</sup> Many never meet their landlords at all.<sup>187</sup> For example, studies show that corporate-tech landlords auto-file bulk evictions as a matter of business practice because tenant turnover means higher rents and more money, a process referred to as “re-tenanting.”<sup>188</sup> For tenants who remain in corporate-tech landlord properties, another major issue is landlord absenteeism and an inability to hold corporate-tech landlords accountable for their neglect.<sup>189</sup> Finally, many of these problems are racialized and disproportionately affect people of color and their communities.<sup>190</sup> The following Subparts elaborate on these issues in more detail.

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*to Ban Rent-Setting Software Amid Gouging Worry*, BLOOMBERG NEWS (Jul. 31, 2024), <https://perma.cc/J9S7-6WA6> (revealing that San Francisco is the first major city to ban algorithmic software recommending rent prices, amid price-fixing allegations). In addition to price-fixing, the intentional limiting of supply by keeping units vacant in order to inflate prices is also a concern.

<sup>185</sup> See *New Report: Housing Crisis Super-Charged by Billionaire Investors Disrupting Housing Market*, INST. FOR POL’Y STUD. (Oct. 21, 2024), <https://perma.cc/UXD5-2MCU> (arguing that the ultra-wealthy treat real estate properties as just another opportunity to grow their assets).

<sup>186</sup> See e.g., Eleanor Noble et al., URB. INST., *How We Used Open Data to Identify Investor-Owned Single-Family Rental Properties*, MEDIUM (Jul. 2, 2021), <https://perma.cc/GY5Z-WKLX> (describing the difficulty of identifying corporate landlords).

<sup>187</sup> See Desiree Fields, *The Rise of the Corporate Landlord: The Institutionalization of the Single-Family Rental Market and Potential Impacts on Renters A Report by the Homes For All Campaign of Right to the City Alliance*, RIGHT TO THE CITY 17 (May 2014), <https://perma.cc/29UU-WBNN> (noting that many tenants with corporate landlords have never seen them in person). See, e.g., *As Corporations Buy Up Rentals, More Tenants Struggle to Reach Landlords About Issues*, NPR (May 10, 2024) <https://perma.cc/56HU-X425>.

<sup>188</sup> See Weiss, *supra* note 73 (discussing re-tenanting); see generally Raymond et al., *supra* note 56.

<sup>189</sup> See Shelton et al., *supra* note 7, at 1825 (noting that institutional investors in the Atlanta metropolitan area are often headquartered outside of Georgia and operate as absentee landlords); HUMAN IMPACT PARTNERS, CORPORATE WEALTH VS. COMMUNITY HEALTH: HOW CORPORATE LANDLORDS’ PROFIT-SEEKING STRATEGIES HARM HEALTH 19–21, 41–44 (June 2024), <https://perma.cc/WZA2-QF7C> (highlighting six harmful profit-seeking strategies of corporate landlords including neglecting upkeep and dodging accountability). Landlord absenteeism is a problem that extends beyond corporate-tech landlords, but absentee corporate-tech landlord are more difficult to challenge due to their resources and distributed ownership. *Id.* at 45–48.

<sup>190</sup> See Fields, *supra* note 187 (stating that the negative impacts of financialization of housing disproportionately affect communities of color, women, and immigrants).

### A. Increasing Market Power

Corporate-tech landlords are building SFR “empires” in target markets. Two primary strategies exist for obtaining increased market power: bulk purchase of existing homes and build-to-rent projects. The start of the first strategy was discussed in Part I. The mass acquisition of existing homes began during and shortly after the Recession.<sup>191</sup> Since then, concentrated ownership has been continuing through one-by-one acquisition and partnership strategies.<sup>192</sup> For example, Invitation Homes invested \$1.95 billion to acquire 4,802 homes in 2021, which was more than double its 2,250 acquisitions in 2020.<sup>193</sup> To expand ownership beyond metropolitan areas where the foreclosure crisis hit the hardest, corporate-tech landlords engaged in joint ventures with real estate private equity firms, such as Rockpoint Group, to invest in higher price-point SFRs in more suburban locations.<sup>194</sup>

Several of the largest corporate-tech landlords in both the multifamily and SFR markets earned over \$4.3 billion in net income in 2022—“over \$1.3 billion more than the previous year, all while pushing double-digit rent increases, charging excessive fees, and engaging in ‘abusive tactics’ to evict tenants.”<sup>195</sup> For example, Invitation Homes saw a 46% (\$385 million) year-over-year increase in net earnings, largely due to a 9.2% increase in average monthly rent.<sup>196</sup> AMH earned \$310 million in net income, a 47% increase due to its rental “pricing power” strategy.<sup>197</sup> And Tricon experienced “record growth” in FY 2022

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<sup>191</sup> See Leckie, *supra* note 113; *Invitation Homes Completes \$650 Million Acquisition of Single-Family Rental Home Portfolio*, *supra* note 109; *American Homes 4 Rent Announces B. Wayne Hughes’ Retirement from the Board*, *supra* note 124 (detailing most recent acquisition plans).

<sup>192</sup> See, e.g., *Wall Street Landlords Turn American Dream into a Nightmare*, PUB. ADVOC. (2017), <https://perma.cc/HT8T-MLKD> (outlining mergers of large corporate landlords from the Recession through 2017); see also *Blackstone Will Have the Third-Largest U.S. Single-Family Portfolio Once It Completes Its Tricon Residential Acquisition*, RESICLUB ANALYTICS (Jan. 30, 2024), <https://perma.cc/MQ6X-6AXF> (announcing merger between Blackstone and Tricon Residential).

<sup>193</sup> Fields & Vergeio, *supra* note 41, at 27.

<sup>194</sup> *Id.*

<sup>195</sup> *America’s Biggest Multifamily and Single-Family Landlords Continue to Reap Huge Profits and Take Advantage of Tenants*, ACCOUNTABLE.US (2023), <https://perma.cc/HUF2-9EHL>.

<sup>196</sup> *Id.* Net increase or net earnings is the actual profit earned after subtracting expenses, versus total revenue which is the total income made before accounting for expenses. See Evan Tarver, *Revenue vs. Earnings: What’s the Difference?*, INVESTOPEDIA (Aug. 25, 2024), <https://perma.cc/CCE3-GH2K> (explaining the distinction between revenue as total income and earnings as net profit after expenses to determine if it was a real or nominal increase). It is unclear if these numbers were adjusted for inflation.

<sup>197</sup> *America’s Biggest Multifamily and Single-Family Landlords*, *supra* note 195 (suggesting that pricing power strategy means the incremental nature of AMH’s rent increases).

with a net income increase of nearly 70% (\$780 million) as result of “strong rent growth.”<sup>198</sup> These numbers demonstrate remarkable increases in market power.

The second strategy, build-to-rent projects, is expanding ownership in both medium and high-income areas.<sup>199</sup> For example, Invitation Homes partnered with the nation’s third-largest homebuilder, Pulte Homes, to design build-to-rent single-family homes, which tend to be in higher income locations.<sup>200</sup> AMH also has an aggressive build-to-rent strategy.<sup>201</sup> It prioritizes land purchases to accelerate their acquisition by building, leasing, and home turn-over projects.<sup>202</sup> As of 2020, AMH had 10,000 real estate “lots in their development pipeline and ended 2021 with 12,132 lots in development” for build-to-rent projects.<sup>203</sup> AMH plans to continue buying land and will invest \$880 million in the development of single-family homes and land assets.<sup>204</sup> The majority of AMH properties (sixty-one percent) are located in Arizona, Florida, Georgia, North Carolina, Tennessee, and Texas.<sup>205</sup> They also have significant portfolios in Indiana, Illinois, Ohio, and Atlanta.<sup>206</sup> Similarly, Invitation Homes properties and the build-for-rent projects span several states in the Sun Belt.<sup>207</sup>

While concerns about increased market power are discussed in greater detail below, it is important to also acknowledge certain benefits associated

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<sup>198</sup> *Id.*

<sup>199</sup> See PulteGroup and Invitation Homes Form Strategic Relationship to Build Single-Family Rental Projects in Select PulteGroup Communities, BUSINESSWIRE (July 26, 2021), <https://perma.cc/9XP7-TEDP> (reporting on Invitation Homes and PulteGroup’s partnership to build new constructions in areas with larger parcels and access to good schools). Larger parcels are often located in high income suburbs, and “good schools” is a loaded phrase used in the real estate industry to signal primarily white school districts. *Id.* Locations for the partnership include Florida, Georgia, Southern California, North Carolina, and Texas. *Id.*

<sup>200</sup> *Id.*; see Ann Owens, *Income Segregation Between School Districts and Inequality in Students’ Achievement*, 91 Socio. Educ. 1, 1–27 (2018), <https://perma.cc/DV2H-E9SK>; see also Evan N. Brown, *What It Really Means When We Say a Neighborhood Has “Great Schools”*, APARTMENT THERAPY (Sept. 30, 2019), <https://perma.cc/VM4D-4QAK> (detailing the history of how residential racial segregation relates to public school funding and how school districts are labeled as “good” and “bad” based on income).

<sup>201</sup> See AMH Delivers 10,000th Built Home, Expanding High-Quality Housing Options in the U.S., AMH INVESTORS (Jul. 10, 2024), <https://perma.cc/UJU4-XL9J> (describing AMH’s focus on build-to-rent successes).

<sup>202</sup> FIELDS & VERGERIO, *supra* note 41, at 27–28.

<sup>203</sup> *Id.* at 28.

<sup>204</sup> *Id.*

<sup>205</sup> *Id.* at 24.

<sup>206</sup> *Id.*

<sup>207</sup> *Id.* at 25–27. States with projects include Phoenix, Arizona, Denver, Colorado, Dallas, Texas, Charlotte, North Carolina, and Georgia. *Id.*

with increased corporate-tech landlord investment. The primary benefit is that SFRs are filling gaps by creating some affordable housing stock. The ongoing decline in homeownership has contributed to a steadily expanding renter population.<sup>208</sup> As such, corporate-tech landlords, in some ways, are breaking down barriers for renters by creating more homes in well-resourced communities, which often have zoning laws that restrict multi-unit projects.<sup>209</sup> Furthermore, individual and small landlords may find that investors buying and repairing distressed homes in their communities increases their property values.<sup>210</sup> Small home sellers also get the benefit of robust, swift cash-sale offers. Studies have also shown that institutional investors contribute to the recovery of local housing markets by reducing vacancy rates of homes that would otherwise remain distressed REO homes.<sup>211</sup> Lastly, labor markets in target investment areas have improved due to a boost in local construction work, and other relevant jobs.<sup>212</sup>

Though benefits exist, there are still harmful practices and market implications for buyers and renters that need attention. In the very areas where home appreciation and employment rates increased, institutional investors were responsible for approximately seventy-five percent of the decline in homeownership during the 2006 to 2014 period.<sup>213</sup> Plans for institutional investors increasing market power in target areas cannot be understated. Again, scholars predict that by 2030, corporate-tech landlords will own more than forty percent of the SFR market.<sup>214</sup> These predictions are not far-fetched, considering that traditional corporate landlords in the multifamily market own roughly sixty percent of units.<sup>215</sup> As such, while small landlords own most SFRs

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<sup>208</sup> See *Homeowner vs. Renter Statistics*, PROP. MGMT., (Nov. 22, 2023) <https://perma.cc/R6K6-2W2Y> (reflecting a decline in homeownership, with 34% of American households renting their home). As of 2022, 84.6 million out of a total 129.9 million households own their homes. *Id.* 45.2 million households rent their homes. *Id.*

<sup>209</sup> Sarah Schindler & Kellen Zale, *The Anti-Tenancy Doctrine*, 171 U. PA. L. REV. 267, 267–364 (2023).

<sup>210</sup> Laurie Lambie-Hansen et al., *Institutional Investors and the U.S. Housing Recovery* 3 (Fed. Rsrv. Bank Phila., Working Paper WP 19-45, Nov. 2019), <https://perma.cc/H29B-CSQR> (summarizing the benefits and one primary consequence of institutional investor presence using a national dataset from CoreLogic).

<sup>211</sup> *Id.*

<sup>212</sup> *Id.*

<sup>213</sup> *Id.*

<sup>214</sup> Yardi Matrix, *supra* note 44.

<sup>215</sup> The National Multifamily Housing Council is a powerful landlord lobbying group that includes representatives from real-estate investment trusts, corporations, and investor

nationwide today, corporate-tech landlords and industry experts anticipate the SFR market will go in the same direction as the multifamily market.<sup>216</sup> This prediction begs the question of whether tenants living in multifamily units experience similar problems as SFR tenants. While the multifamily market is beyond the scope of this Article, literature suggests that corporate landlord and tenant issues are significant.<sup>217</sup> There is notable overlap in price-fixing allegations across both the multi- and single-family rental markets.

### 1. *Allegations of Price Fixing, Actualized Rent Hikes*

Approximately thirty lawsuits have been filed in the past two years against proptech companies, such as RealPage and Yardi, alleging that they equip corporate-tech landlords with algorithms that allow competitors to collude on rent prices.<sup>218</sup> Attorneys General have filed complaints in several states and jurisdictions including the District of Columbia, California, and Tennessee.<sup>219</sup> RealPage's website describes it as a company that optimizes the prospect and resident experience with market-leading technology that maximizes yield.<sup>220</sup> Technology-based services for landlords help manage revenue generation by

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partnerships. According to their data, only 24% of multifamily homes are owned by individual investors. *Quick Facts: Ownership and Management*, NAT'L MULTIFAMILY Hous. COUNS. (Dec. 2022), <https://perma.cc/8VZX-SZ78>.

<sup>216</sup> James Rodriguez, *Corporate Landlords Who Buy Single-Family Homes to Rent Out Are Bracing for a Face-Off with Regulators Who'd Love to Curb Their Growth*, Bus. INSIDER (Jun. 6, 2022, 11:52 AM), <https://perma.cc/Y358-SHMK>. The CEO of John Burns Real Estate Consulting shared in a recent interview that he saw the SFR market eventually going in the same direction as the apartment market. *Id.*

<sup>217</sup> See Raymond, et al., *supra* note 56 at 176 (discussing findings from a Fulton County, Atlanta study showing that eviction filings are concentrated in multifamily properties (Exhibit 5) at 28% of all households in multifamily buildings, as compared to 7% in single-family rentals).

<sup>218</sup> Robbie Sequeira, *State AGs Ramp Up Scrutiny of Alleged Price-Fixing in Rental Housing*, STATELINE (Jul. 22, 2024, 5:00 AM), <https://perma.cc/TFT4-CF79>; see generally YARDI (2024), <https://perma.cc/P7G3-TJ7D> (informing Yardi's services).

<sup>219</sup> Attorney General Schwalb Sues RealPage & Residential Landlords for Rental-Price Fixing, Illegally Raising Thousands of District Residents' Rents, OFF. ATT'Y GEN. FOR D.C. (Nov. 1, 2023), <https://perma.cc/FJ6X-B6QR>; see Attorney General Mayes Sues RealPage and Residential Landlords for Illegal Price-Fixing Conspiracy, ARIZ. ATT'Y GEN.'S OFF. (Feb. 28, 2024), <https://perma.cc/J2D7-JXWY> (reporting that Mayes filed suit against nine corporate landlords); Press Release, Attorney General Bonta Files Lawsuit Against RealPage for Unlawfully Enabling Landlords to Raise Rents of Californians, CAL. ATT'Y GEN.'S OFF. (Aug. 23, 2024), <https://perma.cc/8G6C-5C28> (reporting that 20 price-fixing lawsuits against RealPage Inc. for conspiring with multifamily residential property managers to keep rental prices artificially high were consolidated in Nashville federal court); see also Carlos Waters, *Why U.S. Renters Are Taking Corporate Landlords to Court*, CNBC (Feb. 3, 2024, 8:27 AM), <https://perma.cc/R4BU-HV7U>.

<sup>220</sup> RealPage Innovations, REALPAGE (2024), <https://perma.cc/87FV-EAZX>.

employing “statistical models that use data—including non-public, competitively sensitive data—to estimate supply and demand for both multifamily housing and SFRs that are specific to particular geographic areas and unit types, and then generate a ‘price’ to charge for renting those units that maximizes the landlord’s revenue.”<sup>221</sup> RealPage’s YieldStar software, in combination with AI Revenue Management (AIRM), analyzes prices, occupancy and lease terms, vacancy rates, credit reports, marketing, and leasing strategies to inform landlord users how to optimize their portfolio’s yield.<sup>222</sup>

According to a ProPublica investigation in 2022,<sup>223</sup> “the algorithms collect lease transaction data from across the country on actual rents paid, versus advertised rates, using it to churn out daily price estimates for vacant units.”<sup>224</sup> The software analyzed the data and suggested rent increases that were higher than typical increases.<sup>225</sup> Prosecutors allege that RealPage was essentially “...facilitating a housing cartel” by sharing data to set artificially high prices in target markets.<sup>226</sup> Unsurprisingly, RealPage denies the allegations that its software facilitates collusion and retorts that increased rental prices are a result of “a host of complex economic and political forces,” including an undersupply of rental housing units.<sup>227</sup> A further antitrust concern is the allegation that corporate-tech landlords are acquiring homes and deliberately leaving them vacant to benefit from property appreciation, rather than making them available for rent despite ongoing housing shortages.<sup>228</sup> This type of yield-driven strategy is particularly troubling because it suppresses critical housing supply and exacerbates market inefficiencies by limiting access to an essential good.

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<sup>221</sup> See Attorney General Schwalb Sues RealPage, *supra* note 219; see also Waters, *supra* note 219; Vogell, *supra* note 184 (referencing use of the tool for SFRs).

<sup>222</sup> Waters, *supra* note 219; Guy Lyman, *Don’t Miss This! Unveiling of “AIRM” AI Revenue Management at RealWorld*, REALPAGE BLOG (Sept. 8, 2020), <https://perma.cc/AN34-TV AZ> (describing RealPage’s revenue management software as considering price, credit, marketing, and leasing effectiveness).

<sup>223</sup> Vogell, *supra* note 184.

<sup>224</sup> Sequeira, *supra* note 218.

<sup>225</sup> *Id.*

<sup>226</sup> The Attorney General of the District of Columbia commented on the activity of Brian Schwalb in an interview with CNBC, comparing the scheme to a cartel. Waters, *supra* note 219.

<sup>227</sup> Kaye, *supra* note 37.

<sup>228</sup> See Chuck Collins et al., *Billionaire Blowback on Housing*, INST. POL’Y STUD. (Oct. 21, 2024) <https://perma.cc/AMS6-EJAD> (explaining of several consequences of institutional landlords and housing availability). The report notes that “nationwide there are 16 million vacant homes,” equating to approximately 28 vacant homes for every unhoused person. *Id.*

RealPage alone cannot be blamed for the rise of rent or sales prices in the United States.<sup>229</sup> But testimony from a leasing manager in one of the first lawsuits filed disclosed that when the business started using RealPage in 2021, “rents for the building’s standard two-bedroom units were raised about [twenty seven] percent, without any improvements. . . [which] is well above average annual rent increases in metropolitan areas, which are typically in the single digits.”<sup>230</sup> The quoted manager is not alone in attributing rent hikes to the use of the software.<sup>231</sup> Corporate-tech landlords involved in that lawsuit and others have used the technology to increase rent prices higher and faster than the standard three to seven percent annual increases.<sup>232</sup>

Allegations of competitor collusion have also been raised in lawsuits filed in Arizona, where nine landlords allegedly conspired to raise rents by sharing private information regarding what each landlord charged.<sup>233</sup> Allegations of collusion gained the attention of the Department of Justice (DOJ), and they filed a Statement of Interest on November 15, 2023 in the RealPage litigation, commenting on the effectiveness of current federal law to prohibit the use of artificial intelligence for conduct customarily attributed to people using older technologies. The DOJ noted in its Statement that “[a]lgorithmic price fixing must . . . be subject to the same condemnation as other price-fixing schemes. It makes no difference that prices are fixed through joint use of an algorithm instead of by a person.”<sup>234</sup> Legal scholars following the RealPage litigation maintain that exchanging confidential business information is a significant anti-competitive concern because the use of algorithmic software, “speeds up the coordination and makes it possible to coordinate many more players with really good information.”<sup>235</sup>

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<sup>229</sup> Jerusalem Demsas, *Meet the Latest Housing-Crisis Scapegoat*, THE ATLANTIC (Jan. 26, 2023), <https://perma.cc/BZ24-SCV2> (explaining that hedge funds and private equity are not exclusively responsible for the housing crisis).

<sup>230</sup> Kaye, *supra* note 37.

<sup>231</sup> *Id.*

<sup>232</sup> *Id.* According to an analysis by Accountable.US, six of the largest publicly traded apartment companies—all of which are subject to pending legal action on suspicion of collusion—reported roughly a combined \$300 million in increased profits in the first quarter of 2024. Sequeira, *supra* note 218.

<sup>233</sup> Kaye, *supra* note 37.

<sup>234</sup> Statement of Interest of the United States, *In re RealPage, Inc., Rental Software Antitrust Litigation (No. II)*, 709 F.Supp.3d 478 (No. 3:23-MD-3071), (M.D. Tenn. 2023).

<sup>235</sup> Kaye, *supra* note 37 (quoting Peter Carstensen, an emeritus professor at the University of Wisconsin, on the repercussions of collusion using proptech).

Since filing a Statement of Interest in 2023, the DOJ, with Attorneys General from several states, filed their own antitrust lawsuit against RealPage in August 2024.<sup>236</sup> The Complaint alleges that RealPage “replaces competition with coordination” by collecting competitively sensitive information from landlords and using the “nonpublic, material, and granular rental data” to feed RealPage’s proprietary algorithms.<sup>237</sup> Similar to earlier complaints filed against RealPage, the DOJ’s complaint details how RealPage’s software generates daily pricing recommendations for landlords and alleges that these recommendations are used to maximize rent prices.<sup>238</sup> Accordingly, the complaint states that competitor-landlords increasing their rents with informed coordination works against free market principles to the detriment of renters by forcing renters to pay inflated prices.<sup>239</sup> By utilizing RealPage’s software, corporate-tech landlords allegedly manipulate rent prices and increase their market power in both multifamily and single-family rental markets across the United States.<sup>240</sup> The complaint states that RealPage “engages in, and its activities substantially affect, interstate trade and commerce . . . [and] provides a range of products and services that are marketed, distributed, and offered to consumers throughout the United States and across state lines.”<sup>241</sup> This indictment foregrounds the importance of federal intervention to limit some corporate-tech landlord practices and supports the existence of congressional authority to do so under the Commerce Clause. The litigation is still pending, but without question, the use of RealPage and YieldStar has led landlords to adopt significant, unprecedented rent hikes.<sup>242</sup> In fact, San Francisco recently became

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<sup>236</sup> DOJ Complaint, *supra* note 20.

<sup>237</sup> *Id.* ¶¶ 3, 5. Collected data includes a landlord’s rental prices from executed leases, lease terms, and future occupancy information.

<sup>238</sup> *Id.* ¶¶ 6–7.

<sup>239</sup> *Id.* ¶¶ 8–11. The complaint focuses on the multifamily industry because the nature of concentrated units in proximity with one another exacerbates the harm to the competitive process. *Id.* ¶ 73. While not the primary subject of the complaint, RealPage also services single-family rental landlords. *Single Family, REALPAGE*, <https://perma.cc/33CY-TTTF> (archived May 4, 2025) (describing RealPage’s services for single-family rental portfolios).

<sup>240</sup> DOJ Complaint, *supra* note 20, ¶ 13. The United States and the Attorneys General from eight states, including North Carolina, California, Colorado, Connecticut, Minnesota, Oregon, Tennessee, and Washington, are named co-plaintiffs in the litigation. Investigative reporting by Accountable.US found a pattern of rent hikes for six of the top publicly traded multifamily landlords in the country. *Id.* See also *The Six Largest Publicly-Traded Apartment Companies See Net Incomes Climb Nearly \$300 Million in Q1 2024 off the Backs of Rent Increases and amid Possible RealPage Collusion*, ACCOUNTABLE.US (June 10, 2024), <https://perma.cc/Z3UY-59GZ>.

<sup>241</sup> DOJ Complaint, *supra* note 20, ¶ 219.

<sup>242</sup> See Vogell, *supra* note 184.

the first major city to ban algorithmic software in response to that problem.<sup>243</sup> This effect is exacerbated by corporate-tech landlords possessing concentrated ownership of geographically clustered units in many metropolitan areas, which enables them to exert great influence on rent prices even absent algorithmic coordination.<sup>244</sup>

## 2. *Concentration in Communities of Color*

Proponents of corporate-tech landlordism argue that large investors do not impact the housing market significantly because they own only one to three percent of the overall SFR market.<sup>245</sup> While this may be true today, market analysts predict that institutional investors (owners of over 1,000 units) and large investors (owners of 100-999 units) will own forty percent of the SFR market (7.6 million homes) by 2030.<sup>246</sup> Furthermore, this narrative fails to consider that corporate-tech properties are concentrated in target metropolitan and suburban areas, giving them serious market power over tenants and first-time home-buyers in those areas.<sup>247</sup>

Moreover, many of these highly sought-after areas correlate closely with race.<sup>248</sup> National data concerning corporate-tech landlord activity are not yet

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<sup>243</sup> Rya Jetha, *San Francisco to Ban Rent-Setting Software amid Gouging Worry*, BLOOMBERG News (Jul. 31, 2024), <https://perma.cc/B27G-JXUA>.

<sup>244</sup> *Id.*; see also Peter Whoriskey et al., *This Block Used to Be for First-Time Homebuyers. Then Global Investors Bought In*, SEATTLE TIMES (Dec. 16, 2021, 10:00 AM), <https://perma.cc/VA8M-B8XX> (noting that Progress Residential acquires as many as 2,000 houses a month by using a computerized property-search algorithm and all-cash offers). See Raymond, et al., *supra* note 37 (finding that concentrated institutional investor ownership affects rent and sales price in target markets).

<sup>245</sup> Ermengarde Jabir et. al, *Institutional Ownership of Single-Family Rentals Is Growing, but Their Activity Is Quite Sensitive to Market Conditions*, Moody's ANALYTICS (2023), <https://perma.cc/B9Y9-7AVC> (noting that institutional investors own approximately three percent of the single-family rental market and suggesting that their limited market share constrains their broader impact on housing affordability and supply).

<sup>246</sup> See Yardi Matrix, *supra* note 44; see also *The Future of Housing: Our Outlook for Single and Multi-family Investments*, METLIFE INS. MGMT. (Dec. 6, 2021), <https://perma.cc/S8SW-TX3K> (reporting current statistics and future projections in more detail).

<sup>247</sup> Alexander Hermann, *8 Facts About Investor Activity in the Single-Family Rental Markets*, JOINT CTR. Hous. STUD. HARV. UNIV. (Jul. 18, 2023), <https://perma.cc/8AUU-QTC4> (explaining that increased investor activity has hindered homeownership for owner-occupant homebuyers, while aggressive management practices have resulted in higher eviction rates and more substantial rent increases, all of which have influenced housing instability and increased homelessness).

<sup>248</sup> See Fields, *supra* note 29, at 339 (stating that corporate-tech landlord market share at the local level is crowding out homeownership opportunities and reducing the affordability of home purchase in high-growth metropolitan areas, particularly for Black would-be buyers);

available. However, there are several regional studies in hot-spot states that demonstrate a concentrated takeover of entry-level homes in communities of color, leaving middle-class residents of color in these areas with little opportunity to transition from renter to homeownership status.<sup>249</sup> For example, a study conducted in Mecklenburg County, North Carolina between 2011 and 2021 found that 7% of all single-family homes sold at that time were purchased by institutional investors.<sup>250</sup> Approximately 77% of these purchases occurred in majority Black communities, resulting in a 2% decline of Black homeownership rates.<sup>251</sup> The study highlights that over 80% of corporate-tech properties are non-owner occupied, which “reflect[s] a business strategy focused on long-term rental income.”<sup>252</sup> Other consequences of concentrated ownership in Black communities include neglect of property maintenance, decline in registered voters, and increases in crime.<sup>253</sup>

Perpetual renter status and housing inequality in communities of color is a complex and deep-rooted issue, so it comes as little to no surprise that renters in sought-after SFR markets tend to also face absentee landlordism and chronic neglect of maintenance requests.<sup>254</sup> Subprime mortgage products were concentrated in Black and Brown neighborhoods, where housing was older and where the foreclosure crisis decimated homeownership status block after block, leaving rows of vacant homes ripe for mass purchase by institutional

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*see also* Bo McMillan & Reggie Jackson, *Corporate Landlords Profit from Segregation, at Cost of Black Homeownership and Wealth*, SHELTERFORCE (Oct. 19, 2022) <https://perma.cc/2Q2L-YG9E> (noting corporate landlords are purchasing homes in neighborhoods where the percentage of Black residents is over three times their level of representation in the United States); Dukes, *supra* note 2 (discussing 2011–2021 study of loss of black homeownership due to bulk purchase of single-family homes in Charlotte, North Carolina).

<sup>249</sup> Stephen B. Billings & Adam Soliman, *The Social Spillover of Homeownership: Evidence from Institutional Investors* (Apr. 8, 2025) (unpublished manuscript at 3) (on file with SSRN), <https://perma.cc/F8PR-F6UG>.

<sup>250</sup> *Id.*

<sup>251</sup> *Id.* at 7.

<sup>252</sup> *Id.* at 3.

<sup>253</sup> *Id.*

<sup>254</sup> See, e.g., Press Release, Off. Minn. Att'y Gen., Attorney General Ellison Sues HavenBrook Homes, One of the Largest Landlords in Minnesota, for Failing to Repair Rental Homes, Violating Law (Feb. 10, 2022), <https://perma.cc/U7MH-NDXJ> (reporting on lawsuit by Attorney General Ellison against HavenBrook homes, which is owned by Pretium Properties). *See also* Jordan Ash, *In Victory for Tenants, Progress Residential Sells 345 Single-Family Homes in Twin Cities to Non-Profits*, PRIV. EQUITY STAKEHOLDER PROJECT (Feb. 13, 2025), <https://perma.cc/DRB2-S8P7> (reporting on a settlement agreement between Pretium Properties and tenant organizers after lawsuits alleging housing code violations and neglect were filed).

investors.<sup>255</sup> To illustrate, investigative reporting showed in 2023 that investors owned nearly twenty-four percent of the single-family home inventory in North Minneapolis—some of the poorest census tracts in Minnesota.<sup>256</sup> Since their purchase, over two hundred homes have more than doubled in value, extracting nearly \$25 million away from Black and Brown families directly to investment products for corporate-tech landlords.<sup>257</sup> This is particularly concerning because the Twin Cities have one of the largest racial gaps of homeownership in the nation.<sup>258</sup> Circumstances such as these perpetuate the cycle of wealth extraction from communities of color, where people have been historically, legally, and systematically dispossessed of homeownership opportunities.<sup>259</sup>

Other regional studies show that corporate-tech landlords are buying single-family properties in bulk in areas with strong population growth and that many of these areas are also in majority-minority neighborhoods.<sup>260</sup> In 2023, the Department of Housing and Urban Development's (HUD) Office of Policy Development and Research published a report on investor activity in Texas, focusing on the Dallas-Fort Worth area. The study explains that institutional investors are highly incentivized to purchase starter homes in areas of rapid

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<sup>255</sup> Christophers, *supra* note 2, at 436–37.

<sup>256</sup> Tom Lyden, *Renters Group: Hedge Fund Sucks \$40M out of North Minneapolis*, Fox9 KMSP (Aug. 3, 2023, 2:18 PM), <https://perma.cc/N8UD-X598>. Investigative reporting was conducted by Fox9 in 2022 and 2023. *Id.* See also Jordan Ash, *Progress Residential and the Racial Wealth Gap: How One Corporate Landlord Has Extracted Over \$60 Million in Wealth from North Minneapolis and Hennepin County*, PRIV. EQUITY STAKEHOLDER PROJECT (June 2023), <https://perma.cc/G9HW-99RG> (reporting wealth extraction data in Minnesota and calling for reform to address wealth gap and tenant rights).

<sup>257</sup> Ash, *supra* note 254.

<sup>258</sup> *Id.* In Minneapolis, Black home ownership is about 25%, while white home ownership is 77%, according to the Minnesota Demographic Center. *Id.* An outstanding empirical question is whether the prevalence of landlord neglect is higher in communities of color with build-to-rent projects than in higher-income, whiter communities where aesthetic upkeep for build-to-rent projects is treated as a priority. This question requires in-depth investigation and data collection. Considering the history of housing inequality and its disproportionate impact on people of color, an affirmative result is likely.

<sup>259</sup> See *id.*; see also *Racial Differences in Economic Security: Housing*, U.S. DEP'T TREASURY (Nov. 4, 2022), <https://perma.cc/3JVV-67PG> (examining exclusion from homeownership opportunity as a major driver of the racial wealth gap); *Forecasting State and National Trends in Household Formation and Homeownership*, URB. INST., <https://perma.cc/H7JF-YFNJ>; Ben Horowitz et al., *Systemic Racism Haunts Homeownership Rates in Minnesota*, FED. RSRV. BANK MINNEAPOLIS, (Feb. 25, 2021) <https://perma.cc/X6A9-UHRB>; see generally RICHARD ROTHSTEIN, *THE COLOR OF LAW: A FORGOTTEN HISTORY OF HOW OUR GOVERNMENT SEGREGATED AMERICA* (2017).

<sup>260</sup> Areas with large percentages of minorities are generally in more urban, metropolitan areas where housing stock is older and already built. Build-to-rent programs are more common in areas of suburban sprawl, with more room for new construction projects.

population growth and where many people are in their early thirties to late forties.<sup>261</sup>

Individuals of those ages are often targeted because of their life stage, which typically comes with student debt, childcare expenses, and early- to mid-career income levels—factors that often price them out of homeownership.<sup>262</sup> These renters also want to live in urban and suburban locations with quality schools, transit, and job opportunities, among other attractions.<sup>263</sup> The study tracked institutional investor activity by identifying large scale cash sales, which are atypical for smaller landlords.<sup>264</sup> These cash sales are more prevalent in low-income zip codes, where investors can buy low and rent high.<sup>265</sup> And in those zip codes, eighty percent or more of the population are minorities.<sup>266</sup> The two charts below illustrate an increase in institutional investment, as revealed by cash sales, in only four years' time:

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<sup>261</sup> Cameron Ehrlich et al., *Institutional Investors in Housing*, OFF. POL'Y DEV. RSCH.: EVIDENCE MATTERS, Winter 2023, at 1, 14, <https://perma.cc/2WL8-ZS9G> (explaining age group metric in more detail).

<sup>262</sup> Corporate-tech landlords have suggested that young people prefer to rent rather than own because home prices far exceed what they were forty years ago, and our new post-recession populace wants to rent because it provides geographic flexibility. Essentially, prospective buyers are waiting for a market correction. Therefore, they push a narrative that young people are content with being a perpetual renter class and waiting for better home prices. See Lesley Stahl, *Would-Be Home Buyers May Be Forced to Rent the American Dream, Rather Than Buy It*, CBS News (Mar. 20, 2022), <https://perma.cc/99EH-V8NB> (highlighting the President and CEO of Tricon Residential, Gary Berman, who appeared on *60 Minutes* discussing the rise in the single-family rental market). Berman suggested that Tricon's success is due to millennials' lack of desire to own homes and the importance of lifestyle. *Id.* Berman said, "I think if you asked a lot of millennials . . . they would probably tell you, they don't necessarily desire to own a home or to own a car. *Id.* They've grown up in the sharing economy . . . [So] if they can move into this, what we call, a turnkey or a hotel ready home and have a low-maintenance lifestyle, that's very compelling for them." *Id.* In a follow-up interview with the *Toronto Star*, Berman intimated that his words were misconstrued. See Jacob Lorinc, *Tricon CEO Gary Berman on His Company's Next Moves — And Why He Told 60 Minutes Millennials Don't Necessarily Desire to Own Homes*, TORONTO STAR (Apr. 2, 2022), <https://perma.cc/DY9S-4F8W> (arguing that due to this increasing debt problem, it has become increasingly difficult for Americans to purchase homes).

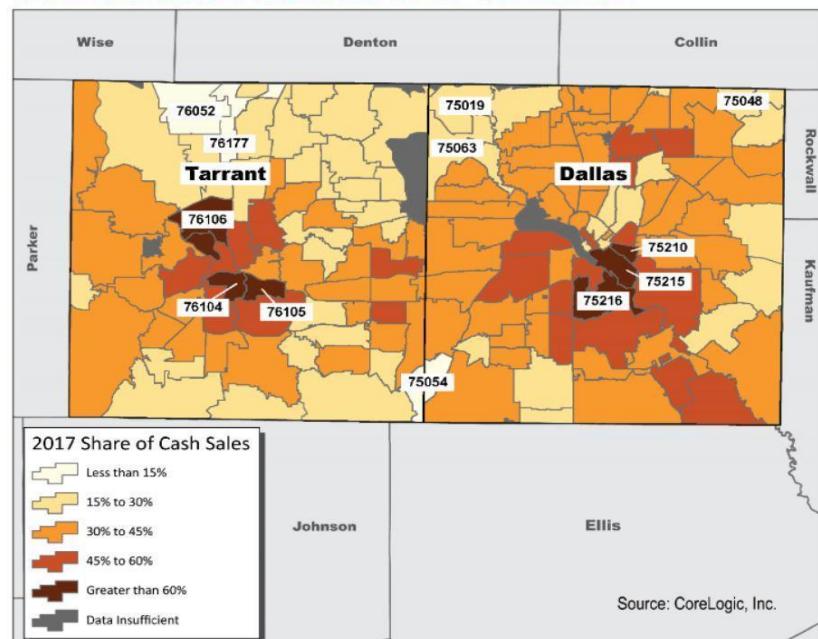
<sup>263</sup> Ehrlich et al., *supra* note 261.

<sup>264</sup> *Id.* at 12 (explaining individual homeownership decreases in counties with more cash sales).

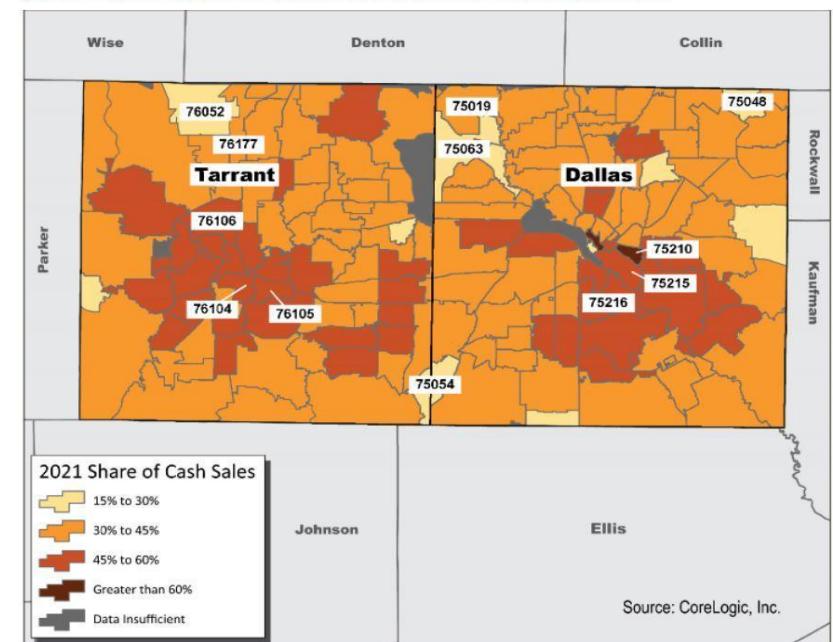
<sup>265</sup> *Id.*

<sup>266</sup> *Id.* at 17.

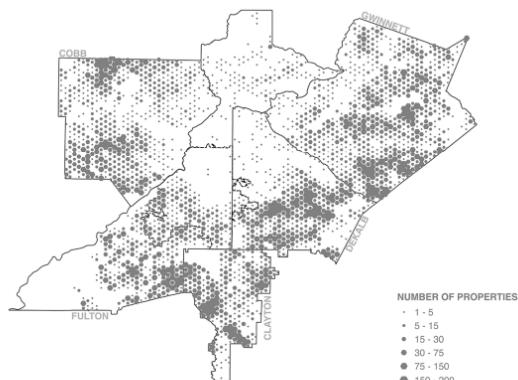
## Cash Home Sales in Tarrant and Dallas Counties: 2017



## Cash Home Sales in Tarrant and Dallas Counties: 2021



SFR buying trends show similar growth in the suburbs of Atlanta, where investors have targeted middle-class Black areas south of the city.<sup>267</sup> In a study of the region, researchers identified institutional investors<sup>268</sup> (the largest investors were categorized as owning 150-200 homes in the area of study) by cross-referencing corporate limited liability company (LLC) aliases and office addresses to tax assessor records.<sup>269</sup> They identified roughly 32,000 single-family homes owned by large institutional investors in five counties.<sup>270</sup> While the data shows that about ten companies own only 3.47% of all single-family homes and 17.36% of all SFRs across these five counties, these statistics do not reflect spatial concentration of SFRs “in predominantly Black and working-class suburbs of south DeKalb, south Fulton, and Clayton counties . . . [and] racially diverse and middle-class suburbs of eastern Gwinnett County and northern Cobb County.”<sup>271</sup> This is in contrast to nearly no ownership of SFRs in the predominantly white, higher-income area in the northwestern quarter of the Atlanta area.<sup>272</sup> The below chart visualizes the spatial concentration of institutional investment in predominantly Black and Brown communities to the south of Atlanta.<sup>273</sup>



**Figure 1.** Geography of corporate-owned single-family rental properties across Atlanta. Single-family homes owned by the ten largest corporate landlords, Atlanta five-county area, 2022.

Source. Authors' analysis of 2022 county tax assessor data for selected counties.

Note. Dots are sized relative to the total number of single-family rental properties owned by the ten largest institutional investors.

<sup>267</sup> An, *supra* note 31.

<sup>268</sup> *Id.* These investors include, but are not limited to, Invitation Homes, American Homes 4 Rent, and Tricon American Homes, along with private equity firms with no requirement for disclosures under the Investment Company Act of 1940.

<sup>269</sup> Seymour & Shelton, *supra* note 7, at 57.

<sup>270</sup> *Id.*

<sup>271</sup> *Id.* at 57–58.

<sup>272</sup> *Id.*

<sup>273</sup> *Id.* at 58.

Lastly, the Atlanta study illuminated an oligopolistic trend of SFR investment when it found that investors own fifty to eighty percent of total SFRs in twenty-four census tracts.<sup>274</sup> Granted, census tracts are about the size of a city block, but the above chart, which illustrates five large counties of Atlanta suburbs, is still informative. An important question requiring further study is whether similar pockets of concentration exist at the standard metropolitan statistical area. If so, that would be far more indicative of concentrated ownership in a larger area.<sup>275</sup>

Concentrated ownership (even at the census tract level) by corporate-tech landlords can harm communities. Studies show that corporate-tech landlords force large rent-hikes, impose fees, and auto-file serial evictions more so than individual landlords, and thus exacerbate housing insecurity.<sup>276</sup> These trends also contribute to the gentrification and displacement of long-time Black residents.<sup>277</sup> Corporate-tech landlords engage in the practice of “re-tenanting” as a normal part of business.<sup>278</sup> Eviction-led displacement and fees as routine elements of corporate-tech landlordism are discussed in the following Subpart.

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<sup>274</sup> *Id.*

<sup>275</sup> *Glossary*, U.S. CENSUS BUREAU, <https://perma.cc/TFB7-PLS7> (defining Census tracts as smaller geographic areas with a population size between 1,200 and 8,000 people). Standard metropolitan statistical areas are larger geographic regions with at least one urban area that has a population of over 50,000 people. *Id.*

<sup>276</sup> See Johnson, *supra* note 30, at 48–54 (analyzing the nationwide trend of corporate landlords impacting the single-family housing stock post-foreclosure crisis reveals a targeted approach in Milwaukee, where high homeownership rates saw a substantial decline from 80% pre-crisis to 68% in 2018, notably concentrated in majority-Black areas); *Investors Bought a Record Share of Homes in 2021; Investors Bought a Record Share of Homes in 2021. See Where.*, WASH. POST (Feb. 16, 2022), <https://perma.cc/9QHL-345H> (analyzing Redfin data that indicates a disproportionate impact of corporate landlord activity on majority Black neighborhoods, with last year's home sales revealing that 30% in these areas were to investors, compared to 12% in other zip codes).

<sup>277</sup> See generally Elora Lee Raymond et al., *Corporate Landlords, Institutional Investors, and Displacement: Eviction Rates in Single-Family Rentals*, FED. RSRV. BANK ATLANTA (2016), <https://perma.cc/9Z2N-R3FQ> (documenting the eviction crisis in Atlanta and its suburbs).

<sup>278</sup> Heather Vogell, *When Private Equity Becomes Your Landlord*, PROPUBLICA (Nov. 11, 2024), <https://perma.cc/AE2K-4U5A>.

### *B. Evictions and Fee Extraction*

Corporate-tech landlords file evictions at higher rates than individual landlords.<sup>279</sup> Industry giants do so with a strategy they call “re-tenanting.”<sup>280</sup> This keeps rent prices high because it allows landlords to lease to new tenants at much higher rates, as opposed to more modest increases for lease renewals.<sup>281</sup> And often, evictions are filed as a strategy to collect rent and apply late fees, rather than to repossess the home.<sup>282</sup> However, eviction filings harm tenants by leaving paper trails that reduce their access to future housing.<sup>283</sup> Considering the rate at which corporate-tech landlords are filing evictions and the size of their portfolios, routine filings can exacerbate housing instability and increase homelessness.<sup>284</sup>

Routine eviction filings were particularly problematic for tenants during the COVID-19 pandemic. The Federal Trade Commission and Consumer Financial Protection Bureau announced in March 2021 the need to investigate “major multi-state landlords” for deceptive eviction practices during the pandemic.<sup>285</sup>

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<sup>279</sup> Raymond et al., *supra* note 56, at 181. Large corporate owners in the single-family rental business are 68% more likely than small landlords to evict tenants, even after controlling for property, household, and neighborhood factors. *Id.* The study indicated that eviction practices vary widely between institutional investors. For example, Blackstone-Invitation Homes is 11% more likely to file eviction notices than non-corporate firms, while Colony Capital was extremely aggressive in their filing practices, and were 205% more likely to file than non-corporate firms, and AMH 181% more likely to file evictions than a small landlord. *Id.* at 179–80.

<sup>280</sup> Weiss, *supra* note 73, at 553–87 (quoting Alexander Ferrer, *Beyond Wall Street Landlords: How Private Equity in the Rental Market Makes Housing Unaffordable, Unstable, and Unhealthy*, STRATEGIC ACTIONS FOR A JUST ECON. (2021), <https://perma.cc/VW4T-9UR4>).

<sup>281</sup> *America’s Biggest Multifamily and Single-Family Landlords Continue to Reap High Profits and Take Advantage of Tenants*, *supra* note 195.

<sup>282</sup> *Id.* at 167–168.

<sup>283</sup> Paula A. Franzese, *A Place to Call Home: Tenant Blacklisting and the Denial of Opportunity*, 45 FORDHAM URB. L.J. 661, 663–64 (2018) (describing the harms to blacklisted tenants).

<sup>284</sup> *Id.* at 180. Among single-family renters in Fulton County, Georgia eviction filings and completed evictions are far higher than the 2015 national average of 6.27% and 2.37%, respectively. *Id.* (citing Matthew Desmond et al., *Eviction Lab National Database: Version 1.0*, EVICTION LAB (Jan. 6, 2024), <https://perma.cc/3MAD-GXGM>). Evictions are concentrated in predominantly Black census tracts. *Id.* The majority of evictions take place in multifamily properties, but evictions are also common in single-family rentals. *Id.* The study shows extremely high levels of residential displacement in Atlanta, which in other cities have been linked to high levels of crime, schools beset with constant turnover, lack of community cohesion, and a run-down environment. *Id.* (citing Matthew Desmond & Rachel Kimbro, *Eviction Fallout: Housing, Hardship, and Health*, 44 Soc. FORCES 295, 295–324 (2015); Matthew Desmond & Tracey Shollenberger, *Forced Displacement From Rental Housing: Prevalence and Neighborhood Consequences*, 52 DEMOGRAPHY 1751–72 (2015)).

<sup>285</sup> Press Release, Fed. Trade Comm’n, Joint Statement by FTC Acting Chairwoman Rebecca

The announcement highlighted that “evicting tenants in violation of the CDC, state, or local moratoria, or evicting or threatening to evict them without apprising them of their legal rights under such moratoria,” violates deceptive and unfair practices regulations under the Fair Debt Collection Practices Act and the Federal Trade Commission Act.<sup>286</sup> Moreover, a 2021 report by the Private Equity Stakeholder Project (PESP) revealed that Progress Residential and Front Yard Residential, owned by Pretium Partners, had filed most of their evictions against tenants in majority-Black communities.<sup>287</sup>

As a result of these investigations, a 2022 congressional report affirmed that evictions were filed during the pandemic in direct violation of the Centers for Disease Control’s nationwide eviction moratorium.<sup>288</sup> The four companies investigated included Ventron Management, the Siegel Group, Invitation Homes, and Pretium Partners.<sup>289</sup> These firms collectively filed nearly 15,000 evictions between March 15, 2020, and July 29, 2021.<sup>290</sup> Not only were evictions filed illegally, but landlords also profited immensely from government subsidized programs intended to preserve tenancies.<sup>291</sup> For example, Siegel Suites “collected over \$2 million in federal rental assistance from Clark County, one of the largest amounts received by any landlord in the program’s first round of allocations.”<sup>292</sup> The Siegel Group also received more than \$3 million in federal Paycheck Protection Program loans.<sup>293</sup>

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<sup>286</sup> Kelly Slaughter and CFPB Acting Director Dave Uejo (Mar. 29, 2021), <https://perma.cc/FQQ2-CQN2>.

<sup>287</sup> *Id.*

<sup>288</sup> *Pandemic Evictor: Don Mullen’s Pretium Partners Files to Evict Black Renters, Collects Billions from Investors*, PRIV. EQUITY STAKEHOLDER PROJECT: REPORTS (Apr. 14, 2021), <https://perma.cc/MUY9-3BPJ> (reporting that almost half, 246 of over 500, of the eviction actions filed first ten weeks of 2021 were in DeKalb and Clayton, two Georgia counties with majority Black populations).

<sup>289</sup> STAFF OF SELECT. SUBCOMM. ON THE CORONAVIRUS CRISIS, 117TH CONG., EXAMINING PANDEMIC EVICTIONS: A REPORT ON ABUSES BY FOUR CORPORATE LANDLORDS DURING THE CORONAVIRUS CRISIS (Comm. Print 2022), <https://perma.cc/7J6H-C7QR>.

<sup>290</sup> *Pandemic Evictor: Don Mullen’s Pretium Partners Files to Evict Black Renters, Collects Billions from Investors*, *supra* note 287. Pretium Partners is notable because it focuses on single-family rental homes and is headed by former Goldman Sachs partner Don Mullen. Mullen made millions betting against the mortgage market during the 2008 Global Financial Crisis. *Id.*

<sup>291</sup> Kriston Capps, *Corporate Landlords ‘Aggressively’ Evicted Tenants During Pandemic, House Report Says*, BLOOMBERG (Jul. 28, 2022, 8:07 AM), <https://perma.cc/UWY7-TC2H>.

<sup>292</sup> Michael Scott Davidson, *Their Landlord Got Millions in Rental Assistance. They Faced Eviction*, L. V. REV. J. (Aug. 6, 2021, 12:32 PM), <https://perma.cc/9KFD-3H66>.

<sup>293</sup> *Id.*

<sup>294</sup> *Id.*

Outside the pandemic years, bulk eviction filings by corporate-tech landlords have continued. In a 2022 study, Henry Gomory analyzed fifteen years of property and eviction records in Boston, Massachusetts.<sup>294</sup> Gomory found that larger landlords filed evictions at higher rates.<sup>295</sup> Compared to small landlords, medium-sized owners sought eviction fifty-five percent more frequently, and large owners filed 186 percent more frequently.<sup>296</sup> Gomory concluded that “when large-scale landlords buy properties from small-scale owners, the filing rates immediately and permanently increase.”<sup>297</sup> As illustrated, small landlords prefer to avoid eviction filings, while larger landlords file evictions as routine practice.<sup>298</sup> Eviction records follow tenants in future housing searches.<sup>299</sup> Some jurisdictions seal or expunge dismissed evictions, however, most do not, which makes routine eviction filings problematic, particularly for tenants of color.<sup>300</sup>

In combination with rent increases and evictions, extraneous fees for ancillary services charged in addition to rent are another key strategy for increasing profits. These fees may include tenant utility reimbursements, back fees (these are expenses deemed to be the tenant’s responsibility, such as emergency plumbing services or bulky trash pickup), late fees, moving fees, pet fees, pest control fees, landscaping service fees, and smart home appliances fees, among others.<sup>301</sup> Corporate-tech landlords continue to apply aggressive fee extraction models across their portfolios to maximize their yield.<sup>302</sup> Fee extraction models optimize landlords’ supply chains because they are

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<sup>294</sup> Henry Gomory, *The Social and Institutional Contexts Underlying Landlords’ Eviction Practices*, 100 Soc. FORCES 1774, 1774–1805 (2022).

<sup>295</sup> See Johnson, *supra* note 30, at 53; see also Summers & Steil, *supra* note 38, at 131 (finding that the most significant predictor of a tenant experiencing a forced move for violation of a civil probation agreement is having a corporate subsidized landlord). Summers also asserts that “large, corporate owners are more likely to file ‘serial’ or repeat evictions against the same households as compared with individual property owners.” *Id.* at 156; see Johnson, *supra* note 30, at 48–54.

<sup>296</sup> Johnson, *supra* note 30, at 53.

<sup>297</sup> *Id.* (quoting Gomory, *supra* note 294, at 53).

<sup>298</sup> *Id.*

<sup>299</sup> Franzese, *supra* note 283, at 667–68; see also Janelle O’Dea, *Renters Less Likely to Be Kicked Out Where Eviction Filing Fees Are Higher*, PUB. INTEGRITY (Jul. 28, 2023), <https://perma.cc/EN9W-8UM5>.

<sup>300</sup> See Peter Hepburn, Renee Louis & Matthew Desmond, *Racial and Gender Disparities Among Evicted Americans*, 7 Socio. Sci. 649, 653 (2020).

<sup>301</sup> FIELDS & VERGERIO, *supra* note 41, at 36–37.

<sup>302</sup> Suzie Amanuel, *Corporate Landlords Nickel and Dime D.C. Tenants with Deceptive and Hidden Utility Fees*, WASH. CITY PAPER (Aug. 28, 2024), <https://perma.cc/8T4M-FLCY>.

standardized across all properties in their portfolios.<sup>303</sup> For example, in 2017, Invitation Homes attributed a \$2 million increase in overall revenue to implementing a standard lease that “automated delinquency tracking and other ancillary fees, which led to a twenty two percent increase in revenue from ancillary fees.”<sup>304</sup> After COVID, Invitation Homes recommended and expanded their fee practice, securing ancillary income of close to \$30 million annually by the end of 2022.<sup>305</sup>

The degree with which states regulate ancillary fees vary.<sup>306</sup> Corporate-tech landlords tend to concentrate SFR ownership in landlord-friendly states like Georgia, Florida, and Texas, which makes excessive fee extractions easier to apply due to less regulation and no fee caps.<sup>307</sup> The automatic and swift filing of evictions, as well as the frequency with which fees are applied, with little to no recourse if not immediately paid, makes the practice overly burdensome for tenants.<sup>308</sup> While fees alone may not directly cause housing insecurity, their impact becomes oppressive when combined with rent hikes and automatic eviction filings. These cumulative burdens are especially harmful to low-income renters.<sup>309</sup>

Increased automation in tenant management makes it more difficult for tenants to challenge fees or prevent eviction filings. This leaves little room to resolve conflicts between tenants and landlords, particularly for those facing serious housing condition issues and struggling to hold landlords accountable

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<sup>303</sup> Raymond et al., *supra* note 56, at 167.

<sup>304</sup> *Id.* at 168.

<sup>305</sup> See, e.g., INVITATION HOMES EARNINGS AND SUPPLEMENTAL INFORMATION, FOURTH QUARTER 2022 REPORT, INVITATION HOMES (2022) at 18 (informing investors that late fees for rent collection will commence again in 2021). Quote, “[i]n light of the COVID-19 pandemic, almost all late fees typically enforced in accordance with lease agreements were not enforced or collected between Q2 2020 and Q1 2021, which resulted in lower other property income, net, during this time period. Since Q2 2021, enforcement and collection of late fees have generally recommenced in all markets where permissible.” *Id.*

<sup>306</sup> In Massachusetts, fees are regulated and limited to first, last, security, and change lock fees, in comparison with Georgia, which permits a variety of fees. See, e.g., *Before You Move In, in* LEGAL TACTICS: TENANTS’ RIGHTS IN MASSACHUSETTS 3–28 (9th ed. Jan. 2025), <https://perma.cc/SDK4-FQWN> (detailing illegal fees, which include pet fees, rental application fees, etc.); GA. DEP’T CMTY. AFFS., *Georgia Landlord-Tenant Handbook: A Landlord-Tenant Guide to the State’s Rental Laws* (Feb. 2021), <https://perma.cc/DT2U-NY8W>.

<sup>307</sup> Than Merrill, *A Guide to the Most Landlord-Friendly States*, FORTUNE BUILDERS, <https://perma.cc/D2SG-VGWV> (listing landlord-friendly states and referencing Georgia, among others, with no fee limits).

<sup>308</sup> Seymour et al., *supra* note 7 at 20 (highlighting those automated processes for handling delinquency and adding fees and fines, even as a result of false pretense or errors, stay with tenants for years, making it difficult to access subsequent housing).

<sup>309</sup> Franzese, *supra* note 283, at 671–72.

for violations. The following Subpart illustrates how this consequence manifests under corporate-tech landlordism.

### *C. Housing Conditions and Disrepair*

In Minneapolis, Minnesota, Tiki Cross, a tenant in the HavenBrook single-family rental community owned by Pretium Partners, shared his experience in a recent interview.<sup>310</sup> Mr. Cross told the newspaper the conditions at HavenBrook were “so bad that he moved his children to another relative’s house for their own safety [because] his home floods, the floors sag, and he found live rats in his children’s beds.”<sup>311</sup> Mr. Cross eventually exercised his right under Minnesota law to withhold rent by placing his payments in escrow in an effort to compel repairs.<sup>312</sup> Minor repairs were made as a result, but the pest infestation was not resolved; HavenBrook representatives informed the media they would investigate the allegations, but they never responded.<sup>313</sup>

There are many stories like Mr. Cross’s experience at HavenBrook. Tenant organizing and repeated complaints to local inspectors prompted Minnesota Attorney General Keith Ellison to file a lawsuit against HavenBrook Homes for maintaining unsafe living conditions.<sup>314</sup> Ellison stated that HavenBrook’s “strategy of extracting profit from their tenants by claiming to provide them with prompt, high-quality maintenance and repair” while actually neglecting to conduct the repairs is deceptive, fraudulent, and against Minnesota law.<sup>315</sup> In response to the lawsuit, HavenBrook reiterated their commitment to providing “the highest-quality rental housing experience possible by offering consistent, dependable and attentive service for all residents in Minnesota and across the

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<sup>310</sup> They own more than 600 single-family homes in the Twin Cities metro area and some 70,000 rental properties nationwide.

<sup>311</sup> Max Nesterak, *Tenants Withhold Rent from Hedge-Fund Owned HavenBrook Homes to Force Repairs*, MINN. REFORMER (May 19, 2022, 4:39 PM), <https://perma.cc/ZSP2-PADV>.

<sup>312</sup> *Id.*; see MINN. REV. STAT. § 504B.385 (2023), <https://perma.cc/5EC8-4JZF>.

<sup>313</sup> Nesterak, *supra* note 311.

<sup>314</sup> Complaint at 2–33, Minnesota v. HavenBrook Homes, LLC (Minn. Ct. App. filed Feb. 10, 2022) (No. 62-CV-22-780), <https://perma.cc/LG9T-EZ78>. Allegations include that HavenBrook deceived tenants about maintenance practices and failed to take lead-based paint safety precautions, in violation of state law. HavenBrook also violated the statewide pandemic eviction moratorium by sending eviction and non-renewal notices to dozens of tenants. *Id.*; see Emma Nelson, *Minnesota Attorney General Uses Hedge-Fund-Owned Landlord over Maintenance Problems*, STARTRIBUNE (Feb. 10, 2022, 10:49 AM), <https://perma.cc/K73X-48ET>.

<sup>315</sup> Press Release, *supra* note 254.

country.”<sup>316</sup> While HavenBrook claimed to have doubled their maintenance team prior to the lawsuit, tenants have waited years for repairs that are often shoddy.<sup>317</sup> Why would corporate-tech landlords with significant capital invest in real estate and then neglect property maintenance? Scholars have shed some light on this question by contrasting two types of landlordism.

Scholars studying landlord behavior with post-foreclosure properties have identified two types of owners: “milkers” and “holders.”<sup>318</sup> The milking strategy prioritizes rental income over resale value by charging the highest possible rents with minimal investment, leading to deteriorating housing conditions.<sup>319</sup> To avoid maintenance all together, landlords would then sell the property as-is on the market or to the municipality.<sup>320</sup> Conversely, holders seek profits through home price appreciation and are more likely to prioritize property maintenance.<sup>321</sup> Traditional landlordism aligns more closely with “holding” behavior, as local landlords are often more willing to invest in properties where they build tenant relationships or reside nearby.<sup>322</sup> Corporate-tech landlordism is more closely associated with a “milking” approach to property management.<sup>323</sup> This is not to suggest that all corporate-tech landlords engage in milking practices, or that small landlords are never guilty of the same. However, corporate-tech landlords like Premium engage in milking behaviors at scale as a strategy to maximize profits.<sup>324</sup> This raises important questions: What distinguishes individual landlords from corporate-tech landlords when both engage in “milking” practices, and why are the consequences more severe when corporations do it? The answer lies in the highly imbalanced power dynamics at play. Holding a well-resourced hedge fund accountable for poor conditions and neglect presents a major challenge.<sup>325</sup>

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<sup>316</sup> Max Nesterak, *Attorney General Ellison Sues One of Minnesota’s Largest Landlords for Unsafe Living Conditions*, MINN. REFORMER (Feb. 10, 2022, 1:04 PM), <https://perma.cc/Y6UC-C23W>.

<sup>317</sup> *Id.*

<sup>318</sup> Raymond et al., *supra* note 56, at 167; see also Alan Mallach, *Meeting the Challenge of Distressed Property Investors in America’s Neighborhoods*, LOCAL INITIATIVES SUPPORT CORP. (2010), <https://perma.cc/P7S4-9C7B>.

<sup>319</sup> Raymond et al., *supra* note 56, at 167.

<sup>320</sup> *Id.*

<sup>321</sup> *Id.*

<sup>322</sup> *Id.*

<sup>323</sup> *Id.*

<sup>324</sup> Sofia Lopez et al., *How America’s Largest Single-Family Landlords Put Profit over People*, NAT’L RENTAL HOME COUNCIL 2 (2022), <https://perma.cc/Q8KZ-QBRY>.

<sup>325</sup> See, e.g., Abigail Brone, *As Corporations Buy Up Rentals, More Tenants Struggle to Reach Landlords About Issues*, NPR (May 10, 2024), <https://perma.cc/K8JT-PPQH>.

As discussed earlier, in an effort to optimize the single-family rental supply chain, corporate-tech landlords have explored automating maintenance requests, which has received mixed reviews, or shifting repair responsibilities onto tenants as do-it-yourself projects.<sup>326</sup> The digitization of requests makes it easier for corporate-tech landlords to ignore or delay repairs for weeks, months, and, in the case of HavenBrook Homes, years.<sup>327</sup> While proptech can be used to improve the tenant experience and streamline corporate-tech landlord operations, this Article focuses its critique on those landlords who “milk” SFRs and deploy proptech to evade responsibility and maximize profit.

One goal of this Article is to explain how corporate-tech landlord practices can harm tenants and their communities. Another is to show that legal tools exist to help mitigate the negative effects of these practices. At the intersection of many issues discussed in Part II is a growing imbalance of power between tenants and corporate-tech landlords. Congress must respond to this new era of landlord-tenant relations by passing legislation that addresses the new reality of corporate-tech landlordism. Evaluating landlord-tenant laws in states with high levels of corporate-tech landlord investment helps illustrate how federal intervention could empower tenants to leverage their rental payments and rebalance the power dynamic. Congress has long held the authority to regulate markets, and the automation and systematization of rent collection from nationwide property portfolios places corporate-tech landlord operations squarely within the stream of interstate commerce. Part IV explains why federal intervention is legitimate and necessary.

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<sup>326</sup> FIELDS AND VERGERIO, *supra* note 41, at 36. Invitations Homes and AMH rely on tenants to provide free labor by delivering HVAC filters every 90 days and require residents to self-install the filters. See, e.g., *Customer Reviews: Tricon Residential Property Management*, BETTER BUS. BUREAU (2024), <https://perma.cc/9XSK-BB8E>. Tricon Residential has a rating of 1.55 out of 5 on the Better Business Bureau (BBB) website. Comments from Tricon tenants appear just as disgruntled as the AMH tenants referenced in the introduction. For example, on October 10, 2023, Angry C gave a 1-star review and wrote, “This company is absolutely horrendous. We are sick and tired of having water issues for the last 2 years. My bathroom is still gutted, I am only able to use one toilet, and nobody can even clean up since we don’t have a working shower or tub. I’m contacting a lawyer as well as code enforcement. We are sick of this here in \*\*\*\*\*. I’m contacting my state officials as well. This company needs to be exposed for harm they are causing people. I don’t even want to leave one star.” Another reviewer, Shane C., gave a 1 star on October 7, 2023 and wrote, “Tricon is the worst rental company I have ever dealt with. They are constantly increasing the rent with a dollar here or there . . . We have been having issues ever since we moved in and will not be renewing our lease once it is up. I have never in my life experienced this type of rude unprofessional behavior from a rental company or individual landlord in all my years of renting.”

<sup>327</sup> Chuck Collins, *Taking on a Billionaire Landlord in the Twin Cities*, YES! MEDIA (Mar. 17, 2021), <https://perma.cc/RVS2-C53P>.

#### IV. CONGRESSIONAL INTERVENTION IN THE NEW ERA OF CORPORATE-TECH LANDLORDISM

The White House Blueprint for a Renters Bill of Rights (“Renters Bill”) acknowledges that much of our nation’s housing insecurity stems from a lack of affordable housing and exorbitant rents that often exceed the recommended thirty percent of income.<sup>328</sup> The Renters Bill notes that “our nation’s rental market is defined by a patchwork of state and local laws and legal processes that renters and rental housing providers must navigate.”<sup>329</sup> The Bill highlights five tenets to promote fair and safe housing, but it omits any reference to corporate landlords or institutional investors and tenants’ new reality.<sup>330</sup> The Bill is also not legally enforceable, providing only a blueprint on which Congress or states may act.<sup>331</sup> However, the rising number of corporate landlords and their expanding property holdings have sparked federal concern, prompting mostly Democratic lawmakers to introduce bills under Article I’s taxing and spending powers to curb ownership of single-family homes.<sup>332</sup> But these bills have been heavy-handed, misguided attempts to solve the problem, and all have failed. On the state level, jurisdictions with landlord-friendly policies may be less inclined to adopt legislation that restricts landlord autonomy.<sup>333</sup> Instead, Congress should take a different tack. Under the Commerce Clause, lawmakers have the authority to establish nationwide tenant protections that address the “patchwork of state and local laws” problem.<sup>334</sup>

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<sup>328</sup> DOMESTIC POL’Y COUNCIL AND NAT’L ECON. COUNCIL, THE WHITE HOUSE BLUEPRINT FOR A RENTER’S BILL OF RIGHTS 4 (2023), <https://perma.cc/R7CA-NB8S>.

<sup>329</sup> *Id.*

<sup>330</sup> *Id.*

<sup>331</sup> *Id.* at 2.

<sup>332</sup> Mary Hammon, *State Lawmakers Join Fight Against Wall Street Landlords*, PLANETIZEN (Apr. 30, 2024, 10:00 AM), <https://perma.cc/ZHC8-DTGW>.

<sup>333</sup> See Steven Ardary, *Texas Bill Would Limit Corporate Ownership of Rental Homes to 10*, Fox4 NEWS (Jan. 16, 2025, 3:30 PM), <https://perma.cc/6S77-KDQV> (reporting that Texas lawmakers introduced a new measure, Bill 443, to limit corporate ownership to ten SFRs). Bill 443 is currently pending. Past bills to study the scope of corporate-tech landlords were vetoed by Governor Greg Abbott, who noted that he strongly supports free markets but acknowledges that Texans are finding it more difficult to purchase homes. *Id.*; see, e.g., S.B. 443, 89th Leg., Reg. Sess. (Tex. 2025), <https://perma.cc/ZJK7-3L7L>; S.B. 443, 89th Leg., Reg. Sess. § 5.252 (Tex. 2025), <https://perma.cc/7FRW-MUXQ>.

<sup>334</sup> See DOMESTIC POL’Y COUNCIL & NAT’L ECON. COUNCIL, *supra* note 328.

### A. *Principles of Federalism for the New Era*

Given the Trump Administration's dismantling of federal regulatory agencies, it is unlikely that it or Congress will take meaningful steps to strengthen federal regulations in the near term.<sup>335</sup> The new era framework speaks to future lawmakers who will be more amenable to restoring federal protections for tenants. As such, the Renters Bill marks the beginning of an important conversation by highlighting potential collaborations with federal agencies capable of overseeing and enforcing national tenant protections.<sup>336</sup> For example, the Bill illustrates how agencies such as the Federal Trade Commission (FTC), the Consumer Financial Protection Bureau (CFPB), and the Department of Housing and Urban Development (HUD) can use their existing authority to address unfair housing practices and engage directly with tenants and tenant groups to inform potential protections.<sup>337</sup> Collaborations between these agencies are logical, as they already enforce laws against abusive or unfair business practices by companies and financial institutions, consistent with their missions and statutory authority under the FTC Act and the Consumer Financial Protection Act (CFP Act).<sup>338</sup> The FTC can set trade rules, impose injunctions and fees, and refer criminal cases to the Department of Justice.<sup>339</sup> Leveraging its enforcement and rulemaking authority to prohibit rent-rate collusion and antitrust violations by corporate-tech landlords could help mitigate coordinated rent hikes and predatory fees stemming from such collusion.<sup>340</sup> However, the FTC's regulatory authority does not necessarily prevent neglect of housing conditions by corporate-tech landlords, nor can it help tenants

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<sup>335</sup> David Ingram et al., *Trump Administration Begins Mass Firings Across Government*, NBC News (Feb. 14, 2025), <https://perma.cc/P7F5-6TDY>; Christopher Rugaber, *Trump Administration Orders Consumer Protection Agency to Stop Work*, ASSOCIATED PRESS (Feb. 9, 2025), <https://perma.cc/U7GU-BW2K>; Justin Wise, *Trump FTC Chair Backs Undoing Commission-Firing Protections*, BLOOMBERG LAW (Feb. 14, 2025), <https://perma.cc/22V6-FSSF>.

<sup>336</sup> See DOMESTIC POL'Y COUNCIL AND NAT'L ECON. COUNCIL, *supra* note 328 (listing the contributions that federal departments can make to realize principles laid out in the Bill).

<sup>337</sup> *Id.* at 6–7.

<sup>338</sup> See generally 15 U.S.C. §§ 41–58 (2018); see also 12 U.S.C. §§ 5301–5641 (2018); *Mission*, FED. TRADE COMM'N (2025), <https://perma.cc/PTA9-6TLF> (outlining the agency's mission to protect the public against deceptive and unfair business practices); *The CFPB*, CONSUMER FIN. PROT. BUREAU, <https://perma.cc/33U6-PNTL> (last visited Feb. 19, 2025) (displaying mission to protect consumers against unfair, deceptive, or abusive practices).

<sup>339</sup> *A Brief Overview of the Federal Trade Commission's Investigative, Law Enforcement, and Rulemaking Authority*, FED. TRADE COMM'N (revised May 2021), <https://perma.cc/5YEN-L5UD>.

<sup>340</sup> *Id.*

across the country to hold corporate-tech landlords accountable without fear of retaliatory evictions.<sup>341</sup>

The CFPB, by contrast, can more effectively secure restitution for harmed consumers.<sup>342</sup> However, the CFP Act does not explicitly grant the CFPB the authority to enact federal laws aimed at enhancing tenants' bargaining power in their relationships with corporate-tech landlords.<sup>343</sup> Rather, the CFPB is authorized to implement and enforce federal consumer financial laws to promote fair access to financial products and services, which is useful for regulating transactions involving tenants' financial data but falls short of providing a foundational tenant protection framework for addressing housing conditions violations.<sup>344</sup>

The Renters Bill highlights housing issues that require attention but provides little insight into how private industry should be regulated.<sup>345</sup> Furthermore, bills that lawmakers have introduced to regulate corporate-tech landlords have found little traction in Congress.<sup>346</sup>

For example, in 2019, Congresswoman Elizabeth Warren unveiled a proposal she called the Housing Plan for America and introduced the American Housing and Economic Mobility Act.<sup>347</sup> Warren reintroduced the latter in 2024, and it advocates investing \$500 billion to construct affordable housing and provide incentives for more tenant protections.<sup>348</sup> The plan also calls for the creation of a Tenant Protection Bureau, modeled after the CFPB and housed within HUD.<sup>349</sup> Goals of the plan include creating a federal just cause eviction

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<sup>341</sup> *Federal Trade Commission Act*, FED. TRADE COMM'N (archived May 5, 2025), <https://perma.cc/76WJ-AVG5>.

<sup>342</sup> See 12 U.S.C. § 5565(c)(2) (2018); 15 U.S.C. § 45(m)(1)(A) (2018) (authorizing the CFPB to impose civil penalties of up to \$5,000 per day for violations, \$25,000 per day for reckless violations, and \$1,000,000 per day for knowing violations, and authorizing the FTC to seek civil penalties of up to \$10,000 per violation, thereby demonstrating the CFPB's broader enforcement authority).

<sup>343</sup> See 12 U.S.C. §§ 5481(5), (15), 5512(b)(1) (2018) (limiting the CFPB's authority to regulating consumer financial products and services, such as credit, debt collection, and financial reporting, and not granting authority to impose federal laws governing bargaining dynamics between landlords and tenants).

<sup>344</sup> *Id.*

<sup>345</sup> See generally DOMESTIC POL'Y COUNCIL AND NAT'L ECON. COUNCIL, *supra* note 328.

<sup>346</sup> See, e.g., End Hedge Fund Control of American Homes Act, S.3402, 118th Cong. (2023); Stop Wall Street Landlords Act of 2022, H.R. 9246, 117th Cong. (2022).

<sup>347</sup> Press Release, U.S. Sen. Elizabeth Warren, Warren and Colleagues Reintroduce Historic Legislation to Confront America's Housing Crisis (Mar. 13, 2019), <https://perma.cc/J8VE-E6BY>; see also *Protecting and Empowering Renters*, WARREN FOR SEN., <https://perma.cc/S6DL-UVZC> (archived May 7, 2025).

<sup>348</sup> American Housing and Economic Mobility Act, S.4824, 118th Cong. (2024).

<sup>349</sup> *Protecting and Empowering Renters*, *supra* note 347.

standard and confirming a right to lease renewal, among other protections.<sup>350</sup> The \$500 billion in new affordable housing funding would be conditioned on state adoption of these new protections.<sup>351</sup> Warren would further create an Innovation Lab in HUD to study how to keep rents affordable by employing rent control, multi-year leases, zoning reform, and community land trusts.<sup>352</sup> The legislation would also bolster the Affirmatively Furthering Fair Housing (AFFH) provision under the Fair Housing Act (FHA), which aims to end housing segregation by requiring governments to identify plans and housing policies to reverse racial segregation.<sup>353</sup>

Authority for Warren's plan derives from the federal government's taxing and spending powers under Article I, Section 8 of the Constitution, which gives Congress the power to "lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States."<sup>354</sup> The plan would allocate funds to incentivize localities to ease zoning regulations and building restrictions, offer down payment assistance to first-time home-buyers in low-income communities, and expand the Housing Trust Fund and Capital Magnet Fund.<sup>355</sup> Warren's initiative is a laudable effort. However, the initiative is incentive-based, focused on public housing conditions, and leverages federal funds.<sup>356</sup> While the plan aims to tackle the affordable housing crisis, it is unlikely to be adopted by landlord-friendly states with a robust corporate-tech landlord presence.<sup>357</sup>

The FHA is another potential avenue for ensuring equal rights and access to housing, as well as preventing retaliatory evictions for exercising fair housing rights.<sup>358</sup> However, the FHA's scope is restricted to protected classes of people

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<sup>350</sup> *Id.*

<sup>351</sup> *Id.*

<sup>352</sup> *Id.*

<sup>353</sup> *Id.*

<sup>354</sup> U.S. CONST. art. I, § 8.

<sup>355</sup> Mark Zandi, *An Assessment of the American Housing and Economic Mobility Act of 2024*, Moody's ANALYTICS (Jul. 2024), <https://perma.cc/P9Q9-97K7> (analyzing the economic feasibility and impact of the Warren's plan). The Housing Trust Fund is managed by HUD, and the Capital Magnet Fund is managed by the Department of the Treasury. Both provide grants to increase and preserve the supply of affordable rental housing and to increase homeownership for low-income households. *How the Housing Trust Fund and Capital Magnet Fund Support Affordable Housing*, CONG. BUDGET OFF. (Nov. 21, 2022), <https://perma.cc/Y8QU-KT8Q>.

<sup>356</sup> *Protecting and Empowering Renters*, *supra* note 347.

<sup>357</sup> See *The Sun Belt's Ongoing Boom*, CLARION PARTNERS 2 (Apr. 2024), <https://perma.cc/WQ6A-TH2F> (noting the Sun Belt states have a pro-business culture, largely enabled by fewer and less onerous taxes and regulations).

<sup>358</sup> 24 C.F.R. § 100.400(c)(5) (2025) (prohibiting retaliation under the Fair Housing Act (FHA)).

who may have experienced discrimination, as opposed to a more expansive tenant population struggling to pay rent or living in squalor because of absentee landlords. By invoking the Commerce Clause, on the other hand, the scope of protection can be expanded to include all tenants across state lines and effectively bypass the incentive problem faced by individual states.

There is a longstanding assumption that property law, and by extension, landlord-tenant law, should remain local law beyond the ambit of the federal government.<sup>359</sup> But in the new era of corporate-tech landlordism, that presumption should no longer control. The Commerce Clause offers a pathway for direct federal legislation through which Congress can establish uniform tenant protections nationwide without impeding free market activity. The Commerce Clause would apply more broadly than incentive-based and FHA proposals. The following Subpart provides a brief overview of the Commerce Clause and its usefulness in addressing the new landlord-tenant law problem.<sup>360</sup>

### *1. The Commerce Clause Applies to Corporate-Tech Landlordism*

The integration of real estate, securities, and private investment has transformed the housing market in ways that demand federal intervention. It must be acknowledged at the outset that political feasibility is an important factor for achieving federal tenant protection. However, the current political landscape is highly polarized, making the possibility of innovative, bipartisan reform unlikely. Even before the Trump administration, House Republicans under the Biden administration (with some bipartisan influence) proposed spending cuts of three percent for housing affordability and rental assistance programs.<sup>361</sup> Of note was the sixty percent cut for inclusive zoning programs, community block grants, and eviction defense resources.<sup>362</sup> These spending cuts indicate that federal tenant protections will struggle to win funding in the near future. The Trump administration is aggressively adopting staff and budget

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<sup>359</sup> Abraham Bell & Gideon Parchomovsky, *Of Property and Federalism*, 115 YALE L.J. 72, 74 (2005), <https://perma.cc/4UJ3-UZDZ>.

<sup>360</sup> An overview of the Commerce Clause is primarily provided for non-constitutional law scholars who may be less familiar with what constitutes interstate commerce. The section is intentionally brief. An overview of the dormant commerce clause is omitted because the article does not concern states favoring their own citizens or businesses over non-citizens doing business in the state.

<sup>361</sup> See *House Republicans Unveil Proposal to Cut Key Housing Investments*, NAT'L LOW INCOME Hous. COAL. (Jun. 26, 2024), <https://perma.cc/7MKS-ECKF>; Housing and Urban Development, and Related Agencies Appropriations Act, H.R. 9028, 118th Cong. (2024).

<sup>362</sup> *House Republicans Unveil Proposal to Cut Key Housing Investments*, supra note 361.

cuts to HUD and its programs, effectively nullifying any potential for additional tenant protections in collaboration with HUD.<sup>363</sup> Once again, the following discussion envisions a politically functional and collaborative Congress, serving as an analytical exercise aimed at a future political moment when meaningful regulation may be possible.

Courts have long recognized Congress's power to regulate local activities that affect interstate commerce.<sup>364</sup> The law can mitigate the impact of corporate-tech landlordism under the Commerce Clause because business models of these new era landlords have a substantial effect on interstate commerce.<sup>365</sup> To demonstrate, in the lawsuit filed against RealPage, the Department of Justice underscores the impact corporate-tech landlords have on interstate trade and commerce.<sup>366</sup> Corporate-tech landlords own multifamily and single-family homes in most Sun Belt states. The Complaint illustrates that RealPage software targets "Core-Based Statistical Area Markets" in Texas, Georgia, South Carolina, North Carolina, Colorado, Tennessee, and Florida.<sup>367</sup> In these markets, landlords have agreements with RealPage and with each other to share non-public, competitively sensitive information using RealPage as a conduit to coordinate pricing.<sup>368</sup> To implement the service, landlords provide unit characteristics and floor plans as mapping data, allowing algorithms to match competitive units in proximate areas for fixed pricing.<sup>369</sup> The Complaint reasons that this price-fixing scheme has harmed or is likely to harm renters in these target markets.<sup>370</sup> And, while algorithms generate data

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<sup>363</sup> Jennifer Ludden, *HUD Employees Are Bracing for What They Hear Will Be 'Drastic' Staff Cuts*, NPR (Feb. 14, 2025, 7:57 PM), <https://perma.cc/EE4D-NRHJ>.

<sup>364</sup> See *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241 (1964); *Katzenbach v. McClung*, 379 U.S. 294 (1964); *Gonzalez v. Raich*, 545 U.S. 1, 17 (2005); *see also Wickard v. Filburn*, 317 U.S. 111, 128–29 (1942) (noting that although the appellee farmer's activity is local and may not be considered commercial, Congress may still regulate it if it exerts a substantial economic effect on interstate commerce).

<sup>365</sup> The Commerce Clause grants authority over three types of regulatory targets: 1) channels of interstate commerce, 2) instrumentalities or things in interstate commerce, and 3) activities that substantially affect interstate commerce.

<sup>366</sup> See DOJ Complaint, *supra* note 20.

<sup>367</sup> A Core-Based Statistical Target Market (CBSA) is a "geographic area based on a county or group of counties." Amended DOJ Complaint, *supra* note 20, ¶ 212. A CBSA has at least 10,000 individuals and can include adjacent counties with a high degree of social and economic integration. A CBSA can include both metropolitan statistical areas and micropolitan statistical areas. *Id.* Renters in CBSAs live in areas where local landlords share information and collude to inflate prices in coordination with others, thereby preventing market competition among reasonable alternatives. *Id.* ¶¶ 212–17.

<sup>368</sup> *Id.* ¶ 263.

<sup>369</sup> *Id.* ¶¶ 195–99.

<sup>370</sup> *Id.* ¶¶ 217; *see also id.*, tbls. 1–2.

to target local prices, RealPage software actively influences rental markets across the country.<sup>371</sup> To highlight the interstate reach of these corporate-tech landlords, in January 2025, the Department of Justice expanded its lawsuit to include six of the nation's largest landlords, who collectively own and operate over 1.3 million units across forty-three states and the District of Columbia.<sup>372</sup> As such, corporate-tech landlords allegedly used rent-collusion technology as a part of everyday business practice, affecting interstate commerce.<sup>373</sup>

In *Katzenbach v. McClung*, the Court reiterated that the Constitution "confers upon Congress the power '(t)o regulate [c]ommerce . . . among the several [s]tates' and . . . grants it the power '(t)o make all [l]aws which shall be necessary and proper for carrying into [e]xecution the foregoing [p]owers."<sup>374</sup> Likewise, *Wickard v. Filburn* established that Congress can regulate purely intrastate activity that is not itself *commercial* but that belongs to a class of activities that, in aggregate, would impact interstate markets.<sup>375</sup> Considering corporate-tech landlord activity—home acquisition and rental market management—is certainly commercial, these activities satisfy both the *Katzenbach* and *Wickard* precedents.<sup>376</sup>

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<sup>371</sup> *Id.*

<sup>372</sup> See Press Release, U.S. Dept. of Just., Justice Department Sues Six Large Landlords for Algorithmic Pricing Scheme that Harms Millions of American Renters (Jan. 7, 2025), <https://perma.cc/N4HN-VYSG>.

<sup>373</sup> DOJ Complaint, *supra* note 20, ¶ 219 (concluding that RealPage's price-fixing affects interstate commerce and trade). More data is needed about the direct effect of price-fixing software on the single-family rental market. A study of how corporate-tech landlords use price-fixing technology in single-family rental markets would likely yield similar results, based on the concentration of ownership for single-family rentals in targeted Sun Belt communities.

<sup>374</sup> 379 U.S. 294, 301–2 (1964); *see also* *Gonzales v. Raich*, 545 U.S. 1, 3 (2005) (affirming that "Congress' [has] power to regulate purely local activities that are part of an economic 'class of activities' that have a substantial effect on interstate commerce").

<sup>375</sup> 317 U.S. 111, 128 (1942).

<sup>376</sup> Corporate-tech landlordism aligns with Commerce Clause jurisprudence that more specifically concerns whether an activity is commercial in nature, as was true in *United States v. Morrison*, 529 U.S. 598 (2000). The Court in *Morrison* invalidated a federal civil remedy under the Violence Against Women Act, holding that the law exceeded Congress's authority because the regulated activity, gender-motivated violence, was non-economic in nature. The Court reached that conclusion despite ample evidence showing the effects of domestic violence on the financial stability of victims and their families. The attenuation problem presented in *Morrison* is clearly not a concern for corporate-tech landlord activity. Corporate-tech landlord activities and remedies to address problematic business models center financial assets, such as rental income and property management fees.

The insurance industry demonstrates how traditionally state-regulated sectors can fall under federal authority via the Commerce Clause.<sup>377</sup> In *United States v. South-Eastern Underwriters Association*, the Supreme Court established that interstate insurance transactions constitute "commerce" subject to congressional regulation.<sup>378</sup> While Congress responded by enacting the McCarran-Ferguson Act (1945), which reserves primary regulatory authority over the "business of insurance" to the states, the Act explicitly preserves Congress's power to override state laws by enacting federal statutes that expressly target the industry.<sup>379</sup> In *Jones v. United States*, the Supreme Court clarified that Congress's Commerce Clause power extends only to property or activities "actively employed for commercial purposes," not those with merely incidental ties to interstate commerce.<sup>380</sup> Unlike the owner-occupied residence in *Jones*, which lacked commercial use despite connections like mortgages or utilities,<sup>381</sup> corporate-tech landlords actively employ real estate for interstate commerce through algorithmic pricing, national acquisition strategies, and digital platforms. These practices substantially shape housing markets across state lines, creating interstate commercial activity that falls squarely within Congress's regulatory authority under the Commerce Clause, irrespective of real estate's traditional state-level governance.

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<sup>377</sup> *United States v. South-Eastern Underwriters Ass'n*, 322 U.S. 533, 537–38 (1944) (holding that a fire insurance company that conducts a substantial part of its business transactions across state lines is engaged in interstate commerce and thus falls within the Commerce Clause).

<sup>378</sup> *Id.* at 552–53 (reiterating that "no commercial enterprise of any kind which conducts its activities across state lines has been held to be wholly beyond the regulatory power of Congress under the Commerce Clause. We cannot make an exception of the business of insurance").

<sup>379</sup> McCarran-Ferguson Act, Pub. L. No. 79-15, 59 Stat. 33 (1945) (codified as amended at 15 U.S.C. §§ 1011–1015); *see* 15 U.S.C. § 1012(b) (2021) (noting the specific provision preserving constitutional authority). The Act states, "No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance . . . unless such Act specifically relates to the business of insurance" *Id.*

<sup>380</sup> *See Jones v. United States*, 529 U.S. 848, 855 (2000) (referencing § 844(i) use-in-commerce requirement). § 844(i) "is most sensibly read to mean active employment for commercial purposes, and not merely a passive, passing, or past connection to commerce." *Id.*

<sup>381</sup> *See id.* at 856. The Court noted, "It...is not the common perception that a private, owner-occupied residence is "used" in the "activity" of receiving natural gas, a mortgage, or an insurance policy . . . . The Government does not allege that the Indiana residence involved in this case served as a home office or the locus of any commercial undertaking. The home's only 'active employment,' . . . was for the everyday living . . . ."

Lastly, corporate-tech landlordism is a voluntary economic endeavor and is consistent with *NFIB v. Sebelius*.<sup>382</sup> In *Sebelius*, the individual mandate in the Patient Protection and Affordable Care Act (PPACA), requiring individuals to purchase and maintain health insurance, was held unconstitutional because it compelled individuals to become active in commerce.<sup>383</sup> A federal law regulating corporate-tech landlord activity would intervene in existing commercial business. Landlords and tenants voluntarily participate in economic activity through property acquisition, management, and tenant leases, as well as complex financial transactions.

To be sure, the *Sebelius* Court affirmed that “the Constitution requires a distinction between what is truly national and what is truly local.”<sup>384</sup> Property law and the financialization of housing are traditionally “local” in that sense, but the expansion of geographically dispersed portfolios managed via proptech has transformed landlord-tenant relations into a national issue.<sup>385</sup> Corporate-tech landlord activities are causing monumental shifts in housing markets, as described above. Thus, there is little doubt that the Commerce Clause grants lawmakers the authority to address the effects of corporate-tech landlord activity on the housing market.

Enacting federal tenant protections to address some of the harm is constitutional and aligns with Commerce Clause jurisprudence. That said, federal intervention in landlord-tenant law is atypical. The time for a national tenant protection law is here—especially in states with weaker tenant protections and high investor activity.<sup>386</sup> The following Subpart discusses why this local law culture must change.

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<sup>382</sup> Nat'l. Fed'n. of Indep. Bus. v. Sebelius, 567 U.S. 519, 588 (2012) (holding that Congress has authority to regulate interstate commerce, not the authority to order individuals to engage in interstate commerce).

<sup>383</sup> *Id.*

<sup>384</sup> *United States v. Morrison*, 529 U.S. 598, 617–618 (2000) (citing *United States v. Lopez*, 514 U.S. 549, 568 (1995)).

<sup>385</sup> See generally *Shelton et al.*, *supra* note 7, at 1819–31.

<sup>386</sup> Daniel Immergluck, *Renting the Dream: The Rise of Single-Family Rentership in the Sunbelt Metropolis*, 11 URB. STUD. INST. (2018) (attributing greater increases in SFR in Sun Belt cities to the fact that large institutional investors actively pursued SFRs in states and metropolitan areas with looser tenant protections and lower acquisition costs).

### *B. Local Law Limitations Call for Reform in the New Era*

The increasingly interstate nature of corporate-tech landlordism indicates that the federal government should take a larger role in landlord-tenant law.<sup>387</sup> The normative commitment to local control gives disproportionate power to states that are struggling to address what has become a national imbalance of power between tenants and their landlords. Sun Belt states have little incentive to revise landlord-friendly statutes or policies, as an influx of renters into high-demand areas and the broader affordability crisis have increased the need for rental housing.<sup>388</sup> A consequence of this trend is that eviction rates in the Sun Belt are much higher than the national average, due in part to weak tenant protections and the automation of eviction filings.<sup>389</sup> To truly accomplish a more egalitarian distribution of power between tenants who desire stability and landlords who do not abide by their obligations and are quick to evict tenants, federal tenant protections should enhance the effectiveness of the implied warranty of habitability doctrine, circumvent preemption trends, and ensure transparency of ownership.

#### *2. The Implied Warranty of Habitability Is Inadequate*

Historically, tenants have had little leverage to enforce demands for better housing because, under traditional property law, a lease was treated as a conveyance of a real property interest rather than a right to quality housing.<sup>390</sup> Over time, parties addressed conditions issues through lease covenants and gradually infused contract law into landlord-tenant law.<sup>391</sup> Courts followed suit and incorporated contract law with property principles in lease

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<sup>387</sup> U.S. CONST. amend. X.

<sup>388</sup> *Why Evictions in the Sunbelt Remain So High*, Sofi (2024) <https://perma.cc/K9WH-ZTQV> (discussing high demand and eviction rates in the Sun Belt).

<sup>389</sup> *Id.*

<sup>390</sup> *Javins v. First Nat'l Realty Corp.*, 428 F.2d 1071, 1074–75 (D.C. Cir. 1970) (describing feudal principles of property law, which considered a lease to be a conveyance of an interest in land rather than a habitable living environment). When the tenant took possession of the property, he or she was obligated to pay rent and to return the property in the same general condition to the landlord at the end of the lease term. *See Sheldon F. Kurtz & Alice Noble-Allgire, The Revised Uniform Residential Landlord and Tenant Act: A Perspective From the Reporters*, AM. BAR ASS'N. (2024) at 420, <https://perma.cc/W3UX-6A3A>. Landlords had one responsibility to the tenant, which was not to interfere with the tenant's quiet use and enjoyment of the property. *Id.* Old English agrarian society, where that principle originated, presumed the tenant farmer knew how to manage and repair the land. This presumption changed with the urbanization of American society. Now, city dwellers expect to be provided with habitable living conditions, rather than make their own repairs. *Id.*

<sup>391</sup> *See Kurtz & Noble-Allgire, supra* note 390, at 420.

interpretation.<sup>392</sup> This ad hoc approach to lease agreements was rejected when the Supreme Court held in *Javins v. First National Realty Corporation* that “leases of urban dwelling units should be interpreted and construed like any other contract.”<sup>393</sup> As such, the Court in *Javins* held that for residential property, landlords make an implied warranty of habitability and that the standard of habitability will be set by relevant (local) housing codes.<sup>394</sup> The Court reiterated that

“[w]hen American city dwellers, both rich and poor, seek ‘shelter’ today, they seek a well known [sic] package of goods and services—a package which includes not merely walls and ceilings, but also adequate heat, light and ventilation, serviceable plumbing facilities, secure windows and doors, proper sanitation, and proper maintenance.”<sup>395</sup>

That doctrine entitles a tenant to stop paying rent until conditions improve.<sup>396</sup> Generally speaking, if a tenant informs a landlord (usually in writing) of a habitability issue, and if that landlord fails to fix the issue within a reasonable period of time, the tenant cannot be evicted for nonpayment of rent if they raise a warranty of habitability defense.<sup>397</sup> The *Javins* ruling was an important and major development for the tenants’ rights revolution of the 1970s. After the ruling, the National Conference of Commissioners on Uniform State Laws (NCCUSL) promulgated the Uniform Residential Landlord and Tenant Act (URLTA), a model law that provides a framework for regulating the relationship between residential landlords and tenants.<sup>398</sup> URLTA adopted several contracts-based principles in addition to the warranty of habitability, such as the duty to mitigate damages, the unconscionability doctrine, and

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<sup>392</sup> *Id.*

<sup>393</sup> *Javins*, 428 F.2d at 1075.

<sup>394</sup> *Id.* at 1082.

<sup>395</sup> *Id.* at 1074.

<sup>396</sup> Timothy M. Mulvaney & Joseph William Singer, *Move Along to Where? Property in Service of Democracy* 17 (Harv. Pub. Law Working Paper No. 17-40, 2017) (describing limitations of the doctrine).

<sup>397</sup> *Id.*

<sup>398</sup> Unif. Residential Landlord & Tenant Act (Unif. L. Comm'n 1972) (amended 1974), amended by Revised Unif. Residential Landlord & Tenant Act (Unif. L. Comm'n 2015), <https://perma.cc/KTS9-UPYS>.

requirements of good faith and fair dealing, among others.<sup>399</sup> At the time, URLTA was criticized as being too pro-tenant, and some scholars decried it as coming close to a Tenant's Bill of Rights.<sup>400</sup> However, URLTA is a model law rather than an enacted statute, and portions of the Act have only been adopted by twenty-one states.<sup>401</sup> Furthermore, although asserting an implied warranty of habitability defense, particularly against a corporate-tech landlord, is often challenging, it can be effective when successfully raised.<sup>402</sup> Even still, the doctrine's practical impact has been undermined by a host of procedural barriers, resulting in a low rate of success for tenants.<sup>403</sup> These administrative burdens make it difficult to hold corporate-tech landlords accountable for neglecting repairs, and they enable retaliatory evictions against the few tenants who attempt to exercise their housing rights. Procedural barriers for those who do include a lack of access to counsel, lack of awareness of basic tenants' rights, blunt-edged deposit requirements, and more.<sup>404</sup>

Some of these hurdles take the form of landlord protective orders (LPOs), which are court orders or statutory requirements that tenants must follow.<sup>405</sup> For example, with respect to deposit requirements, some state landlord-tenant procedures require tenants to deposit rent with the court during the pendency

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<sup>399</sup> Kurtz & Noble-Allgire, *supra* note 390, at 422. The URLTA was revised in 2015 and renamed the Revised Uniform Residential Landlord and Tenant Act (RURLTA), to include uniform laws addressing tenants' security deposits and tenants who are victims of domestic violence, dating violence, sexual assault, and stalking. *Id.* at 423.

<sup>400</sup> See Samuel J. Brakel, *URLTA in Operation: The Oregon Experience*, 5 J. AM. BAR FOUND. 565, 567 (1980) ("Though it also spells out in substantial detail the landlord's rights and remedies, the act—in comparison to what was before—is decidedly pro-tenant legislation."). Cf. Edward H. Rabin, *Revolution in Residential Landlord-Tenant Law: Causes and Consequences*, 69 CORNELL L. REV. 517, 519 (1984) (noting that the result of this revolution, of which URLTA was just one factor, was that "[t]he residential tenant, long the stepchild of the law, has now become its ward and darling. Tenants' rights have increased dramatically; landlords' rights have decreased dramatically"). See also Curtis J. Berger, *Hard Leases Make Bad Law*, 74 COLUM. L. REV. 791, 813 (1974).

<sup>401</sup> *Residential Landlord and Tenant Act (Revised)*, UNIF. L. COMM'N., <https://perma.cc/LKW6-L2JL>. The revised URLTA has not been adopted by any states.

<sup>402</sup> See generally Paula A. Franzese et al., *The Implied Warranty of Habitability Lives: Making Real the Promise of Landlord-Tenant Reform*, 69 RUTGERS U. L. REV. 1 (2016) (finding that although tenants rarely assert breach of the implied warranty of habitability, the defense frequently succeeds in securing necessary repairs when it is raised).

<sup>403</sup> David A. Super, *The Rise and Fall of the Implied Warranty of Habitability*, 99 CAL. L. REV. 389, 424 (2011).

<sup>404</sup> See Franzese et al., *supra* note 402, at 31–34 (outlining obstacles to the warranty's assertion and effectiveness).

<sup>405</sup> Super, *supra* note 403, at 426.

of an eviction proceeding as a condition for having their defenses heard.<sup>406</sup> States such as Georgia, North Carolina, and Florida also require tenants to complete a range of preparatory steps, and if tenants withhold rent in even a slight deviation from statutory requirements, courts can bar them from raising certain defenses, deny them jury trials, or issue default judgments against them.<sup>407</sup> Many states also have a strict “good faith” rule stipulating that tenants must demonstrate that their sole motive for nonpayment was a repair issue, effectively barring them from raising the habitability defense in any other circumstance.<sup>408</sup> Even some tenants who have succeeded on their claims have reported that repairs were still outstanding, demonstrating an “operationalization gap in the warranty of habitability.”<sup>409</sup>

Given that most tenants are *pro se* litigants without the legal knowledge to timely file an answer or assert a warranty of habitability claim in writing or in open court, landlord-tenant procedural rules can pose a significant barrier that disproportionately affects low-income tenants.<sup>410</sup> Sun Belt states like Georgia,

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<sup>406</sup> *Id.* (describing barriers to use of the implied warranty of habitability regime). See generally *id.* for more detail about the genesis and characteristics of LPOs and LPO proceedings.

<sup>407</sup> *Id.* at 431–32; see, e.g., GA. CODE ANN. § 47-7-75(c) (2010); HAW. REV. STAT. ANN. § 521-78(b) (LexisNexis 2006); *Davis v. Rental Assocs., Inc.*, 456 A.2d 820 (D.C. 1983) (approving default judgment despite tenant’s tender of full amount of arrears prior to trial); *Mahdi v. Poretsky Mgmt., Inc.*, 433 A.2d 1085 (D.C. 1981) (approving judgment for landlord as sanction for tenant’s nonpayment of LPO); FLA. STAT. ANN. § 83.60(2) (West 2004); *Swartwood v. Rouleau*, No. C8-98-1691, 1999 WL 293898 (Minn. Ct. App. May 11, 1999) (refusing to allow tenant’s defenses without paying all back rent allegedly due); *Smith v. Wright*, 416 N.E.2d 655, 661 (Ohio Ct. App. 1979) (denying tenants the right to raise the conditions as non-compliance with an LPO); *Jaroush v. Cook*, 296 S.E.2d 544 (W. Va. 1982) (requiring consideration of defenses that the tenant missed an LPO).

<sup>408</sup> *Super, supra* note 403, at 425; see, e.g., *280 Broad, LLC v. Adams*, No. HDSP-137382, 2006 WL 2790909 at \*7 (Conn. Super. Ct. Sept. 26, 2006) (finding that the evidence did not support that the tenant was relieved of the obligation to pay rent because the evidence concerning the furnace issue failed to demonstrate that the furnace problems caused the premises to be rendered uninhabitable); MICH. COMP. LAWS ANN. § 125.530(3) (West 2006) (stating that establishing a municipal escrow account can support good faith); *Glasoe v. Trinkle*, 479 N.E.2d 915, 920 (Ill. 1985) (insisting that “[t]he condition complained of must be such as to truly render the premises uninhabitable in the eyes of a reasonable person”).

<sup>409</sup> Nicole Summers, *The Limits of Good Law: A Study of Housing Court Outcomes*, 87 U. CHI. L. REV. 145, 151 (2020) finds that even in progressive districts, a significant majority—at least seventy percent—of tenants who were represented by counsel and had meritorious warranty of habitability claims still did not receive a rent abatement. The study also showed that “while eviction proceedings are indeed functioning as a forum to order landlords to perform needed repairs, the forum lacks accountability.” *Id.* “Specifically, in 72 percent of cases in which the landlord agreed to make repairs in a court-ordered settlement agreement . . . the tenant reported that those repairs were still outstanding in a subsequent court appearance.” *Id.*

<sup>410</sup> *Super, supra* note 403, at 435–36 (cataloguing empirical findings about the effectiveness of the warranty of habitability, which the author essentially deems ineffectual).

North Carolina, Texas, Arkansas, and Arizona, where corporate-tech landlords are heavily concentrated and tenant protections are weaker, often impose some of the most cumbersome procedural requirements. Notably, four states—Colorado, Georgia, Illinois, and Virginia—have recently enacted tenant protections establishing minimum habitability standards but have made little to no changes in procedural requirements for exercising habitability rights.<sup>411</sup>

Arkansas's outright omission of an implied warranty of habitability policy demonstrates the need for implementing a national landlord-tenant law requiring baseline habitability protections. A 2016 study in Arkansas investigated the absence of implied warranty of habitability protections as a major social determinant of health and detailed the association between housing and health conditions.<sup>412</sup> Within the sample population of Arkansans, one-third had experienced repair issues, and one-quarter of those individuals had “a health issue they attributed to their housing conditions.”<sup>413</sup> Essentially, landlords in Arkansas are not required to repair their properties unless there are health and safety code violations.<sup>414</sup> Tenants rent the property “as is,” but may negotiate with their landlords to include repair obligations in their lease.<sup>415</sup> Given that approximately 73% of tenants surveyed in the 2016 study reported issues with their landlords, and only 50% of landlords addressed those problems, it is unlikely that a tenant could successfully negotiate for the inclusion of repair obligations in a lease when such terms are not legally required.<sup>416</sup> A follow-up article to the study highlighted that a lack of tenant protection to address subpar housing conditions significantly contributes to poor health outcomes.<sup>417</sup> The author noted that the lack of regulation may stem

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<sup>411</sup> *States Introduce Multiple Tenant Protections Bills This Legislative Session, Securing Several Wins for Renters Rights*, NAT'L LOW INCOME Hous. COAL. (June 24, 2024), <https://perma.cc/HHR8-XZDC>.

<sup>412</sup> See Ashley E. Bachelder et al., *Health Complaints Associated with Poor Rental Housing Conditions in Arkansas: The Only State Without a Landlord's Implied Warranty of Habitability*, 4 FRONTIERS PUB. HEALTH 263, at 1 (Nov. 23, 2016); see also Nathaniel Horwitz-Willis, *Health Complaints Associated with Poor Rental Housing Conditions in Arkansas: The Only State Without a Landlord's Implied Warranty of Habitability*, 6 FRONTIERS PUB. HEALTH 180 (June 19, 2018).

<sup>413</sup> Bachelder et al., *supra* note 412, at 1.

<sup>414</sup> See *The Implied Warranty of Habitability: Arkansas Stands Alone in Landlord-Tenant Law*, L. GRP. OF NW. ARK. PLLC (Apr. 26, 2023), <https://perma.cc/R3B2-7739> [hereinafter L. GRP.]; see also *Landlord and Tenant Rights*, TIM GRIFFIN: ATT'Y GEN. ARK., <https://perma.cc/STE7-ZW2U> (archived May 7, 2025).

<sup>415</sup> See *Landlord Tenant Rights*, <https://perma.cc/STE7-ZW2U> (archived May 7, 2025).

<sup>416</sup> Bachelder et al., *supra* note 412, at 4.

<sup>417</sup> Horwitz-Willis, *supra* note 412, at 2. The author notes that habitability is defined as

from the state's conservative politics, as its lawmakers tend to place all or most of the burden of a habitability standard upon tenants with little mechanisms to hold landlords accountable.<sup>418</sup> Further, empirical research shows that inequitable habitability laws primarily affect marginalized groups of people, such as those living below the poverty line, people of color, and women-led households.<sup>419</sup> The lack of legal protection and the resulting health issues have been called "a silent ongoing epidemic" and called for an equitable implied warranty of habitability standard.<sup>420</sup>

The Uniform Landlord Tenant Act provides a useful guide, but Arkansas lawmakers have repeatedly chosen to deny their constituents an implied warranty of habitability standard.<sup>421</sup> Despite evidence connecting health problems to poor housing conditions, the legislature has failed to pass bills dating back to 2007 that would have prevented retaliation against tenants requesting repairs and allowed for early lease termination for non-repair compliance.<sup>422</sup> Arkansas's failure to provide tenants with protection for housing condition problems illustrates the need for federal intervention.

Georgia provides another example of how procedural hurdles limit a tenant's ability to exercise a habitability defense. In March 2024, the state legislature passed the Safe at Home Act.<sup>423</sup> While the Act is a noteworthy accomplishment that increased tenant protections, it does not go far enough. It stipulates that each landlord "shall keep the premises in repair" and that all agreements between landlords and tenant must "include a provision that the premises is fit for human habitation."<sup>424</sup> While the added language is commendable, it does little to assist tenants with overcoming procedural barriers necessary to exercise their right for a habitable home. For one, tenants are still prohibited from withholding rent for habitability issues without first

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"[b]asic services, including heat, hot water, plumbing and a sound structure absent of physical defects not caused by the tenant, that do not pose unreasonable safety risks to the occupant residing in the housing unit." *Id.* The author suggested that tenants' health issued could be mitigated if landlords provided warmth and energy efficiency, ventilation improvement and high humidity avoidance. *Id.* at 1. These basic needs as outlined in the definition of habitability are not being met, which exacerbate tenants' respiratory and mental health. *Id.*

<sup>418</sup> *Id.* at 2.

<sup>419</sup> *Id.* at 1.

<sup>420</sup> *Id.* at 2.

<sup>421</sup> *Id.* at 1.

<sup>422</sup> Bachelder et al., *supra* note 412, at 2.

<sup>423</sup> H.B. 404, 157th Gen. Assemb., Reg. Sess. (Ga. 2024) (codifying the Safe at Home Act and establishing a duty of habitability for certain rental agreements).

<sup>424</sup> *Id.* §§ 16–18.

exhausting multiple communications with landlords and court involvement.<sup>425</sup> Tenants may file a lawsuit only after “reasonable notice,” then repair and deduct the cost of repair from their rent, move homes, and seek damages.<sup>426</sup> However, tenants are still prohibited under threat of eviction from simply withholding rent based on a reported request for repair that was not addressed.<sup>427</sup>

In North Carolina, a tenant cannot withhold rent unless their landlord provides written consent or unless a judge or magistrate issues a written order after a court hearing.<sup>428</sup> The consent requirement in North Carolina is particularly troublesome because the likelihood of a landlord giving their tenant permission not to pay rent is impractically low.<sup>429</sup> The North Carolina Office of Attorney General published guidance in 2018 detailing what a tenant must do if a landlord refuses to make legally obligated repairs under the North Carolina Residential Agreement Act.<sup>430</sup> The guidance instructs tenants, in capital letters, not to withhold rent without a court order.<sup>431</sup> To obtain one, tenants must prove several elements in a small claims court action, including that the repair was legally required, that the landlord had actual knowledge and received notice of the needed repair, and that a reasonable period of time had passed without a repair, among other factors.<sup>432</sup> That administratively and financially burdensome procedure poses significant challenges for tenants.

In Texas, tenants cannot withhold rent without giving notice on two occasions with “reasonable time,” after which tenants may repair the issue themselves and deduct the cost from their rent if no action is taken by the landlord.<sup>433</sup> This rent deduction is only permitted with court approval.<sup>434</sup> Lastly, in Arizona, while tenants do have some recourse for habitability issues under the Arizona Landlord Tenant Act, tenants may not withhold the entirety of their rent for any reason, regardless of the degree of repair needed.<sup>435</sup> After tenants

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<sup>425</sup> GA. CODE ANN. § 44-7-10-13 (2024).

<sup>426</sup> *Id.*

<sup>427</sup> See *What Should I Know About Repairs to Rental Properties?*, GA. LEGAL AID (2024), <https://perma.cc/9V2B-CXKD>.

<sup>428</sup> N.C. GEN. STAT. § 42–44 (2023).

<sup>429</sup> N.C. ATT’Y GEN., LANDLORDS’ MAINTENANCE AND REPAIR DUTIES: YOUR RIGHTS AS A RESIDENTIAL TENANT IN NORTH CAROLINA 6 (June 2018), <https://perma.cc/PU3H-E6G6>.

<sup>430</sup> See generally *id.*

<sup>431</sup> *Id.* at 6.

<sup>432</sup> *Id.* at 6–7.

<sup>433</sup> TEX. PROP. CODE tit. 8, § 92.056.

<sup>434</sup> *Id.*

<sup>435</sup> LUKE AIR FORCE BASE, RENTERS’ RIGHTS 2 (June 2022), <https://perma.cc/FS5X-RD4C>.

provide requisite notice to landlords (five or ten days, depending on whether the issue is a minor repair, essential service, or safety hazard) tenants may either vacate the premises or make minor repairs themselves and deduct the cost from their rent.<sup>436</sup> However, the reality for tenants exercising their rights under the Act is that landlords, certainly those who are non-responsive to repair requests, may file eviction actions in retaliation.<sup>437</sup> Tenants need to be legally savvy or hire counsel to exercise their rights given that Arizona allows for relatively fast-moving evictions.<sup>438</sup>

Laws that impose administrative and financial burdens on tenants and provide absentee landlords with little incentive to repair uninhabitable homes must be improved. Reform should ensure that the rights afforded by the implied warranty of habitability are easier to exercise in order to hold all absentee landlords, particularly corporate-tech landlords, accountable. A federal regulatory framework could satisfy the original purpose of the implied warranty of habitability—to safeguard low-to-middle income urban, suburban dwellers by providing them with safe places to live. Such a measure would ease the challenges local governments face when they attempt to strengthen tenant rights but would nonetheless be preempted by landlord-friendly state governments.

### 3. *The Preemption Problem*

Local governments have struggled to enact tenant protections when confronted with conservative-leaning state legislators. Local law is sometimes considered to better suit local priorities, but it may also foster parochialism.<sup>439</sup> Scholars appropriately consider it as having a dual nature, capable of advancing equity by responding more directly to community needs as well as enabling

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<sup>436</sup> Arizona Residential Landlord and Tenant Act, ARIZ. REV. STAT. ANN. §§ 33-1381 (stating that a tenant may not withhold rent for any reason not authorized by the Act). The Act does not allow tenants to withhold rent in any circumstances, whether for major or minor repairs. LUKE AIR FORCE BASE, *supra* note 435, at 2–3. The Act allows rent reduction and remedies, such as lease termination, in a variety of circumstances but provides no authority for withholding rent. Arizona Residential Landlord and Tenant Act § 33-1364.

<sup>437</sup> See generally *Making Repairs to Your Dwelling*, ARIZ. TENANTS ADVOC., <https://perma.cc/FE26-TDQN> (archived May 7, 2025).

<sup>438</sup> See Zoe Harper, *12 Most Landlord Friendly States of 2025*, STEADILY (Jan. 10, 2024), <https://perma.cc/PZA7-HUYU>.

<sup>439</sup> See, e.g., Richard Briffault, *The Challenge of the New Preemption*, 70 STAN. L. REV. 1995 (2018); Nestor M. Davidson, *The Dilemma of Localism in an Era of Polarization*, 128 YALE L. J. 954 (2019).

discriminatory policies—exclusionary zoning being a prime example.<sup>440</sup> Emerging conflicts between local governments and more conservative or libertarian-leaning state legislatures span a wide range of issues, including immigration and sanctuary cities, LGBTQ rights, women’s health, employment, and housing.<sup>441</sup> Often, tensions arise when more progressive local governments create policies with inclusion, safety, and equity at the helm, only to have these efforts preempted by state legislators that favor landlord-centric priorities.<sup>442</sup>

For example, in January 2023, a Tenant’s Bill of Rights ordinance was passed by local officials in Orange County, Florida but was preempted later that year by the Florida state legislature.<sup>443</sup> The ordinance sought to grant several tenant protections, such as fair notice requirements for evictions, rent stabilization, landlord registration, and housing condition requirements.<sup>444</sup> But Florida lawmakers preempted this effort, along with other ordinances in thirty-five cities across the state, in an initiative supported by landlord trade groups like Florida Realtors and the Florida Apartment Association.<sup>445</sup> Not only did H.B. 1417 preempt local measures enhancing tenants’ rights, but it also eliminated earlier ordinances that sought to prevent discrimination based on source of income.<sup>446</sup> Florida’s preemption bill is one of the most expansive bills of its kind in that it reserves for the state all authority to regulate residential landlord-tenant relations.<sup>447</sup>

Indiana enacted a similar measure, H.B. 1541, that preempts all enacting and enforcing of landlord-tenant laws from local government back to the

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<sup>440</sup> See, e.g., Davidson, *supra* note 439, at 993–94 (discussing the New Jersey Supreme Court’s holding that *Mount Laurel* had a state constitutional obligation under public welfare doctrine to provide affordable housing as a justification for challenging the city’s exclusionary zoning policy of high-value, single-family homes).

<sup>441</sup> *Id.* at 964–68 (describing various areas of law where states pre-empt local law efforts to promote inclusion and/or safety policies).

<sup>442</sup> Davidson, *supra* note 439.

<sup>443</sup> H.B. 1417, 2023 Leg., Reg. Sess. (Fla. 2023); ORANGE COUNTY, FLA., CODE OF ORDINANCES §§ 25-372–76; see H.B. 1417, 2023 Leg., Reg. Sess. (Fla. 2023) (describing the preemption bill HB 1417).

<sup>444</sup> ORANGE COUNTY, FLA., CODE OF ORDINANCES §§ 25-371, 25-385–87.

<sup>445</sup> Florida Governor Signs Preemption Legislation Impacting Tenant Protections Across State, NAT’L LOW INCOME HOUS. COAL. (July 31, 2023), <https://perma.cc/2BBD-VCV4>; see also McKenna Schueler, Florida House Passes Bill That’d Gut Orange County’s Tenant Bill of Rights, Fair Notice Requirements, ORLANDO WKLY. (Apr. 26, 2023), <https://perma.cc/F2U6-2XL2>.

<sup>446</sup> Florida Governor Signs Preemption Legislation Impacting Tenant Protections Across State, *supra* note 445.

<sup>447</sup> JUDICIARY COMM., H.B. 1417 – RESIDENTIAL TENANCIES (Fla. 2023), <https://perma.cc/L457-9JG>. (requiring regulation of residential tenancies, the landlord-tenant relationship to preempt to the state).

state.<sup>448</sup> The bill prohibits local governments from regulating any rights and responsibilities of the parties, any lease agreements, and all transactions related to the landlord-tenant relationship, which would include warranty of habitability concerns and eviction processes.<sup>449</sup>

The Florida bill and the Indiana bill are the more extreme examples of the preemption problem due to the scope of landlord-tenant regulatory power now within state control. Most preemptions are more targeted, often prohibiting source-of-income protections and rent control ordinances.<sup>450</sup> For example, Kentucky recently joined the list of states preempting local efforts to protect tenants by passing House Bill 18.<sup>451</sup> Local officials in Louisville and Lexington, tenant groups, and some landlords worked together to pass protections against landlords refusing public assistance as verifiable income.<sup>452</sup> H.B. 18 now specifically prevents local governments from prohibiting source-of-income discrimination.<sup>453</sup> Advocates have warned that at the local level, homeless families, veterans, and seniors on fixed incomes will face greater difficulty finding landlords willing to accept their vouchers or Social Security income.<sup>454</sup>

Local officials who attempt to address housing insecurity in their communities often face strong resistance from powerful lobbying interests. Landlord-centric organizations, such as the National Multifamily Housing Council (NMHC), have actively encouraged state governments to preempt or suppress local initiatives aimed at curbing problematic rental practices in both

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<sup>448</sup> House Enrolled Act No. 1541, 122d Gen. Assemb., Reg. Sess. (Ind. 2021).

<sup>449</sup> *Id.*

<sup>450</sup> *State and Local Tenant Protections Database*, NAT'L LOW INCOME HOUS. COAL. (2025), <https://perma.cc/G4MC-EHAY> [hereinafter *Tenant Protections*] (displaying bills from 2021 through 2025 preempting regulation of specific issues, such as rent control and source-of-income protections). The National Low-Income Housing Coalition tracks tenant protection data. *Id.* Looking at data since 2021, six states have enacted preemption bills, four of which target discrimination based on source-of-income and rent control ordinances. *Id.* Two of the six bills, those of Florida and Indiana, delegate all landlord-tenant regulation to the states. *Id.* When selecting the category for Code Enforcement/Strengthening Habitability Standards, twenty-four states have added tenant protections, including Georgia, Tennessee, and Arkansas. *Id.* While the habitability trend is positive, there remain procedural hurdles when tenants try to exercise their habitability rights. See Super, *supra* note 403; Franzese et al., *supra* note 402; see also *States Introduce Multiple Tenant Protections Bills*, *supra* note 411.

<sup>451</sup> *Kentucky Legislature Passes Preemption Legislation, Restricting States and Localities from Passing Tenant Protections Prohibiting Housing Discrimination*, NAT'L LOW INCOME HOUS. COAL. (Apr. 15, 2024), <https://perma.cc/Y9D4-4337>.

<sup>452</sup> *Id.*

<sup>453</sup> *Id.*

<sup>454</sup> *Id.* (paraphrasing housing advocates' dismay over the preemption of bills aimed at reducing homelessness in the state).

apartment complexes and single-family rentals.<sup>455</sup> For example, approximately thirty-three states have preempted local short-term rental, rent control, income discrimination, or inclusionary zoning efforts.<sup>456</sup> Consider *Schroeder v. City of Wilmington*, in which the North Carolina Court of Appeals overturned Wilmington's efforts to regulate short-term rentals by requiring landlord registration and operational and safety requirements, among other obligations.<sup>457</sup> The decision barred municipalities from "adopting any ordinance that would require any owner or manager of rental property to obtain any permit . . . from the local government to lease or rent residential real property or to register rental property with the local government."<sup>458</sup> Likewise, the state of Georgia preempted municipal efforts regulating corporate-tech landlord activity, stating that "[n]o county or municipal corporation may enact, maintain, or enforce any ordinance or resolution which would regulate in any way the amount of rent to be charged for privately owned, single-family or multiple-unit residential rental property."<sup>459</sup>

Understandably, efforts to regulate revenue-generating enterprises like short-term rentals contribute to tensions between local and state governments. However, local initiatives aimed at addressing tenant challenges can be reconciled with the state's broader responsibility to promote the general welfare.<sup>460</sup> Tenants in Florida and Indiana, states with sweeping preemption bills that roll back tenant protections, as well as states like Kentucky, Georgia, and North Carolina, are all attractive to corporate-tech landlords because of their landlord-leaning policies.<sup>461</sup> States can encourage and attract real estate business without putting their constituents at risk by curbing tenant protections. Fair protection can be achieved via federal legislation by preserving states' revenue-generating goals while also offering effective and accessible remedies for tenants, in coordination with local governments. This alignment is especially important in states that have historically acted against renters'

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<sup>455</sup> *What Is Abusive Preemption and Why Is It a Threat to Democracy?*, SUPPORT DEMOCRACY, <https://perma.cc/67J7-PCTT> (archived May 7, 2025).

<sup>456</sup> *Id.*

<sup>457</sup> *Schroeder v. City of Wilmington*, 872 S.E.2d 58, 64 (2022).

<sup>458</sup> N.C. GEN. STAT. § 160D-1207(c) (2024).

<sup>459</sup> GA. CODE ANN. § 44-7-19 (2024).

<sup>460</sup> Davidson, *supra* note 439 (discussing a balance between the benefits of localism and local parochialism).

<sup>461</sup> Harper, *supra* note 438 (noting that Florida, Indiana, North Carolina, Georgia, and Kentucky are all landlord-friendly states).

interests. Certain measures, such as registration requirements, may be more easily implemented than more contentious ones like rent control.<sup>462</sup>

#### 4. *Shell Companies Conceal Owners by Design*

Corporate-tech landlords can be difficult to sue or hold accountable, in part because it can be difficult to identify them. This Article focuses on four featured companies in the single-family rental market, all of which are publicly traded and subject to disclosure requirements under the Securities and Exchange Commission (SEC).<sup>463</sup> However, even tenants with public corporate-tech landlords can have a hard time bringing their representative agents to the negotiating table to address tenants' concerns.<sup>464</sup> Public and private corporate-tech landlords have skirted landlord responsibilities by using opaque ownership records and shell-companies to shield them from liability.<sup>465</sup> Shell companies are businesses created to hold funds and manage another entity's business transactions.<sup>466</sup> Typically, they have no employees, are not traded on the stock market, and primarily offer a mechanism for tracking assets of the company that created them.<sup>467</sup> Shell companies are commonly used to conceal business transactions from public view.<sup>468</sup> While they usually must register with the SEC and keep addresses, it is very difficult to identify their owners because they often list their agents or attorneys as contacts.<sup>469</sup> Shell companies are often incorporated as limited liability companies (LLCs) because they can be owned

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<sup>462</sup> Weiss, *supra* note 73; *see also* *Tenant Protections*, *supra* note 450 (displaying an interactive mapping tool that depicts states often preempt local rent control efforts).

<sup>463</sup> *All SEC Filings*, INVITATION HOMES, <https://perma.cc/P35V-29VP> (archived May 28, 2025); SEC Filings, AM. HOMES 4 RENT, <https://perma.cc/XJ7T-PR7Q> (archived May 28, 2025); Progress Residential, Form ABS-15G (Feb. 6, 2025), <https://perma.cc/RCY8-WK6Z>; Tricon Residential Inc., Form 6-K (Feb. 27, 2025), <https://perma.cc/ZT26-DN7E>.

<sup>464</sup> Alejandra Cancino & Maya Dukmasova, *Few Wins for Tenants Suing Landlords*, INJUSTICE WATCH (Aug. 7, 2024), <https://perma.cc/QY53-78ZB> (discussing the difficulties tenants in a class action lawsuit faced in identifying their landlord).

<sup>465</sup> *See, e.g.*, Sean Keenan, *Study: Three Corporate Landlords Anonymously Own Outsize Chunk of Metro Atlanta's Rental Homes*, ATLANTA CIVIC CIRCLE (Mar. 5, 2024), <https://perma.cc/3266-H7QU> (showing how public and private companies shield themselves from liability by using a network of 190 aliases in the state of Georgia).

<sup>466</sup> Amanda Dixon, *What Is a Shell Company, or Corporation, and How Is It Used?*, SMARTASSET (Nov. 25, 2024), <https://perma.cc/DL36-RELY>.

<sup>467</sup> *Id.*

<sup>468</sup> *Id.* (explaining that shell companies are "set up to mask the identity of whoever stashes their assets within them").

<sup>469</sup> *Id.*

or managed anonymously, which can enable financial misdeeds and secrecy.<sup>470</sup> Many corporate-tech landlords of various sizes accordingly hold properties as LLCs to preserve their anonymity.<sup>471</sup>

Historically, title registries “served the function of providing a modicum of transparency into ownership rights with respect to land in the United States.”<sup>472</sup> Both common law and state statutes incentivized prompt recording of deeds and mortgages to keep clean records of land ownership.<sup>473</sup> Recording systems allow tenants and tenant coalitions to more easily identify owners of their properties. However, corporate-tech landlords have increasingly used LLCs to avoid detection and housing code enforcement.<sup>474</sup> Moreover, the limited liability protections offered by LLCs makes them attractive to single-family rental landlords, as it allows them to walk away from neglected properties more easily when faced with lawsuits over housing code violations, often after collecting rent from tenants despite deteriorating conditions.<sup>475</sup> Some states require LLCs to designate registered agents for administrative purposes.<sup>476</sup> Yet many states do not, making it difficult for tenants and local authorities to identify property owners and hold them accountable through the courts.<sup>477</sup>

In one illuminating study of the Atlanta area, researchers revealed the widespread use of shell companies by three major corporate-tech landlords: Invitation Homes, Pretium Partners, and Amherst Holdings.<sup>478</sup> The study shows that land ownership is growing increasingly concentrated, networked, and relational.<sup>479</sup> Researchers suggest that the tangled webs of corporate property ownership deliberately obscure true owners and the depth of their market control.<sup>480</sup> The study found that the three corporate-tech landlords own and control more than 19,000 single-family homes across five counties in the Atlanta region, using a network of over 190 corporate aliases registered to

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<sup>470</sup> FIN. CRIMES ENF’T NETWORK, THE ROLE OF DOMESTIC SHELL COMPANIES IN FINANCIAL CRIME AND MONEY LAUNDERING 2–3 (Nov. 2006), <https://perma.cc/8XBE-N4N7> (summarizing why LLCs are common vehicles for financial crimes).

<sup>471</sup> Weiss, *supra* note 73, at 565.

<sup>472</sup> *Id.*

<sup>473</sup> *Id.*

<sup>474</sup> *Id.* (describing how LLCs reduce the ability of tenants to identify property owners).

<sup>475</sup> James Horner, *Code Dodgers: Landlord Use of LLCs and Housing Code Enforcement*, 37 YALE L. & POL’Y REV. 647, 655–60 (2019) (explaining landlords’ incentives to place single-family properties in LLCs).

<sup>476</sup> *Id.*

<sup>477</sup> *Id.*

<sup>478</sup> Shelton et al., *supra* note 7, at 1819–31.

<sup>479</sup> *Id.* at 1819.

<sup>480</sup> *Id.*

seventy-four different addresses across ten states and one Caribbean territory.<sup>481</sup> This vast network of corporate aliases is a major reason why tenants often struggle to identify their landlords, hold them accountable for poor conditions, and effectively defend against eviction proceedings. More importantly, the study offers a methodological template for researchers seeking to uncover alias networks in various jurisdictions, enabling broader identification of corporate-tech landlords.<sup>482</sup>

LLCs are not the only ownership vehicle that can complicate accountability—the Real Estate Investment Trust (REIT) is another powerful tool in corporate-tech landlords’ arsenal.<sup>483</sup> While REITs operate as discrete legal entities, their complex operational structures create significant practical hurdles for enforcement.<sup>484</sup> Unlike individual landlords, REITs use pooled investments to purchase real estate under a corporate umbrella.<sup>485</sup> Importantly, because REITs often hire outside companies to handle day-to-day property management, it can be unclear who is responsible when problems arise, making it harder and slower for tenants to resolve their concerns.<sup>486</sup> Tenants often struggle to identify whether the REIT, its subsidiary, or a management contractor bears liability for issues like neglected maintenance or illegal evictions.<sup>487</sup> Because these corporate arrangements can be so labyrinthine, tenants often face confusion about which court to turn to and may struggle to gather the information they need if the REIT owns buildings in multiple jurisdictions.<sup>488</sup> These structural barriers make it much harder for tenants to enforce their rights.<sup>489</sup>

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<sup>481</sup> *Id.*

<sup>482</sup> *Id.* at 1820–25 fig.3 (explaining in detail the deductive and inductive methodology for untangling alias networks).

<sup>483</sup> See Emily A. Benfer et al., *The Corporate Takeover of Rental Housing*, 55 Harv. C.R.-C.L. L. Rev. 121, 130 (2020) (documenting the rise of REITs in residential markets).

<sup>484</sup> See NAT'L Hous. L. PROJECT, CORPORATE LANDLORDS AND TENANT RIGHTS 17 (2023) (describing layered management hierarchies that obscure accountability); see also Nate Bernstein, *REIT Round Up*, AM. APARTMENT OWNERS ASS’N (Apr. 12, 2023) <https://perma.cc/3PQ5-YZ5> (explaining that REITs operate similarly to stocks and, if publicly traded, allow the public to purchase ownership shares in real estate investments).

<sup>485</sup> 26 U.S.C. § 856(a) (2018) (statutory framework for REIT formation); see also Weiss, *supra* note 73, at 566; Bernstein, *supra* note 484.

<sup>486</sup> See Benfer et al., *supra* note 483, at 154 (finding third-party managers create “accountability gaps”).

<sup>487</sup> *Id.* at 154–55.

<sup>488</sup> See Arthur R. Miller, *Simplified Pleading in Complex Litigation*, 88 N.Y.U. L. Rev. 286, 310 (2013) (analyzing jurisdictional barriers in multistate landlord cases).

<sup>489</sup> Benfer et al., *supra* note 483, at 161; see also Roshan Abraham, *People Are Organizing to*

Another real estate investment strategy that complicates transparency is private equity (PE) ownership.<sup>490</sup> Private equity refers to holding an interest in an entity that is not publicly traded, typically through financial firms or accredited investors purchasing stakes in privately held companies.<sup>491</sup> In the United States, private equity firms commonly operate as limited partnerships, which are exempt from many public disclosure requirements.<sup>492</sup> As a result, ownership details often remain confidential.<sup>493</sup> PE firms frequently use complex corporate structures, including multiple layers of shell companies and subsidiaries, to hold real estate assets.<sup>494</sup> This layering further obscures the identity of the ultimate beneficial owner, making it difficult for tenants, advocates, and regulators to determine who actually controls or manages a property.<sup>495</sup> While the Dodd-Frank Wall Street Reform and Consumer Protection Act has increased registration and reporting requirements for some private equity firms, numerous exemptions and loopholes still allow many PE owners to avoid full transparency.<sup>496</sup>

Because these entities often operate through shell companies with obscure names, tenant and housing rights advocates routinely struggle to locate corporate-tech landlords, whether publicly traded, private equity-owned, or structured as REITs.<sup>497</sup> This opacity and administrative complexity makes it difficult for tenants to report complaints and for tenant organizers to

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*Fight the Private Equity Firms Who Own Their Homes: How Tenant Unions Are Taking Back Power from Their Megalandlords*, VICE (May 16, 2023), <https://perma.cc/BRV7-64KH>.

<sup>490</sup> Lisa Lilliott Rydin, *Private Equity, Venture Capital, and Hedge Funds*, HARV. L. SCH. LIBR. (Oct. 2, 2023), <https://perma.cc/TQ2C-3HKS> (defining private equity as an alternative investment vehicle to stocks, bonds, etc.); see also James C. Spindler, *How Private Is Private Equity?*, 76 U. CHI. L. REV. 311 (Winter 2009–2010) (explaining the opaque nature of private equity ownership structures).

<sup>491</sup> See Rydin, *supra* note 490, at 34.

<sup>492</sup> *Id.* at 35.

<sup>493</sup> *Id.*

<sup>494</sup> See OFF. OF FIN. RESEARCH, U.S. DEP’T OF THE TREASURY, ANNUAL REPORT 2023, at 112 (2023) (noting private equity’s use of layered, opaque structures in real estate investment); OFF. OF FIN. RESEARCH, U.S. DEP’T OF THE TREASURY, 2024 ANNUAL REPORT 134 (2024) (noting the use of shell companies to obscure beneficial ownership in real estate).

<sup>495</sup> See OFF. OF FIN. RESEARCH 2024, *supra* note 494, at 134 (discussing how shell companies increase owner anonymity in real estate).

<sup>496</sup> Rydin explains that the contractual nature of private equity partnerships makes them exempt under a variety of federal laws, including the U.S. Investment Advisers Act of 1940 (Advisers Act), the Investment Company Act of 1940 (ICA), the Securities Exchange Act of 1934 (Exchange Act), and the Securities Act of 1933. Rydin, *supra* note 490. See also Spindler, *supra* note 490, at 35 (describing how exemptions and confidentiality persist despite regulatory reforms).

<sup>497</sup> See OFF. OF FIN. RESEARCH 2024, *supra* note 494, at 134 (describing difficulties in identifying landlords due to shell company ownership).

understand the full scope of their landlords' holdings.<sup>498</sup> The complexity and detail of existing statutory provisions, such as exemptions from beneficial ownership disclosure and intricate reporting requirements, can themselves pose barriers for tenants and organizers seeking accountability. Despite these challenges, federal regulations should require transparency of ownership for all corporate-tech landlords. Improved transparency would empower tenants to challenge their landlords' management practices before an eviction action is filed, which is especially important when landlords are unresponsive through online platforms or mobile applications. Greater ownership transparency is a necessary step toward leveling the playing field for tenants in an era where corporate-tech landlordism and property technologies have outpaced the protections of local law.

Tenant activism, media attention, and scholarship have brought housing code violations, rent increases, and aggressive evictions into the limelight.<sup>499</sup> And to some extent, this attention has inspired successful local and state reforms in more pro-tenant jurisdictions.<sup>500</sup> These organizers deserve

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<sup>498</sup> Seymour & Shelton, *supra* note 7, at 57. See Gregory Merz, Practice Note, Investment Company Act of 1940 Exceptions: Guide for Transactional Lawyers: Sections 3(c)(1) and 3(c)(7): Private Investment Companies (n.d.) (unpublished manuscript) (on file with Westlaw), <https://perma.cc/9H6W-W6TK> (archived June 9, 2025). The private equity fund will not be a registered investment company (for example, a mutual fund) under the ICA. The exemptions from registration under the Investment Company Act most frequently used by private equity funds are those under 15 USC §§ 80a-3(c)(1) and (c)(7). Under § 3(c)(1), the fund may not be beneficially owned by more than 100 investors, and under § 3(c)(7), each investor in the fund must be a qualified purchaser. *Contra Private Fund Advisers*, 88 Fed. Reg. 63206, 63215 (Sept. 14, 2023) (to be codified at 17 C.F.R. pt. 275) (explaining that portions of the Investment Act of 1940 are amended to require Investment Advisors to register, but do not require disclosures of the private equity fund management).

<sup>499</sup> See, e.g., Semuels, *supra* note 86; Fields, *supra* note 13. Reporters have also written about how civil process to serve eviction notices has become a gig economy. Ashwin Rodrigues, *Gig Economy Company Launches Uber, But for Evicting People*, VICE (Sept. 21, 2020, 9:00 AM), <https://perma.cc/HZJ7-DDH6>. A counter-movement to Invitation Homes was created by the nonprofit Neighborhood Assistance Corporation of America. Its website states that Invitation homes is “incentivized to squeeze as much profit from their tenants as they possibly can” and “[a]s a result many people are forced to endure slumlord conditions that include shoddy maintenance, predatory fee stacking, unnecessary evictions, and unaffordable rent increases.” *Campaign Against Wall Street Slumlord Invitation Homes*, INVITATION TENANTS, <https://perma.cc/BMC3-MGBJ> (archived May 7, 2025).

<sup>500</sup> Tenants in Antioch, California, successfully organized rent and debt strikes that led to the passage of a rent stabilization ordinance in 2022 and continued advocacy for a just cause eviction ordinance in 2024. See, e.g., Laura Ungar, *California Tenants Rise Up, Demand Rent Caps and More Protections from City Councils*, PBS NewsHour (Sept. 15, 2022), <https://perma.cc/GR9N-JR4K>; Tony Hicks, *Tenant Advocacy Groups to Rally Ahead of Antioch City Council's Meeting on Eviction Ordinance*, LOCAL NEWS MATTERS (Mar. 26, 2024), <https://perma.cc/F67A-X45Y>. Similarly, in Minneapolis and Saint Paul, tenants organized

recognition for their successful efforts at the local level, which demonstrate that local advocates and attorneys general can enforce state tenant protections against corporate-tech landlords where such laws exist. However, these reforms do little for tenants living in pro-landlord jurisdictions. Federal regulations can help tenants, tenant advocates, and local enforcement agencies more effectively combat the adverse consequences of corporate-tech landlord activity. Part V provides an overview of policy changes in that vein.

#### V. POLICY PROPOSALS TO REGULATE CORPORATE-TECH LANDLORDISM

This Part offers proposals for federal intervention and is intended to complement the efforts of state and local lawmakers. Future scholarship will deliver a more comprehensive examination of proposed legislation and explore how it can be enforced.

Legislation requiring corporate-tech landlords to ensure that SFRs are habitable before leasing would offer the greatest benefit to tenants. Industry professionals and investors claim that corporate-tech landlords have comparative advantage over small landlords to fix homes in disrepair because they have the funds to rehabilitate, renovate, and construct new homes.<sup>501</sup> For example, Invitation Homes states on their website that they have invested nearly \$40,000 in each home purchased.<sup>502</sup> However, social media posts on TikTok and Facebook paint a very different picture about the quality of repairs and home conditions.<sup>503</sup> These frequent posts contradict claims that all purchased homes were meaningfully updated or renovated.<sup>504</sup> Since corporate-

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against poor housing conditions in properties owned by Premium Partners, resulting in a lawsuit by Minnesota Attorney General Keith Ellison against HavenBrook Homes. The case settled in 2024, requiring HavenBrook to pay millions in tenant restitution and debt forgiveness, and to address existing violations before acquiring new properties. See, e.g., Press Release, Minn. Att'y Gen.'s Office, *Attorney General Ellison Reaches Landmark Settlement with Single-Family Rental-Home Landlords* (Mar. 15, 2024), <https://perma.cc/YV89-F3M3>; Mad Bankson, *Progress Residential Must Pay Minnesota Tenants Millions in Restitution, Debt Forgiveness*, PRIVATE EQUITY STAKEHOLDER PROJECT (Apr. 25, 2024), <https://perma.cc/P36J-UG6W>.

<sup>501</sup> Laurie Goodman et al., *Institutional Investors Have a Comparative Advantage in Purchasing Homes That Need Repair*, URB. WIRE (Oct. 20, 2021), <https://perma.cc/Z7DP-7ZUV>.

<sup>502</sup> *Why Invitation Homes?*, INVITATION HOMES, <https://perma.cc/S4LN-K6VV> (archived May 7, 2025).

<sup>503</sup> See, e.g., Andy Luis, *We Live in Lakeland & I Have Questions*, FACEBOOK (Nov. 22, 2024), <https://perma.cc/B2LU-AF2C>; Links and Drinks, *This Is Invitation Homes Idea of Renovation*, TikTok (July 7, 2022), <https://perma.cc/K6ZN-NBWR>.

<sup>504</sup> See generally *Invitation Homes Repairs*, TikTok, <https://perma.cc/V47J-Y88G> (archived May 7, 2025).

tech landlords are well-funded, any federal legislation should leverage their deep pockets and require homes be habitable prior to rental activity, especially since habitability is already required in most states.<sup>505</sup> One potential method of ensuring compliance with existing housing codes could be to adopt a national rental licensing regime and a pre-habitation inspection mandate. In addition to traditional complaint-based systems, this proactive model would require corporate-tech landlords to demonstrate code compliance to existing enforcement authorities before being permitted to lease homes. Such a federal requirement could significantly improve adherence to housing standards.<sup>506</sup> Habitable living conditions are a basic right under the implied warranty of habitability doctrine. A pre-habitation regulation would aim to ensure that homes meet basic habitability standards, consistent with the doctrine of the implied warranty of habitability, at the beginning of each lease term. A pre-habitation regulation may not address the need for future repairs, but it might alleviate basic code enforcement issues *ex ante*.<sup>507</sup>

The procedural requirements for timely and effectively filing of an implied warranty of habitability claim or defense contribute to its widespread underutilization.<sup>508</sup> Enhancing the utility of the implied warranty of habitability defense may facilitate post facto repair issues not captured by a pre-habitation regulation. First, a warranty disclosure regulation would ensure that tenants have notice of their implied warranty of habitability rights.<sup>509</sup> A separate procedural reform requiring corporate-tech landlords to demonstrate compliance with habitability standards as part of their eviction claim, rather than treating violations of the implied warranty of habitability solely as a tenant

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<sup>505</sup> Kaycee Miller, *What Is the Implied Warranty of Habitability for Rentals?*, RENTTEC DIRECT (Mar. 31, 2021), <https://perma.cc/5X2N-5HBL> (providing an overview of different state requirements to ensure that a rental is habitable).

<sup>506</sup> *Id.*

<sup>507</sup> Using an unfunded federal mandate without leveraging local authorities to enforce the regulation may help avoid Tenth Amendment anti-commandeering concerns.

<sup>508</sup> See Summers & Steil, *supra* note 38, at 149 (referencing findings that the warranty was asserted in the tenant's answer in only eighty of about 40,000 cases in the study). *Id.* at 150.

<sup>509</sup> Mulvaney & Singer, *supra* note 396 (offering solutions to bolster the effect of the implied warranty of habitability defense). This article highlights an initiative by the City of Detroit to include information about the implied warranty of habitability on eviction summons forms, a measure aimed at better informing tenants of their rights and addressing housing condition defenses early in the eviction process. *Id.* According to some analysts, this led to a significant increase in tenants' raising the defense in eviction court. See Jonathan I. Rose & Martin A. Scott, "Street Talk" Summons in Detroit's Landlord-Tenant Court: A Small Step Forward for Urban Tenants, 52 J. URB. L. 969, 997–1019 (1975).

defense, would shift the burden of proof from tenants to the landlords.<sup>510</sup> Such a pre-eviction filing requirement would not only help ensure that SFRs comply with existing housing code standards, but it could also reduce frivolous bulk eviction filings. Additionally, such a reform may incentivize corporate-tech landlords to be more selective in pursuing evictions. It would embed a more meaningful cost-benefit analysis into the pre-filing stage of the eviction process. Scholars also suggest that a more moderate (and likely less effective) approach could be for corporate-tech landlords to “plead affirmatively that they are in compliance with the implied warranty of habitability.”<sup>511</sup>

Importantly, asserting an implied warranty of habitability defense is ineffective if tenants are already in violation of the statutory procedural requirements previously discussed. It is reasonable to acknowledge that some landlord-tenant procedural requirements serve a legitimate purpose. For example, notice requirements for repair issues are sometimes reasonable, though some are more so than others.<sup>512</sup> Similarly, some states, such as Florida, Connecticut, and Michigan, require tenants to deposit withheld rent in an escrow account.<sup>513</sup> Massachusetts and California do not mandate this practice, but they do encourage it.<sup>514</sup> While escrow requirements may pose challenges for low-income tenants, particularly in light of written or verbal agreements to pay rent in exchange for possession, tenants will ultimately need to address any rent arrears. Requiring rent to be placed in escrow is a reasonable mechanism to ensure that landlords receive payment during the pendency of legal proceedings. Permitting tenants to withhold rent unilaterally without guaranteeing its availability—either in full or adjusted for valid deductions—at the conclusion of the case could create opportunities for misuse.

However, forcing tenants to pay rent despite active habitability issues is inexcusable. Tenants experiencing such problems should be permitted to

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<sup>510</sup> Mulvaney & Singer, *supra* note 396, at 24 (suggesting that a burden shift can be helpful for eviction proceedings).

<sup>511</sup> *Id.*

<sup>512</sup> See, e.g., MASS. GEN. LAWS ch. 239, § 8A (2023); FLA. STAT. § 83.60 (2024); N.H. REV. STAT. ANN. § 540:13-d (2024); CAL. CIV. CODE § 1942 (2024) (all of which are states with notice requirements for withholding rent payments for conditions issues).

<sup>513</sup> FLA. STAT. § 83.60(1)(b) (2024) (requiring withheld rent to be deposited into the registry of the court); CONN. GEN. STAT. § 47a-14h (2024) (allowing tenants to initiate an action in court to deposit rent payments into an escrow account for housing code violations); MICH. COMP. LAWS § 125.530 (2025) (stating that tenants have the option to withhold rent and deposit it into an escrow account if the landlord fails to address serious maintenance issues that affect health and safety).

<sup>514</sup> CALIF. DEP'T OF REAL ESTATE, CALIFORNIA TENANTS: A GUIDE TO RESIDENTIAL TENANTS' AND LANDLORDS' RIGHTS AND RESPONSIBILITIES (Feb. 1, 2022), <https://perma.cc/7PYV-XYWW>.

exercise their implied warranty of habitability rights without fear of swift eviction filings or retaliation. The growing market power of corporate-tech landlords, driven by concentrated ownership of single-family rentals, has made it too easy to raise rents, impose fees, and file bulk evictions with minimal resistance. When these landlords increase housing costs while offloading major repairs onto tenants as do-it-yourself projects, there is a clear need for legislative intervention. Tenants need to preserve their housing and should have an avenue for exercising their rights without fear of swift reprisal from corporate-tech landlords in the form of evictions.

As such, a federal rent-withholding regulation could reduce retaliatory evictions and offer greater clarity than today's confusing and burdensome rent-withholding procedures.<sup>515</sup> A unilateral rent-withholding law could increase tenants' bargaining power against unresponsive absentee landlords.<sup>516</sup> To reiterate, an effective and fair withholding rent regulation must include safeguards for corporate-tech landlords, such as requiring that conditions were clearly reported, and perhaps that withheld rent should be deposited in escrow. However, the added and unnecessary barriers outlined earlier, such as requiring tenants to obtain written permission from their corporate-tech landlords to withhold rent, should be preempted by federal law.

If tenants want to withhold rent because of conditions issues, they need to know to whom they should send notice. As explained in the previous Part, identifying corporate-tech landlords with hundreds of LLC aliases can be a challenge. One way to ease the investigative burden of tenants and enforcement agencies is to require corporate-tech landlords to disclose a *locally* registered agent's name, phone number, and address. This would allow for tenants and advocates to more quickly engage with an individual designated to manage issues with community stakeholders. In addition to a proximity requirement for agents, federal law should require full disclosure of all beneficial ownership. Federal reporting requirements for corporations,

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<sup>515</sup> One potential avenue for strengthening enforcement is to mobilize the private bar to increase the likelihood that pro se litigants can retain counsel, particularly given the absence of a federal right to counsel in eviction proceedings. Another option is to incentivize the plaintiffs' bar to take on rent withholding cases by authorizing treble damages under the proposed statute, mirroring the approach used in many security deposit laws.

<sup>516</sup> Susan Hegel, *Options if Your Landlord Refuses to Make Repairs*, MASSLEGALHELP (Sept. 2019), <https://perma.cc/9E9C-HSP9>; see TEX. PROP. CODE tit. 8, § 92.056 (noting a reasonable time requirement and providing no guidance on what is considered reasonable).

including LLCs, already exist under the Corporate Transparency Act (CTA).<sup>517</sup> The CTA, which went into effect on January 1, 2024, requires small to medium-sized businesses to file corporate transparency reports disclosing beneficial ownership information.<sup>518</sup> However, as of March 2025, the Trump administration has suspended enforcement of the CTA, creating uncertainty around compliance obligations.<sup>519</sup> Publicly traded companies and large businesses are among the twenty-three exempt entities from the CTA because of preexisting reporting requirements.<sup>520</sup> Despite the CTA's currently suspended status, states used the CTA as a model legislation for passing their own LLC transparency legislation.<sup>521</sup>

For example, California lawmakers recently passed S.B. 1201, which requires the names and home or business addresses of "beneficial owners," to be disclosed in regularly filed beneficial ownership information paperwork.<sup>522</sup> In the California bill, beneficial owners are defined "as a natural person for whom, directly or indirectly and through any contract arrangement, understanding, relationship, or otherwise, ...exercises substantial control over the corporation."<sup>523</sup> The CTA incorporates similar substantial control language and ownership percentages.<sup>524</sup> New York lawmakers passed the New York LLC Transparency Act (NY LLCTA) in December 2023, which was also modeled after the CTA.<sup>525</sup>

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<sup>517</sup> Miranda Fraraccio, *What Every Small Business Needs to Know About the Corporate Transparency Act*, U.S. CHAMBER OF COM. (Jan. 24, 2025), <https://perma.cc/YSY2-M47A>.

<sup>518</sup> See generally Beneficial Ownership Information Reporting Requirements, 86 Fed. Reg. 17, 557 (Apr. 5, 2021) (to be codified at 31 C.F.R. pt. 1010), <https://perma.cc/S25F-X4EB>.

<sup>519</sup> Press Release, U.S. Dep't of the Treasury, Treasury Department Releases Letter to Nonfinancial Corporate Stakeholders on LIBOR Transition (Aug. 23, 2021), <https://perma.cc/V4CQ-KWD4>.

<sup>520</sup> *Beneficial Ownership Information (BOI) FAQs*, FINCEN, at C2, <https://perma.cc/NDZ7-WLP9>.

<sup>521</sup> See, e.g., The California Corporate Transparency Act, S.B. 1201, 2023–2024 Leg., Reg. Sess. (Cal. 2024); see also The New York Transparency Act, S. 995B, 2023–2024 Leg., Reg. Sess. (N.Y. 2024).

<sup>522</sup> See also Ben Christopher, *Who Owns the Apartment Next Door? California Agency Says It Will Take Millions to Find Out*, CALMATTERS (May 6, 2024), <https://perma.cc/Q4LK-WPNY> (reporting on the viability of S.B. 1201); S.B. 1201, 2023–2024 Reg. Sess. (Cal. 2024) (as amended in Senate, May 16, 2024).

<sup>523</sup> S.B. 1201 §1502(l).

<sup>524</sup> *Beneficial Ownership Information (BOI) FAQs*, FINCEN, at D1, <https://perma.cc/Q4H7-CFQ>.

<sup>525</sup> Briannah Skinner et al., *New York LLC Transparency Act Update: Finally, Some Clarity*, HOLLAND & KNIGHT ALERT (Mar. 20, 2024), <https://perma.cc/QWM8-V9SD>. The New York bill requires limited liability companies formed (or qualified to do business) in New York to report their beneficial owner information to the Department of State, effective January 1, 2026. *Id.*; S.995B, 2023–2024 Leg., Reg. Sess. (N.Y. 2024) (relating to the disclosure of beneficial owners of limited liability companies).

Although the Corporate Transparency Act established a foundational framework for business formation disclosure, it does not directly address the need for transparency in the context of landlord-tenant relationships. An independent federal law requiring disclosure for landlords is still necessary because beneficial ownership information under the CTA is non-public and only accessible to law enforcement agencies that primarily prosecute financial crimes.<sup>526</sup> The California and New York bills provide a helpful starting point for examining actionable disclosure measures more broadly. The New York bill has a more frequent reporting requirement (annual as opposed to initial filing and major changes); however, like the CTA, it is not accessible to the public.<sup>527</sup> The California bill, on the other hand, would be a public database, which is more beneficial for tenants, and it has a biannual reporting requirement.<sup>528</sup> A federal law that requires a public database, annual reporting, and a local contact would give tenants and enforcement agencies the information they need to know about their corporate-tech landlords. The public database could be an online platform, managed by a relevant agency such as the FTC or CFPB, for both public and private investors with contact information for registered, human agents who can return messages and receive mail.<sup>529</sup> A national registry with contact information to reach humans is antithetical to corporate-tech landlord business practice, which seeks to automate everything and remove human agents from the tenant management process. The structure of corporate-tech landlord business records is intentionally confusing, making the need for transparency measures important and timely.

Finally, this Article has highlighted the problematic practice of re-tenanting, in which corporate-tech landlords auto-file bulk evictions as a matter of course because more tenant turnover means higher rents.<sup>530</sup> The collateral consequences of eviction filing as a routine practice to generate fees and increase revenue must be alleviated. Eviction filings, even no-fault evictions, follow tenants in future housing searches as another data point in the

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<sup>526</sup> *Beneficial Ownership Information (BOI) FAQs*, FINCEN, <https://perma.cc/2EQU-35J2> (detailing enforcement agencies permitted to access the database).

<sup>527</sup> Skinner, *supra* note 525 (discussing distinguishing features of the CTA and New York's LLC Transparency Act).

<sup>528</sup> *California Senate Passes State's Version of Corporate Transparency Act*, GT ALERT (June 14, 2024), <https://perma.cc/D9KX-EYTT>.

<sup>529</sup> Federal agencies, such as the FTC and CFPB, are referenced under the assumption that they will be revived in some form after the Trump administration.

<sup>530</sup> See generally Raymond et al., *supra* note 37 (discussing displacement of Black tenants due to high eviction rates); see Weiss, *supra* note 73 (discussing re-tenanting).

information dragnet. Some states have passed sealing laws for no-fault evictions.<sup>531</sup> Following their example, federal lawmakers should pass a uniform eviction sealing or expungement law for tenants with no-fault or dismissed evictions. These solutions can help tenants by providing them with more leverage, more of an opportunity to preserve their tenancies if warranted, and more accurate information on their landlords' identities. These proposals do not resolve the preemption problem entirely, but they do overlap with some local efforts to enhance tenant protections that failed because of state preemption.

#### VI. CONCLUSION

Corporate-tech landlord activity is a mainstay in today's SFR housing market. Corporate-tech business practice places this new era of landlordism at the center of interstate commerce. As such, the landlord-tenant paradigm must be examined at a national level and extend beyond traditionalist, local law norms. The Commerce Clause gives Congress the authority it needs to address the adverse consequences of corporate-tech landlord business practices. Allegations of coordinated rent hikes, aggressive fee extraction, and routine bulk eviction filings cannot be ignored. Tenants are speaking up, lawmakers are listening, and scholars are gathering evidence to provide clarity and propose solutions. This Article has argued that lawmakers can build on existing landlord-tenant doctrine to enact federal legislation that enables tenants across the country to live with dignity and exercise their rights to the fullest extent of the law. With thoughtful reform and coordinated action, a more equitable and accountable rental housing system could be within reach.

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<sup>531</sup> See, e.g., 2024 Mass. Acts ch. 150 (noting that the Affordable Homes Act will come into effect in May 2025 and that it includes an amendment to MASS. GEN. LAWS ANN. ch. 239, § 16 allowing a person with a no-fault eviction to petition the court to seal the court record and granting a right of appeal).