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Trump wants to ban investors from buying up houses. Here's what that means for Chicago.

By Dennis Rodkin

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If a solid policy comes out of President Donald Trump's announcement yesterday that he wants to ban institutional investors from buying up single-family homes to improve affordability, it will likely have little impact in the Chicago-area housing market.

That's because Chicago is one of the smallest big-city markets for investor buying.

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"It's going to have less impact. Chicago isn't as saturated with institutional buying they are in cities in the Sunbelt," said Amanda Kass, a former assistant professor at DePaul University's school of public service who has contributed to [research on investor buying](#) at DePaul's Institute for Housing Studies.

"The business model for these institutional investors is scale and saturation," Kass said, "and that isn't in Chicago."

Removing institutional buyers is a way to bring down prices for homebuyers by taking a big-spending competitor out of the equation. It may have considerable impact in cities like Atlanta and Phoenix, which an [Urban Institute report](#) ranks as two of the biggest investor-buyer metros. In the 2023 report, Chicago, the nation's third-largest metro by population, does not appear in a list of the top 20 markets for "mega-investors."



"For a very long time, buying and owning a home was considered the pinnacle of the American Dream. It was the reward for working hard," Trump [wrote Jan. 7 in a social media post](#). But it's now "increasingly out of reach for far too many people, especially younger Americans," he wrote. "I am immediately taking steps to ban large institutional investors from buying more single-family homes, and I will be calling on Congress to codify it."

The post continued, "People live in homes, not corporations."

Trump's announcement dovetails with the efforts of leaders in south suburban Markham. In the fall, Roger Agpawa, Markham's mayor, quarterbacked a plan to [reduce the number of single-family rentals in the village](#) over the course of a few years. The primary objective, Agpawa told Crain's at the time, is the stabilization he believes homeownership brings to a neighborhood, but making homes in Markham more affordable was also a goal.

Investors that have shown a hearty appetite for single-family homes include Blackstone, Invitation Homes and AMH, [all of whose shares dropped](#) in the wake of Trump's announcement.

"Some of it should be banned," said Tammy Jackson, managing broker with KM Realty.

"These big conglomerates that are buying up houses and holding them to get value when it goes up aren't helping the communities," she said, contrasting them with small investors like doing fix-and-flips or [rehabbing rundown properties](#).

"We are contributing to the community," Jackson said.



In 2014, DePaul's Institute for Housing Studies researched [the Chicago-area purchases by Blackstone](#), which at the time was the biggest investor buyer of single-family homes. IHS found that Blackstone's 1,300 purchases in Cook County the prior year made it a major buyer in the city's Austin neighborhood and southwestern suburbs Oak Forest and Oak Lawn.

That showed "saturation in certain geographies," Kass said. There's no recent data on whether the pattern of buying persists to this day. But dominating a market that way now, when the housing market is far healthier and buyers are vying to get a home in a low-inventory market, would undoubtedly lead homebuyers to welcome a ban on investor buying.

By **Dennis Rodkin**

Dennis Rodkin is a senior reporter covering residential real estate for Crain's Chicago Business. He joined Crain's in 2014 and has been covering real estate in Chicago since 1991.

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