



Senate Bill 582 – Sale of Residential Property - Taxes and Offers to Purchase (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, several of the provisions of SB 582 would have negative impacts on the buying and selling of real estate and on home sellers.

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 Maryland 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. Ultimately, this would lead to fewer rental options for Maryland renters and increase rental costs for them.

The 30-day lockout and transfer tax provisions in the bill are problematic for current Maryland homeowners. An offer from an institutional investor may be the best – or only – option a seller receives, depending on current market conditions or the condition of the property being sold. A thirty-day lockout will result in a lower purchase price, as the investor will know that there is no market competition for the property.

Also, transfer taxes are typically split between buyers and sellers, but can be altered via contract. Because of this, we believe Maryland residents would also be subject to the financial penalties in this bill, as the investors put the full burden of an increased transfer tax on the backs of property sellers, leaving them with less equity from their home sale. A better approach would be to state ensure that any financial penalties are levied solely on the investor, without impacting the pace of real estate sales or the proceeds a seller receives.

REALTORS® support efforts to level the playing field between individual and institutional buyers in the market but must oppose the approach outlined in SB 582 as introduced. We look forward to continued discussions with the sponsor on alternative approaches to the issue.

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