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DEPUTY MAJORITY WHIP

Economic Matters Committee



The Maryland House of Delegates  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

February 20, 2024

**Testimony of Delegate Marlon Amprey in support of HB 751 Sale of Residential Real Property - Offers to Purchase and Transfer Tax**

Dear Chair Korman, Vice Chair Boyce and members of the Environment and Transportation Committee,

House Bill 751 focuses on:

Companies that are frequently supported by foreign investors have been buying an increasing number of properties in Maryland and around the nation in recent years. In October 2022, The Baltimore Sun revealed that twice as many city home sales as three years prior—more than a third of all transactions—were purchased by investors in the first half of 2022. This practice has three detrimental effects: first, it makes it more difficult for local families and individuals to purchase properties and amass wealth; second, it transfers the rental market to large, distant landlords who are more likely to foreclose on tenants and show less concern for their needs; and third, it raises the market prices for single-family homes in these areas.

Corporations, pension funds, and property investment groups have nearly endless reserves of money at their disposal, allowing them to pay 20-50% more than the asking price for single-family homes and flip these newly acquired properties into morbidly overpriced rentals.<sup>1</sup> The Sun reports that the median home sales price increased from \$42,000 to \$72,000 from 2019 to 2022. Further data provided by the Sun shows that this trend is disproportionately affecting Black neighborhoods. In some predominantly Black neighborhoods such as Broadway East in East Baltimore, Carrollton Ridge in the Southwest, and West Baltimore's Harlem Park, three out of every five homes sold since 2019 have been bought by investors.<sup>2</sup> These neighborhoods have been targeted by out-of-state and foreign investors due to their relatively low purchase prices.

HB 751 will require a person who offers certain residential real property for sale to a third party, for the first 30 days, to accept only an offer to purchase the property

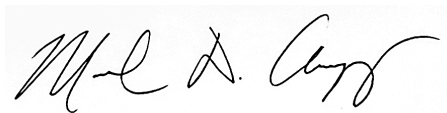
made by an individual, a community development organization, a nonprofit organization, or a real estate enterprise that owns an interest in less than 3% of all residential real property located within the county in which the property is located. Additionally, a transfer tax of 15% will be applied to any real estate enterprise or subsidiary of a real estate enterprise that has an ownership interest in residential real property in the State with a total assessed value exceeding \$12,000,000, or an ownership interest in more than 120 single-family residential real properties.

This bill is a reasonable measure to ensure that all individuals and families have an opportunity to purchase real estate at an affordable price. The bill will not stifle development, as it is only a 30-day period that will give a benefit to those who don't have the same means as large investment companies. Likewise, those large investment companies will be able to afford a slightly larger transfer tax if they wish to do business in the state.

We must take it into our hands as legislators to protect all Marylanders from this alarming trend. Affordable housing and homeownership for our communities must be prioritized over foreign investors that only see dollar signs in our neighborhoods. With HB 751 we have a chance to take the first step towards halting the progress of these investors' conquests and providing our young families a precious line of defense for their pursuit of social mobility.

**For these reasons, I urge a favorable report on House Bill 751.**

Respectfully,

A handwritten signature in black ink, appearing to read "Marlon Amprey". The signature is fluid and cursive, with a large initial "M" and "A".

Delegate Marlon Amprey  
40<sup>th</sup> Legislative District of Maryland