Wall Street Is Buying Everyone's Homes and Driving Up Prices

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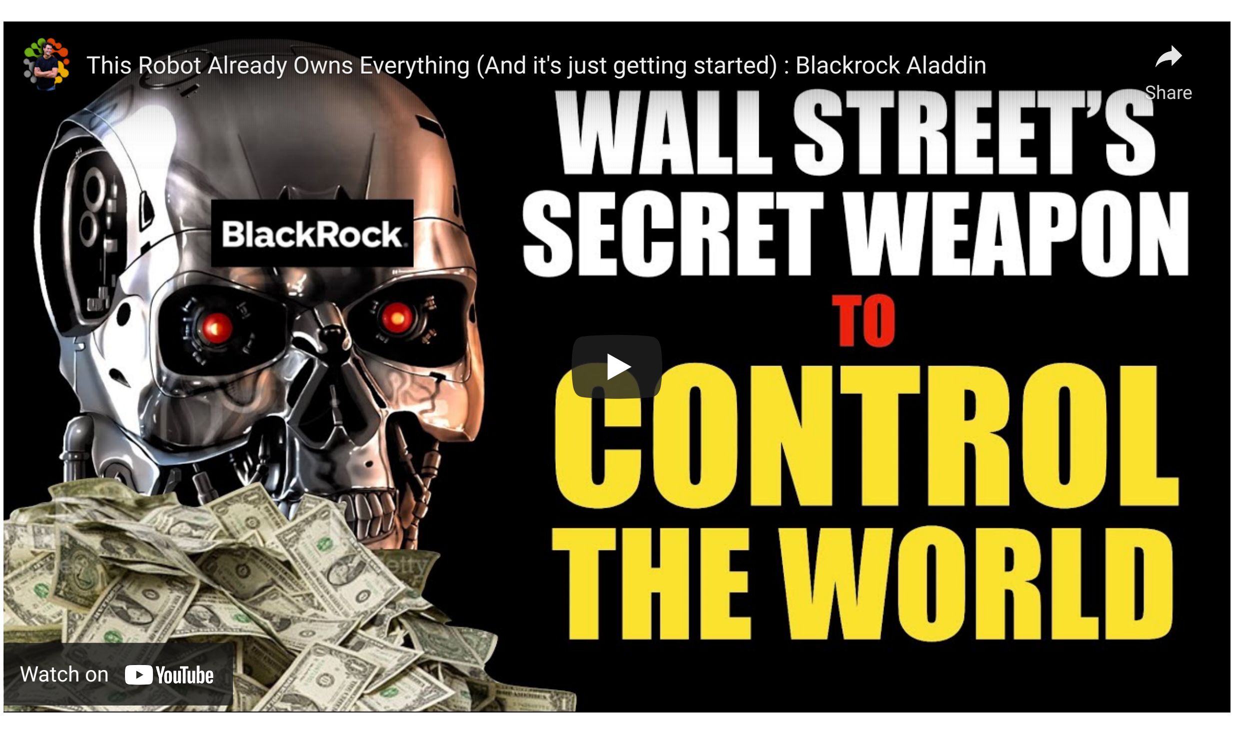
July 09, 2022



STORY AT-A-GLANCE

- Investors' participation in the housing market during the pandemic may have been instrumental in driving up prices and making it harder for the average American to achieve homeownership
- Investors with large portfolios nearly doubled their share of purchases from September 2020 to September 2021, reducing the supply of available housing — particularly in lower-priced markets — and driving up prices further
- Blackstone is the largest landlord in the U.S. as well as the largest real estate company worldwide, with a portfolio worth $325 billion
- BlackRock, one of the largest asset management firms, is another mega firm buying up U.S. houses; if trends continue, some believe Wall Street investors could accomplish feudalism in 15 years
- Aladdin, which stands for Asset, Liability, Debt, and Derivative Investment Network, is BlackRock's technology platform, which controls $21 trillion of the global economy and has access to data on the global real estate market

Buying a home — often viewed as a cornerstone of the American dream — is getting harder to afford in the U.S. The reasons why are complex, a perfect storm of rising interest rates and high housing prices have priced many people out of the market.[1] But there are other factors at play, including record-low inventory[2] and competition from investors, who purchase homes in cash about 75% of the time.[3]

An influx of investors — including Wall Street — entered the housing market during the pandemic, drawn in by low mortgage rates, easy access to loans and enticing home appreciation.[4]

It's now clear that not only did investors, including bigwigs like Blackstone and iBuyers — which make instant, cash offers online — dabble in the housing market during the pandemic, but their participation may have been instrumental in driving up prices and making it harder for the average American to achieve homeownership.[5]

Big Investors Doubled Their Share of Home Purchases

Investors range in size from small to large — spanning the space of mom-and-pop shops renting out a couple of vacation rentals to Wall Street giants with hundreds or thousands of units. Most investor home purchases (74%) in September 2021 were made by those with portfolios of less than 100 properties,[6] but the gap is closing. Mega investors significantly expanded their scope in recent months, such that they've had a major impact on the market.

According to Daniel McCue, a senior research associate at the Harvard Joint Center for Housing Studies, "Adding to the pressure on prices, investors moved aggressively into the single-family market over the past year, buying up moderately priced homes either to convert to rental or upgrade for resale."[7] In "The State of the Nation's Housing 2022," a report by the Joint Center for Housing Studies of Harvard University, it's further noted:[8]

> *"CoreLogic reports that the investor share of single-family homes sold in the first quarter of 2022 hit 28 percent, well above the 19 percent share a year earlier and the 16 percent share averaged in 2017–2019. Not surprisingly, investors focused on markets with rapid home price appreciation ..."*

However, investors with large portfolios are increasingly making their mark. They nearly doubled their share of purchases from September 2020 to September 2021, reducing the supply of available housing — particularly in lower-priced markets — and driving up prices further. According to the report:[9]

> *"Investors have moved rapidly into the single-family market since the pandemic began ... Investors with large portfolios (at least 100 properties) drove much of this growth, nearly doubling their share of investor purchases from 14 percent in September 2020 to 26 percent in September 2021.*
>
> *By buying up single-family homes, investors have reduced the already limited supply available to potential owner-occupants, particularly first-time and moderate-income buyers. Indeed, investors are more likely to target lower-priced properties.*
>
> *In September 2021, investors bought 29 percent of the homes sold that were in the bottom third by metro area sales price, compared with 23 percent of homes sold in the top third. Investor-owned homes are typically converted from owner-occupied units to rentals or upgraded for resale at a higher price point."*

Blackstone Back in the Home-Buying Business

Blackstone, a giant private equity firm, is deeply entrenched in U.S. real estate. Blackstone is the largest landlord in the U.S. as well as the largest real estate company worldwide, with a portfolio worth $325 billion.[10] In 2012, Blackstone founded Invitation Homes and spent billions buying foreclosures and distressed properties and turning them into single-family rental properties.

With about 80,000 homes in its portfolio, Invitation Homes has been criticized for evicting tenants, hiking rents, delaying repairs and charging excessive fees.[11] At its peak, Blackstone was spending more than $100 million a week buying up properties.[12]

The company went public in 2017, raising more than $1.5 billion from its initial stock sale, but Blackstone sold its remaining shares of the company in 2019, earning about $7 billion.[13,14] It re-entered the market during the pandemic, however, with a $300 million minority investment in Tricon Residential, which owns more than 30,000 single family and multifamily rental homes throughout the U.S. and Canada.[15]

In June 2021, Blackstone agreed to buy Home Partners of America, a company that rents single-family houses, and its more than 17,000 houses, for $6 billion.[16]

BlackRock Threatens Middle-Class Home Ownership

BlackRock, one of the largest asset management firms, is another mega firm buying up U.S. houses; they also control the media and Big Pharma, and have ties to Blackstone. Blackstone's cofounder, billionaire Steve Schwarzman, said during an interview on Squawk Box that he and BlackRock founder and CEO Larry Fink started in business together.

"We put up the initial capital," he said. BlackRock used to be called Blackstone Financial, but Fink went off on his own. Schwarzman said, "Larry and I were sitting down and he said, 'What do you think sort of about having a family name with 'black' in it,'"[17] and BlackRock was born.

In the first quarter of 2021, 15% of U.S. homes sold were purchased by corporate investors[18] — competing with middle-class Americans for the homes. There's really no competition, however, as the average American has virtually no chance of winning a home over an investment firm, which may pay 20% to 50% over asking price,[19] in cash, sometimes scooping up entire neighborhoods at once so they can turn them into rentals.[20]

"Yield-chasing investors are snapping up single-family homes, competing with ordinary Americans and driving up prices," The Wall Street Journal warned in a 2021 exposé.[21] The question is: Why would institutional investors and BlackRock, which manages assets worth $5.7 trillion,[22] be interested in overpaying for modest, single-family homes?

To understand the answer, you must look at BlackRock's partners, which include the World Economic Forum (WEF),[23] and their extreme political and financial clout. In a Twitter thread posted by user Culturalhusbandry, it's noted:[24,25]

> *"Black Rock, Vanguard, and State Street control 20 trillion dollars worth of assets. Blackrock alone has a 10 billion a year surplus. That means with 5-20% down they can get mortgages on 130-170k homes every year. Or they can outright buy 30k homes per year. Just Blackrock.*
>
> *... Now imagine every major institute doing this, because they are. It can be such a fast sweeping action that 30yrs may be overshooting it. They may accomplish feudalism in 15 years."*

If the average American is pushed out of the housing market, and most of the available housing is owned by investment groups and corporations, you become beholden to them as your landlord. This fulfills part of the Great Reset's "new normal" dictum — the part where you will own nothing and be happy. This isn't a conspiracy theory; it's part of WEF's 2030 agenda.[26]

BlackRock's Aladdin 'Owns Everything'

Aladdin, which stands for Asset, Liability, Debt, and Derivative Investment Network, is BlackRock's technology platform, which controls $21 trillion of the global economy — that's more than the $20 trillion GDP of the U.S., or the $15 trillion GDP of the E.U.[27]

To put this into perspective, if you were to collect every last cent from the world's 7.6 billion people, you would amass about $5 trillion, which is considerably less than the $6.3 trillion in assets BlackRock is managing. As reported by The New Statesman:[28]

> *"The total value of assets under management by BlackRock is $6.3 trillion. But Aladdin also delivers risk analysis on the assets managed by its clients, which are valued at more than double that amount.*
>
> *Overall, Aladdin has an effect on the management of around ten per cent of the world's financial assets, or around $20 trillion. Over 25 years, it has grown into a system that is directly or indirectly responsible for more than four times the value of all the money in the world."*

This "robot" directs the actions of the U.S. Federal Reserve, nearly every major bank and Wall Street investment fund and more than 17,000 traders. It also controls half of exchange-traded funds (ETFs), 17% of the bond market, 10% of the stock market and carries out 250,000 trades daily.[29]

Its powerful artificial intelligence and algorithms are so instrumental that Anthony Malloy, CEO of New York Life Investors, which manages $238 billion in assets, told Forbes, "Aladdin is like oxygen. Without it we wouldn't be able to function."[30] Even when it comes to government regulation, BlackRock is there.

The U.S. government appointed Brian Christopher Deese as the 13th director of the National Economic Council — he previously worked as the global head of sustainable investing at BlackRock. Adewale Adeyemo, a former BlackRock chief of staff, was also appointed as a top official at the Treasury Department.[31] "This means BlackRock is now the treasury as well as the treasury adviser," notes futurist and social entrepreneur Roger James Hamilton.[32]

Humans Are Free also explained,[33] "Bloomberg calls BlackRock 'The fourth branch of government,' because it's the only private agency that closely works with the central banks. BlackRock lends money to the central bank but it's also the adviser. It also develops the software the central bank uses."

In 2019, Blackrock expanded Aladdin's reach even further by acquiring eFront, a private markets data firm, to gain a "whole portfolio view."[34] This put the private assets that were once a blind spot for Aladdin firmly under its thumb — including data on the global real estate market, data that BlackRock used to buy up single-family homes in the coming years.

"I'm not into conspiracy theories, but even a skeptic with eyes wide open can see the signs. We're at a point where no one can compete without Aladdin," Hamilton said, adding:[35]

> *"This story is far from over. Aladdin has already reached a tipping point where one robot controls more wealth than any person or country. But as Aladdin's AI capabilities continue to grow, and with its rate of control rising by another trillion to $2 trillion in new assets every year, it looks inevitable that Wall Street's secret weapon could end up owning everything, and we end up owning nothing."*

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