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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 21, 2023

**Testimony of Delegate Marlon Amprey in support of HB 474 Sales of Residential Real Property - Offers to Purchase and Transfer Tax**

Dear Members of the Environmental and Transportation Committee,

In recent years, more and more homes in Baltimore and around the country are being purchased by companies, often backed by foreign investors. The Baltimore Sun reported in October 2022, that more than a third of all city home sales recorded in the first half of 2022 were investor purchases—double the rate just three years ago. The negative results of this practice are three-fold: first, it inhibits the ability of local families and individuals to buy homes and build wealth; secondly, it shifts the rental market to large, faraway landlords, who are more likely to evict tenants and be less responsive to the concerns of their tenants; and finally, it drives up the market prices for single-family homes in these areas. This trend is diminishing the average Maryland resident's ability to purchase a home, create generational wealth, provide stability for their families and have their own slice of the American Dream.

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 474 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

<sup>1</sup> <https://twitter.com/APhilosophae/status/1402434266970140676>

<sup>2</sup> <https://www.baltimoresun.com/news/investigations/bs-bz-baltimore-landlords-investor-homes-20221028-v5mmhm7aubbrbdw2zngmnnjiuri-story.html>

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 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 474 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 474.**

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 long, sweeping tail.

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