



Report: Corporate buyers are snapping up Pittsburgh homes at a record pace

Matt Rourke / Associated Press

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A new breed of single-family homeowners have been gaining ground in Pittsburgh's housing market recently — global investment firms.

Corporate landlords have amassed large real estate investment portfolios across Allegheny County and have nearly tripled their holdings in recent years, according to a report released this week by the University Center for Social and Urban Research at the University of Pittsburgh.

“Most local officials view corporate real estate investment holdings as being conducted by traditional small-scale “mom-and-pop” investors or regional real estate firms,” the report said.

“That a community's housing market is part of a global network of financial investors hasn't registered with many public officials or community stakeholders.”

Pitt's researchers found corporations own 28,030 of the total 374,057 single-family homes in Allegheny County, which represents 7.5% of the housing stock.

Corporations with no ties to the communities where they rent single-family homes are more liable to charge higher rent, neglect maintenance and be quicker to evict people in order to deliver high returns to the investors, according to the report's authors.

While the city of Pittsburgh has the highest number of single-family houses owned by private corporate institutional investors (193), Pitt researchers said Penn Hills is second with 145 homes owned by corporate investors.

Institutional investors have traditionally been more interested in buying multi-family properties, but in recent years have focused on ownership of residential real estate through publicly traded real estate investment trusts (REITS) and hedge funds.

Pittsburgh communities with high numbers of corporate-owned single family homes include McKeesport, Monroeville, Wilkinsburg, Ross, McCandless, Mt. Lebanon, Bethel Park, Shaler, West Mifflin, Clarion, Moon, Munhall, Plum, Stowe, McKees Rocks, Duquesne, Hampton and North Versailles,.

Communities with the highest percentage of corporate-owned homes include Homestead, Mt. Oliver, East Pittsburgh, Wilmerding, McKees Rocks, Pitcairn, McKeesport, Turtle Creek, Clairton, Duquesne, Stow, Sharpsburg, Wilkinsburg, Braddock, North Braddock, Rankin, Sewickley Heights, Millville, Leetsdale and East McKeesport.

One Dayton, Ohio-based company, VineBrook, targets neighborhoods with higher shares of Black residents in relatively lower-cost metros. VineBrook started buying homes in Penn Hills in 2017 and accelerated its acquisitions in 2019.

“The company advertises to investors its 30% annualized returns since the company’s inception,” the University of Pittsburgh report said of VineBrook, which owns more than 27,000 homes nationwide.

Another big player in the Pittsburgh housing market, Segavepo LLC, has purchased 250 single-family residential properties in Allegheny County since 2019. As of fall 2023, it also owns more than 50 properties in Westmoreland County.

SFR3 owns 206 single family homes in Allegheny County and purchased all of them after 2019.

“Effectively, these purchases, now numbering in the hundreds of thousands in the U.S., reduce the supply of single-family houses available in a local market for individual home buyers — particularly impacting first-time buyers — or small-scale “mom-and-pop investors,” the report said.

“The process accelerates the ‘financialization’ of rental housing to effectively develop a new form of housing market.”

While local firms like RE360 and Bauer/Riva/Ridge also have large portfolios of single-family houses, the Pitt study focused on the impact of outside firms buying houses in Allegheny County on a large scale.

The three largest outside investors — VineBrook, SFR3, and Segavepo — own property in 75 of the 130 municipalities in Allegheny County.

“The concentration of their current portfolios are concentrated in eastern parts of Allegheny County, the city of Pittsburgh and nearby south suburban communities,” the report said.

“What’s important here isn’t that the holdings are only a small part of the nearly 400,000 residential real estate properties. It’s that their holdings represent a large portion of recent acquisitions in many communities.”

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