

# Corporate Investments in Single-Family Residential Properties in Allegheny County: Recent Impacts



Sabina Deitrick, PhD, and Chris Briem

Urban & Regional Analysis Program, University Center for Social and Urban Research



## Introduction

This project examines the purchase of *single-family residential* properties in Allegheny County by out-of-the area Single Family Residential Real Estate Investment Trusts, SFR-REITS, and private equity firms. These corporate buyers are limited liability companies that purchase blocks of single-family houses and put them on the rental market. Unlike our perceptions of the single-family housing rental market, common for years with numerous local and regional small-to-medium scale investors owning residential properties, global investment firms are driving the formation of SFR-REITS and the concentration of SFR properties in the grip of global capital.

SFR-REITS are an investment formula with large numbers of properties in a portfolio creating scale and increasing profits for investors. In addition to their scale of operations, the model delivers increasing profits by charging high rents, adding fees and ancillary service payments, and cutting costs by increasing scale through technology applications.

### Largest Uses of Residential Parcels in Allegheny County

Use Description	Parcels
Single Family	373,942
Two Family	17,271
Condominium	17,182
Townhouse	16,696
Rowhouse	11,149
Three Family	3,980
Four Family	2,068

**Out-of-state corporate landlords are gobbling up Milwaukee homes to rent out, and it's changing the fabric of some neighborhoods**

Chris Deitrick, Milwaukee Journal Sentinel  
Published 11:00 AM EDT April 15, 2021 | Updated 9:07 PM EDT April 17, 2021

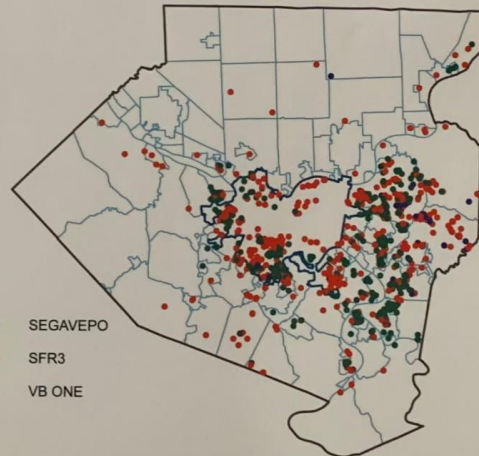


Milwaukee Journal Sentinel – June 2021

## Methods

To understand who is buying what, when, and where -- and who owns residential real estate in Allegheny County -- this research uses data on property ownership and sales data that come from the Allegheny County Office of Property Assessments. Here the ownership of residential Allegheny County real estate parcels has been consolidated into portfolios owned by specific corporations based on tax-address mailings, focusing on real estate characterized as single-family residences. These selected parcels do not include residential real estate in properties with more than two individual units or larger apartment buildings. Single-family use parcels are the most common type of residential real estate in Allegheny County, comprising over 84% of all residential parcels in the county. The map focuses on three large investment firms.

Private Residential Parcels Acquired by Selected Firms Since 2019



- SEGAVEPO
- SFR3
- VB ONE

### Corporations with Largest Single-Family Residential Real Estate Holdings in Allegheny County, 2010 – 2022

Corporation	Total	Acquired 2010-2018	Acquired 2019 or later
VB ONE (Vinebrook)	491	35	7.1%
RE360*	255	192	75.3%
SFR3	249	0	0.0%
SEGAVEPO	243	0	0.0%
DIVERSIFIED RESIDENTIAL HOMES*	146	0	0.0%

\* \* Locally-based firms

## Findings

Similar to what has been observed in other mid-sized regional real estate markets, Allegheny County has seen new investment activity and significant acquisitions of single-family residential parcels by national investors since 2019. Once consolidated by tax billing addresses, firms with no known previous local real estate ownership have grown to become the largest holders of single-family residential properties in Allegheny County.

The largest portfolios appear to be consolidated under three principal owners: SEGAVEPO, SFR3, and VB ONE (also known as Vinebrook). These three firms have rapidly become three of the four largest consolidated corporate owners of single-family real estate in Allegheny County. They are also the only three firms among the ten largest holders of residential real estate in Allegheny County that are clearly not based in the Pittsburgh region and are known to have large real estate holdings across many other cities and regions.

Across the county, the largest holdings of the four largest out-of-area investors are in the city of Pittsburgh (193), followed by Penn Hills (145). With almost 17,000 single-family homes and owner occupancy of 72% in 2021, Penn Hills can face lower homeownership rates, higher rental rates, and poorer property conditions with private equity and SFR REITS increasing purchases of single-family homes.

Acquisitions by Month by Selected Firms in Allegheny County (May 2017-December 2022)

