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Economic Matters Committee

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Subcommittee



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THE MARYLAND HOUSE OF DELEGATES
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HB1188, the End Hedge Fund Control of Maryland Homes Act, establishes an excise tax on the acquisition and excess ownership of single-family homes by large institutional investment entities. The bill also limits additional home purchases by hedge funds that already control a significant share of housing within a county and directs resulting revenue to Maryland's Down Payment and Settlement Expense Loan Program to support homebuyers.

Maryland families are facing increasing barriers to homeownership. Since 2020, the median home price in Maryland has risen by more than \$125,000 – an increase of over 40 percent – while housing inventory has remained limited. As a result, prospective buyers are competing for fewer available homes.

Increasingly, families are not competing only with other homebuyers. Large institutional investors are targeting entry-level homes because they can be converted into long-term rental properties that generate stable returns. When investors enter the market with all-cash offers and fewer financing constraints, first-time buyers relying on mortgages often cannot compete.

The growing conversion of single-family homes into investor-held rental properties reduces opportunities for ownership and limits pathways for Maryland families to build long-term financial stability. While institutional investors do not own the majority of homes in Maryland, their participation adds pressure in an already competitive housing market.

HB1188 provides a targeted response. The bill does not apply to small landlords, nonprofit housing organizations, or homebuilders. Instead, it focuses on large pooled-asset investment entities purchasing homes at scale and reinvests revenue into down payment assistance to help Maryland families access homeownership.

HB1188 complements ongoing efforts to increase housing supply by helping ensure that homes remain accessible to Maryland residents.

For these reasons, I respectfully urge a favorable report on HB1188.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Adrian A. Boafo".

Delegate Adrian A. Boafo