



## **Senate Bill 510 – Excess Ownership of Single-Family Residences Excise Tax (End Hedge Fund Control of Maryland Homes Act of 2025)**

### **Position: Oppose**

While Maryland REALTORS® has concerns over the uptick in institutional real estate investors in the marketplace, we believe that SB 510 as introduced would have a negative impact on the real estate market and on current Maryland renters.

A 2022 NAR report on institutional investors found they are a growing share of real estate purchases, with an average of 13.2% of homes nationwide purchased by these entities. Some states like Texas and Georgia far exceeded that total, as did several metropolitan areas. However, Maryland was at the bottom of the list, with approximately 10% of home purchases coming from large corporations.

However, there is emerging evidence that institutional investors charge tenants higher rents and file for eviction more frequently than other investment property owners. And while Maryland trails other states in the number of investors, concentrations of these homes do exist within regions, cities, and neighborhoods exceeding that percentage. If economic conditions change or rental demand slows, corporations could seek to rapidly divest their holdings if promised shareholder returns don't materialize, disrupting housing markets on a micro level.

While the bill title and some provisions are directed toward hedge fund ownership and profit on residential real estate, the bill goes beyond those entities and targets even smaller, Maryland-based investment property owners. Those property owners provide needed single family rental property options for residents and have not been associated with the negative impacts of institutional investors.

Conflating the two and imposing financial penalties on both types of rental property owners is misguided. It would also prevent Maryland-based investors from taking on the properties that hedge funds divest under this bill. Ultimately, this would lead to fewer rental options for Maryland renters and increase rental costs for them.

REALTORS® support efforts to level the playing field between individual and institutional buyers in the market but must oppose the approach outlined in SB 510 as introduced. We look forward to continued discussions with the sponsor on alternative approaches to the issue.

**For more information contact**  
**[lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or [christa.mcgee@mdrealtor.org](mailto:christa.mcgee@mdrealtor.org)**