

February 25, 2025

The Honorable Marc Korman
Chair, Environment & Transportation Committee
Taylor House Office Building, Room 251
Annapolis, MD, 21401

RE: MBIA Letter of Opposition - Sale of Residential Property - Taxes and Offers to Purchase (End Hedge Fund Control of Maryland Homes Act of 2025)

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Sale of Residential Property - Taxes and Offers to Purchase (End Hedge Fund Control of Maryland Homes Act of 2025) . MBIA Opposes the Act in its current version.

SB582 would authorize a person who offers for sale to a third party improved single-family residential real property, for the first 30 days, to accept an offer to purchase the property made only by an individual, a community development organization, a nonprofit organization, or a real estate enterprise that owns an interest in less than 3 percent of all residential real property in the county.

MBIA has concerns about the unintended consequences this bill would bring for potential buyers, as well as a substantial costs. This bill would limit the potential purchasers for a home on the market to buyers that own less than 30 percent of the total real estate market in the county for 30 days. The bill would also establish an excise tax on large real estate holders the amount of up to 50% of the fair market value of a residence. The new trend of build to rent as a way to supply housing while home prices remain high and mortgage rates will drive more demand into the sector. Build to rent demand was strong even when debt was cheap and homes were selling. This caters to an underserved niche of the market for middle/upper income households who've graduated past the apartment stage of life but aren't yet ready/willing to buy a house for various reasons, and prefer the conveniences of newer homes with on-site management.

MBIA respectfully opposes this measure the establishment of an excise tax on large scale real estate holdings is an unfair tax that would raise the cost of buying homes for individual purchasers. These taxes will be priced into the cost of any homes for sale, driving up costs to individual consumers, and making houses less accessible across the state of Maryland.

For the reasons stated above we would ask the committee for a un favorable report. For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee