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HB 1428: Sale of Residential Property - Taxes and Offers to Purchase (End Hedge Fund Control of Maryland Homes Act of 2025)

Hearing before the House Environment and Transportation Committee on February 25, 2025

Position: SUPPORT (FAV)

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. PJC seeks the Committee's **Favorable report on HB 1428** as it is a critical measure to ensure tenants have the full benefit of the housing market.

Maryland currently faces a crisis of housing affordability. While some of our housing challenges, including a supply shortage, will take years to remedy, others can be addressed immediately, including a strong ban on hedge funds owning and controlling large parts of the American housing market. **For tenants, properties that are owned by hedge funds are 68% more likely than small landlords to file for evictions and often impose high rent increases, inflated fees, and deteriorating housing conditions.¹ It is important that tenants know their landlord and property manager and be ensured that their landlord is actually in the business of being a landlord; not in the business of flipping a property at the slightest indication of a profit increase.**

In addition, the rise in the Artificial Intelligence (A.I.) property manager is a result of the increased control of hedge funds in the rental market. This control has led to a decrease of human interaction between the tenant and the landlord and the increase of boilerplate reactions to real immediate concerns artificial intelligence cannot solve; ie leaky plumbing.²

Predatory hedge funds disproportionately target Black families and vulnerable single parents, as revealed in a recent House Financial Services Committee report.³ The report found these investors focus on neighborhoods with larger Black populations and approximately 30% more single mothers than the national average.

The purchasing of single-family homes by hedge funds, especially in the current housing market, serves only to make profits for the investors and provides no value to the communities where these homes are located. People should not have to go up against hedge funds when they are trying to buy a home in their community. Banning hedge funds from the single-family housing market will help enable more families the opportunity to purchase a home and combat the growing large investor landlord model.

¹ <https://thedecisionmagazine.com/business/lessons/hedge-funds-the-new-landlords/>

² <https://www.nytimes.com/2024/06/26/business/ai-bots-property-managers.html>

³ <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408381>

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

Passing **HB 1428** is a step in the right direction for all Maryland. If you have any questions, please contact Albert Turner, Esq., turnera@publicjustice.org (410) 625-9409 Ext. 250.