TOOLS FOR TACKLING CORPORATE LANDLORDS

A series on state and local policy options for mitigating the impact of private equity and other institutional investors

PART 3: COMBATTING CONSOLIDATION THROUGH PRO-COMPETITIVE POLICY REFORMS: PORTFOLIO CAPS, TRANSFER TAXES, AND RIGHT OF FIRST REFUSAL LEGISLATION

Report by Madeline Bankson, Housing Research Coordinator
and Chris Noble, Esq., Senior Policy Coordinator

PRIVATE EQUITY STAKEHOLDER PROJECT

November 2023

TABLE OF CONTENTS

INTRODUCTION

Tenant advocates and government officials are expressing mounting concerns over the acceleration of corporate investment in housing. Housing financialization first gained momentum following the 2007-2008 mortgage crisis when Wall Street firms acquired foreclosed homes en masse. In recent years, the COVID-19 pandemic has further exacerbated the problem of speculative housing investment as the residential sector became an attractive option for growing capital in the face of overall economic uncertainty. Consequently, housing affordability and the rights of renters have become more pressing than ever, with concerned voices emerging from diverse political backgrounds.

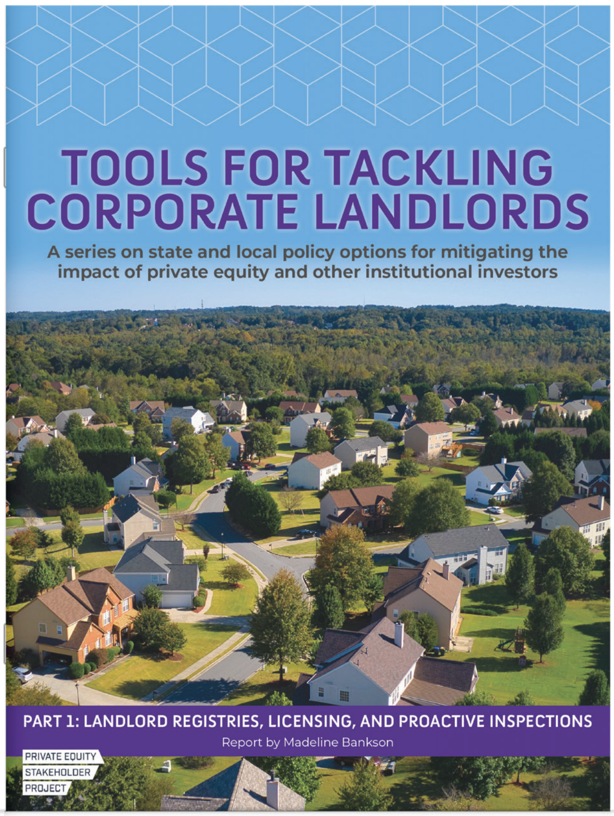
Private equity firms and large corporate landlords are quickly acquiring housing, increasingly consolidating America's housing stock into the hands of an ever smaller number of powerful corporations. This is true across housing types, with investors expanding ever further into single family housing, multifamily (apartment) housing, student housing, manufactured housing (mobile homes), and subsidized affordable housing.

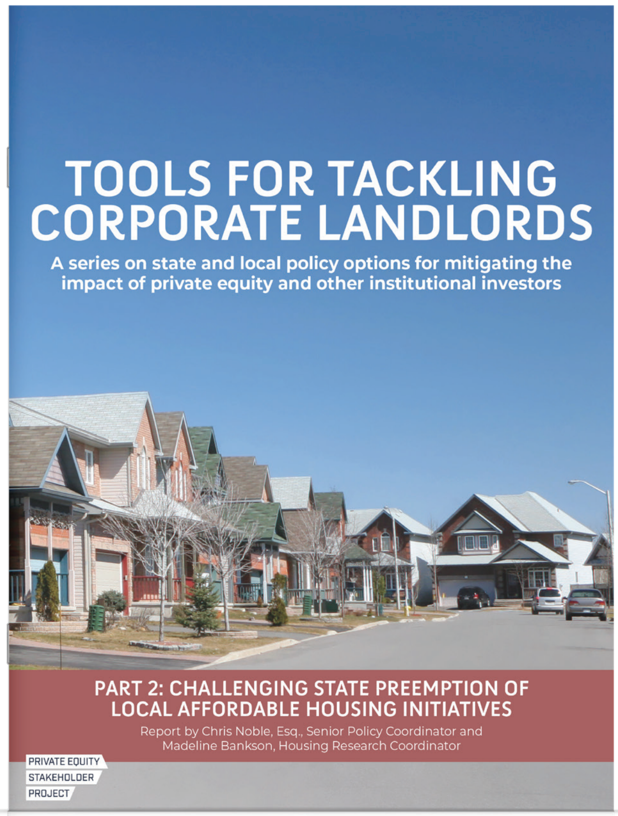
Currently, private equity firms own at least 1.6 million housing units in the United States, although this figure is likely a dramatic underestimate due to a lack of transparency in ownership records.[1] This statistic itself is disconcerting, but belies the severity of the situation. The distribution of investor-owned properties is far from uniform across the country, with specific neighborhoods and cities bearing the brunt of the impact. For example, in Atlanta, more than 65,000 single family homes are under the ownership of large investors.[2] In Richmond, Virginia, Jacksonville, Florida, and Philadelphia, over 20% of homes sold are snapped up by investors.[3] In several studies, private equity firms in particular target historically Black and lower-income communities in their investment strategies.[4] These patterns persist throughout the nation, particularly in Sunbelt states.

Among corporate landlords, private equity poses a particular threat due to the industry's unique pressure to generate high returns within a short timeframe. Private equity firms aim to deliver returns of at least 15% to their investors, approximately double the rate of return that is typical for other "asset classes" (other types of investments). Firms generally seek to achieve this goal within a brief period of 3-5 years before exiting the business or selling the property, though some hold on to properties for the long term in order to extract rent for a long period of time. In sum, private equity firms maximize profits by increasing revenue while minimizing costs. Cost-cutting efforts can include deferring maintenance, skirting regulations, and imposing unnecessary fees on tenants. This financialized housing model places millions of tenants in the United States at risk of heightened instability. Tenants of large landlords are especially likely to face significant challenges, including steep rent hikes, unjust or illegal evictions, additional fees, neglected home maintenance, and various other issues.[5]

With this context, the need for bold intervention towards housing market deconsolidation has never been more clear. In 2021, lawmakers at every level of government began to introduce copious reforms designed to combat the extreme competitive advantage held by corporate landlords armed with huge pools of money, favorable regulatory environments, and robust technology. Some of these new reforms are groundbreaking--for example, one North Carolina bill functionally sought to ban any business entity from owning over 100 homes per county. Other reforms deal with tax system adjustments or change the home buying process to be more favorable to individuals and nonprofit actors. While pro-competitive housing policies have yet to be widely adopted, the creation of so many diverse bills across a wide range of geographies signals the beginning of a promising political shift driven by the tireless advocacy of tenants and their allies. The bills discussed in this study serve as strong models that should inspire similar changes throughout the country.

ABOUT THIS REPORT SERIES





The Private Equity Stakeholder Project's Tools for Tackling Corporate Landlords policy analysis report series aims to elevate model strategies for addressing the harm caused by corporate landlords, examining policy frameworks, and showcasing successful past measures. This report, the third in the series, is intended to complement previous installments exploring the topics of landlord licensing and rental inspections (part 1) as well as state preemption of housing justice measures (part 2).

OUTRIGHT PORTFOLIO CAPS AND LEASING BANS

Policymakers in some jurisdictions have taken bold steps to limit corporations' ability to acquire and lease properties. A North Carolina bill sought to ban corporate property hoarding by capping the number of homes any one entity can own at 100 in some counties. In Minnesota, another bill attempted to bar corporations from converting housing to rental property. And across the country, some homeowners associations have banned corporate landlords from operating in their neighborhoods. Still other jurisdictions could benefit from yet-to-be-tried policies that cap portfolio sizes by limiting the number of licenses any one landlord may maintain at a given time. While it is both legally complex and politically challenging to prevent business entities from buying and renting out properties, these policies together demonstrate a trend of governments attempting to curtail America's corporate landlord problem.

NORTH CAROLINA

Home Ownership Market Manipulation Act

H114 | February 2023

Introduced by a Democratic state representative from Charlotte, the Home Ownership Market Manipulation Act sought to cap the number of single family homes a landlord may own at 100 properties within North Carolina's most populous counties (those with over 150,000 residents). This includes the key urban centers of Asheville, Charlotte, Wilmington, Fayetteville, Greenville, as well as the Research Triangle and Triad regions.[6]

In terms of enforcement, the bill's text included a civil penalty measure that could add up to $100 per day for every home that exceeds the 100 property cap, as well as court fees and damages.[7] The bill also would have allowed county residents or a county's board of commissioners to take corporate landlords to court for violating the limit.[8]

Crucially, the 100-property cap would have applied to both parent companies and their subsidiaries. This is key. Understanding the full scope of a corporate rental company's holdings is notoriously challenging due to their use of elaborate networks of limited liability corporations (LLCs). In order to ensure that landlords are not able to hide their holdings by making new LLCs, the bill sought to grant the state attorney general the power to conduct investigations into corporate land holdings.[9]

H114 would not have required corporations to sell properties they already own, so landlords who already have substantial market power in areas like Raleigh and Charlotte would not see their existing holdings reduced.[10]

This is one of the most stringent regulations of corporate landlords ever attempted by any state government. By limiting ownership in areas most affected by the housing crisis, this legislation would have prevented corporate landlords from dominating the housing market and driving up rents, increasing competition and making homeownership more accessible for residents. Unfortunately the bill died in committee.[11]

MINNESOTA

Rental property conversion ban

HF 685[12, 13]| January 2023
Minnesota's HF 685 sought to "prohibit corporate entities, developers, and contractors from converting single-family homes into rental property units."

If landlords were to be found to be in violation of this prohibition, they would have one year to sell the violating property. If they failed to sell the violating property within a year, it would be put up for public sale.

Unlike many rental regulations, this bill covered new construction as well as older housing. HB 685 did include other exemptions, however. Under the bill's parameters, homes could be exempted from the rental conversion prohibition on a case-by-case basis if the conversion of the home "would have no impact on the availability of affordable housing" and "does not contradict the purpose of [the law]." It's unclear what sorts of cases this might apply to.

In introducing HB 685, Minnesota had an opportunity to enact one of the most comprehensive housing deconsolidation policies ever attempted by a state legislature. Unfortunately this bill got stuck in committee in February of 2023, failing to progress through the legislative process.

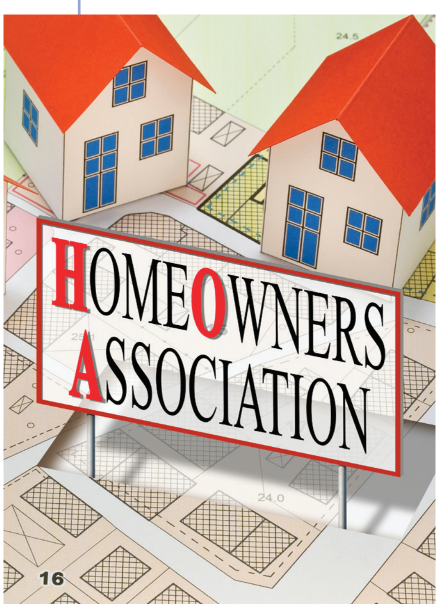
HOMEOWNERS ASSOCIATION BANS ON CORPORATE LANDLORDS

Various cities

Several cities across the United States have seen homeowners associations (HOAs) attempt to create rules that limit corporate single family landlord activity in their neighborhoods. This comes as some neighborhoods have seen the majority of their homes being quickly bought up by outside investors, undermining the ability of people in the community to have a safe and affordable place to live. Furthermore, HOAs have been motivated by the reality that lenders may be hesitant to underwrite mortgages in communities with a large share of investor-owned properties, making it harder for residents to sell.[14]

In the piedmont city of Walkertown, North Carolina, the Whitehall Village Master Homeowners Association is trying to amend its covenants to require new buyers to live in a home or leave it vacant for six months before it can be rented out.[15] Another North Carolina HOA, that of the Bradford Mills neighborhood in Charlotte, passed an amendment in April to cap rental properties at 25% of the neighborhood's homes.[16] Several HOAs throughout the country have pursued percentage caps of this type.

Private equity and other corporate investors have been quick to oppose these HOA caps. According to the Washington Post, "During the past few years, the real-estate industry has worked to pass legislation in Tennessee, Georgia and Florida that prevents associations from retroactively banning investors once they have already bought and started renting out a house, though associations can still block future investor purchases with amendments in those same three states."[17]



While these measures can make an overall positive impact, especially when provisions are tailored specifically to thwart large corporate landlords, it is important to note that some HOAs are motivated by anti-renter sentiment that sometimes carries racist and classist undertones. For example, some accounts from HOA members involved in these initiatives mention the idea that homeowners are inherently better neighbors than renters by virtue of their behavior or dedication to the community.[18] The reality is that many different stakeholders oppose corporations buying up single family homes, and their motivations are equally diverse. While states should explicitly protect the right of HOAs to create rules that limit the presence of corporations in their neighborhoods, it is crucial that these rules are carefully crafted to deter the consolidation of wealth and property rather than to promote it by privileging homeownership.

LIMITING LANDLORD PORTFOLIO SIZE THROUGH LICENSING REQUIREMENTS

Landlord licensing requirements (e.g., laws that mandate that landlords register and apply for permission in order to rent out units) are already used by a few municipalities around the country to increase transparency and regulate residential health and safety. However, landlord licensing has the potential to be leveraged for a much more powerful purpose: limiting the number of rental homes each landlord can legally operate. While policies that outright ban a business entity from purchasing or owning property are generally found to violate the constitutional right to pursuit of property, the right to rent out property is not guaranteed in the same way by every state.

It may be feasible in some jurisdictions to deny the granting of any additional rental licenses to landlords with very large portfolios. A municipality could decide that any landlord with beneficial ownership over a certain unit count threshold would not be permitted to obtain any further rental licenses. For example, any given landlord would be permitted to rent out no more than 50 single family homes at any given time. Limiting the number of licenses allowed per landlord could apply to the properties the landlord already owns, not just new acquisitions.

Similar policy structures have already been enacted to limit the number of short term rentals one person can own, with some placing the limit extremely low (just two short term rentals per person are allowed in Atlanta, for example)[19]. Santa Monica, California has banned short term rentals entirely by outlawing leases shorter than thirty days, and New York could soon follow.[20] But like most other aspects of housing law, regulations of this sort may be subject to state preemption limitations and judicial contestation.

Three United States Circuit Court of Appeals opinions recently addressed the question of whether city ordinances can restrict short-term rentals, all of which involve Airbnb as the plaintiff. However, the decisions in each case were not uniform in outcomes or justifications. Although the 3rd and 9th Circuit Courts upheld city ordinances that limited the duration of short-term rentals (Nekrilov v. City of Jersey City (2022))[21] and required the presence of a primary resident (Homeaway.com v. City of Santa Monica (2019)),[22] respectively, the 5th Circuit overturned an ordinance that restricted rental licenses to a person's primary residence as unconstitutional (Hignell-Stark v. City of New Orleans (2022)).[23] The key difference between the former cases and the latter is that the ordinances in the former allowed out of state property owners to obtain rental licenses, while the ordinance in the latter did not, which the 5th Circuit argued interfered with interstate commerce.[24]

When it comes to regular rental properties with longer term leases, it appears that no state or municipality has tried to place a cap on the number of rental licenses each landlord is allowed to maintain. However, this avenue could be a legally viable mechanism for enforcing market deconsolidation, perhaps even more so than outright ownership caps. Though any government that tries licensing caps is likely to be sued by landlord interest groups, the regulations could likely hold up depending on location and legal precedent. While so far underutilized, limiting the number of licenses each landlord is allowed to maintain has the potential to be a powerful deconsolidation method.

In contrast to the strict rental property limitation policies outlined above, other jurisdictions have attempted to combat corporate consolidation by heavily taxing landlords whose portfolios surpass a certain number threshold. Ohio's soft cap policy imposed a heavy tax on landlords with over 50 homes in any one county, essentially undermining landlords' ability to turn a profit on all homes acquired beyond the allowable number. A similar California bill would have placed a similar tax on landlords owning as few as 10 homes. These bills successfully tackle corporate consolidation and are potentially more legally durable than outright bans.

OHIO

Levy a tax on certain high-volume landlords

SB 76 | March 2023[25]

Introduced in Ohio's Senate Ways and Means Committee by Republican state Senator Bill Blessing, Senate Bill 76 would have levied a tax on any landlord that owns 50 or more one, two, or three unit houses in a single county. The bill imposed the tax on a monthly basis at a rate of $1,500 for each such house owned. Failure to file or pay the tax would lead to a penalty equal to the number of taxable houses owned multiplied by 5% of the median Ohio home price. The tax would only apply to homes acquired after the bill's passage.

Under the bill, taxpayers would be required to provide information on their income tax or commercial activity tax returns about any taxable house that gave rise to taxable income or gross receipts.[26] The bill also imposed a criminal penalty for filing a fraudulent refund claim, classified as a fifth degree felony and punishable by a fine of up to $750,000.

In addition, "commonly owned or controlled persons" would be required to file and pay the tax as a combined taxpayer group. Pass-through entities (businesses that pass income straight to their owners)[27] are also required to provide county auditors with contact information related to each taxable house the entity owns or transfers. This tackles some of the portfolio transparency issues mentioned previously in this report.

The revenue generated by this bill would have been used for public purposes, divided equally between the Low- and Moderate-Income Housing Trust Fund and the Local Government Fund.

SB 76 would have done much to counteract the consolidation of single-family homes by corporate landlords and would also bring much needed transparency to the ownership structure of such properties. Unfortunately, though the bill received bipartisan support, it never made it out of the Ohio Ways and Means committee.[28]

CALIFORNIA

Corporate Landlord Accountability Act

AB1199 | 2021[29]

Introduced by state assemblymember Mike A. Gipson (D-Carson), the California Corporate Landlord Accountability act aimed to address California's tenancy crisis by correcting "the excessive practice of corporations buying up foreclosed or under-market value homes in order to make profits from increasingly inflated rents by creating a disincentive for hoarding homes as rental property."[30] If it had been implemented, it would have imposed an annual excise tax on corporations and investment firms that own more than ten single family homes or twenty five single family and multifamily properties combined in California.[31]

The revenue generated by the excise tax would have been used to fund housing initiatives under the Homes for Families Fund,[32] with an estimated annual revenue of over a billion dollars.[33] The funds would be used for rental assistance and relief for tenants; legal services to prevent evictions, harassment, and violations of law by landlords; services and programs for unhoused people; the preservation and production of affordable housing; homeownership counseling programs; job training programs; and support for small landlords that lost rental income due to COVID-19.[34]

Importantly, AB1199 also sought to improve transparency around property ownership. It would have "required registration of all corporations, limited liability companies, limited partnerships, trusts and similar entities that own property in California that was rented or leased in the previous calendar year. The information would be compiled into a searchable database for the public to access, a useful provision not present in other bills of this sort."[35]

Nearly 150 organizations signed on in support.[36] The Los Angeles City Council even signed a resolution in support of the bill. Unfortunately, however, the bill never made it out of committee.[37]

TAXATION-RELATED POLICIES

In addition to outright portfolio size limits, taxation changes have been a popular method for curtailing corporate investment. Some policies make use of transfer taxes to limit profits and fund housing services, while others have tried to close investor-friendly tax loopholes. Understandably, most tax-related bills governing corporate landlords have been filed at the federal level, but state and local cases exist as well. Los Angeles' mansion tax, which passed last year, is an exemplary policy in this arena.

MINNESOTA

Comprehensive Housing Spectrum Bill

HF 2880[38] | February 2022
Proposed by the League of Minnesota Cities, the Comprehensive Housing Spectrum Bill was a package of wide-ranging measures that would have funded affordable housing development. The bill included a provision targeting corporations owning four or more rental properties, subjecting them to an unspecified tax rate on the sale of previously owner-occupied single-family homes, duplexes, and triplexes. The tax would not be imposed on corporate purchases of existing rental properties.[39] This bill preceded Minnesota's HF 685 which sought a total ban on corporations converting owner occupied housing into rentals.

LOS ANGELES

Homelessness and Housing Solutions Tax

Measure ULA | November 2022
Approved by voters late last year, Los Angeles' Measure ULA, also known as the "LA mansion tax", is a real estate transfer tax that applies to high value properties of all types, not just residential properties. Measure ULA "imposes a 4 percent tax on properties listed between $5 million and $10 million; above that latter price, the tax increases to 5.5 percent"[40] (in addition to the existing city and county transfer tax of .56 percent).

The funds obtained via the tax are used to fund services for the unhoused.
The mansion tax has faced fierce opposition from LA's real estate interests, likely because it is very effective in its minor wealth redistribution efforts. Only propertied people with very high wealth are affected by it, yet the funds it generates are substantial. Measure ULA is actively being challenged via a 2024 ballot initiative called The Taxpayer Protection and Government Accountability Act which, if passed, would make future mansion taxation and related policies illegal throughout the state of California.[41]

This type of tax should be seriously pursued in other municipalities as well as explicitly legalized at the state level. Transfer taxes of this sort should especially be applied to high value multifamily properties throughout the United States, many of which are owned by private equity firms and other corporate landlords that speculatively flip properties for millions of dollars beyond their county assessed tax values. A mansion tax on such properties would allow the city to recuperate a small percentage of the wealth siphoned out of communities by corporate speculators. [42]

FEDERAL BILLS

End Hedge Fund Control of American Homes Act

S.5151[43] | November 2022

Sen. Jeff Merkley (D-OR) introduced the End Hedge Fund Control of American Homes Act in 2022. The goal of this bill was to end Wall Street ownership of residential real estate by prohibiting hedge funds and private equity firms from owning and controlling large parts of the American housing market, and in turn dedicate revenue from this bill for down payment assistance to homebuyers.[44] Right of first refusal-style legislation has been pursued in some locations under the name Tenant Opportunity to Purchase Act, or TOPA.[45]

The bill sought to accomplish its goal by establishing a $20,000 federal tax penalty for each single family home owned by a single company and its affiliates over 100 homes. However, it would have allowed companies with large portfolios to sell homes over several years to come into compliance to allow for an orderly exit. It also included incentives to make sure buyers of divested homes are individuals who plan to live in the home. The tax penalties collected would have been used to provide down payment assistance to individual homebuyers.[46]

Although S.5151 ultimately failed, Senator Merkley indicated that he would reintroduce the bill in 2023. This time he plans to introduce this legislation alongside Representative Adam Smith's Saving Homes from Acquisition by Private Equity (SHAPE) Act.[47]

Saving Homes from Acquisition by Private Equity (SHAPE) Act

H.R.8582[48] | July 2022
Representative Adam Smith first introduced the SHAPE Act in 2022. This legislation would have created a significant federal real estate transfer tax on institutional investors and private equity firms who purchase single-family homes on the open market. The revenue from this tax would have "gone directly towards grants that would help states build and preserve affordable housing and slow the consolidation of single-family home ownership among the investor class."[49]

Specifically, the measures of H.R.8582:

- included a federal real estate transfer tax, set at 100% of the property's sale price, charged to large private equity firms or corporations with $20 million in assets purchasing any single-family home(s),
- Directed all revenue from the tax into the Department of Housing and Urban Development's (HUD) Housing Trust Fund, which provides grants to states to produce and preserve affordable housing for extremely low- and very low-income households, and
- Allowed exemptions from the tax for nonprofits and government entities, or purchases related to low-income housing programs.[50]

Like Senator Merkley's bill, the SHAPE Act did not pass, but Representative Smith is expected to reintroduce it in 2023.[51]

Stop Predatory Investing Act[52]

S 2224[53] | July 2023
Sponsored by senators Brown, Wyden, Smith, Reed, Merkley, Fetterman, Warren, and Baldwin, the Stop Predatory Investing Act "[r]estrict[ed] the ability of private equity companies and other large investors to take advantage of tax breaks that give them an unfair advantage in the housing market."[54] The bill utilizes a series of tax reforms, including one measure that prohibits investors with 50 or more single family rental homes from deducting interest or depreciation on those properties.[55] Large investors can deduct interest or depreciation for the year if they sell the property in question to a homebuyer or nonprofit.[56] The deduction prohibition does not apply to properties that utilize the Low Income Housing Tax Credit (LIHTC).

The bill has not seen any movement since it was introduced.

Stop Wall Street Landlords Act of 2022[57]

HR 9246 | October 2022
Introduced by three Democratic representatives from California, HR 9246 aimed to deter institutional investors from participating in the SFR market by introducing a bundle of pro-competition reforms.[58] [59]

For one, it would have prevented investors from taking advantage of homeowner tax breaks[60] like the mortgage interest deduction.[61] In addition, the bill aimed to prohibit government-sponsored lenders (Fannie Mae, Freddie Mac, and Ginnie Mae) from assisting certain large investors in financing.[62] Perhaps most crucially, the Stop Wall Street Landlords Act would have imposed a new transfer tax on corporate landlord acquisitions.

This bill was strongly opposed by private equity and corporate landlord lobbying organizations, including through the American Investment Council and National Rental Home Council.[63] The bill was referred to the Committee on Ways and Means in addition to the Committee on Financial Services for further consideration in October of 2022. There have been no developments since.[64]

RIGHT OF FIRST REFUSAL, CORPORATE BUYER WAITING PERIODS, AND RELATED LEGISLATION

The right of first refusal is a legal arrangement that allows one party to participate in a business deal before anyone else can do so. In housing, the right of first refusal is typically discussed regarding the rights of tenants to purchase the homes they live in when those homes go up for sale. Other right of first refusal policies have been used to grant similar priority to local governments and nonprofits.

These policies are an extremely important piece of the movement to combat the corporate landlord takeover. Because corporate landlords do not have to wait for long time periods to secure loans (unlike most individual home buyers), generally have larger budgets, and use technology to constantly scan real estate listings and sometimes even make offers, they have a hugely unfair advantage in the home buying process. As a result, many regular people become shut out of the home buying process. This undermines their ability to build equity and undermines community stability.

Right of first refusal legislation is crucial for combatting this problem. Policies have been introduced in a diverse range of states, often with buy-in from politicians who otherwise generally champion tenant rights. In Colorado, the right of first refusal for tenants is already being leveraged with tremendous results. Of all the policy categories discussed in this report, this one seems to have the strongest foothold.

CALIFORNIA

Homes for Homeowners, Not Corporations[65]

SB 1079[66] | 2020
AB 1837 + AB 2170 | 2023

Introduced by state senator Nancy Skinner (D-Berkeley),[67] Senate Bill 1079 prevents sellers of foreclosed homes from bundling them at auction for sale to a single buyer. Instead, it requires each home to be sold separately so that individual homebuyers have a better chance to compete in the purchasing process.

In addition, it allows tenants, families, local governments, affordable housing nonprofits and community land trusts 45 days to match or beat the best auction bid to buy the property. Tenants specifically must be notified that they have an opportunity to match the bid offered on the property.[68] "In brief, if a home is not purchased at auction by someone who will be living in the home (i.e., it's purchased by profiteers who plan to flip it or manage it as a rental), then there will now be a 45-day hold period," writes the nonprofit The Sustainable Economies Law Center.[69]

The law applies to all single family homes, which technically includes buildings with up to four units.

SB 1079 passed and went into effect in January of 2021.

In January of 2023, follow-up bills Assembly Bill 1837 and Assembly Bill 2170 went into effect, building upon the 2020 bill's provisions and extending its protections until 2031.[70] Under AB 2170, institutions are now mandated to prioritize "eligible bidders" (owner-occupants, nonprofits, land trusts, coops, and public entities) for 30 days after listing a real-estate owned property for sale.[71]

OHIO

Grant certain bidders rights - foreclosed residential property

SB 334[72] | May 2022
Introduced by Republican state senator Bill Blessing, Senate Bill 334 was modeled after California's right of first refusal laws. SB 334 would have stifled large out-of-state companies' ability to buy foreclosed single-family homes (technically all homes with under four units) in large quantities.[73] [74] It aimed to do so by barring investment firms from bidding on foreclosed properties until 45 days after each home is listed for sale. Under SB 334, a property's existing tenants would be first in line to purchase a property, followed by any resident who intends to live in the property for at least one year, then by nonprofits and local governments.[75]

Like Ohio's other housing bills designed to target corporate housing speculation, SB 334 gained widespread attention for being a groundbreaking bill surprisingly introduced by a conservative politician. The bill received substantial publicity and was even endorsed by Cincinnati city council via resolution.[76] However, it never made it out of the Ohio senate budgetary committee. Many of the mechanisms from SB 334 were reintroduced under January 2023's SB 36, Grant tenants, certain bidders rights for foreclosure sale, however, that bill also failed to progress to the voting stage.[77] [78]

TEXAS

Residential Property Ownership Limitation Bill

HB 1057 | December 2022[79]
Proposed in the Texas State Legislature, HB 1057 sought to counter corporations' tendencies to outcompete homebuyers by prohibiting investment firms from buying up single-family homes until after they have been on the market for 30 days.[80] This is technically different from right of first refusal bills, but accomplishes the same goal of allowing time for homeowners to coordinate a home purchase rather than allowing investors to rush in.

HB 1057 was coupled with a transparency bill that would have created a landlord registry system.[81] While it did make it out of committee, it died in May of 2023.[82]

COLORADO

Right of first refusal for municipalities when purchasing multifamily properties

HB1190 | May 2023[83]

HB 1190 sought to create a "right of first refusal of a municipal government to match an acceptable offer for the sale of a multifamily residential or mixed-use rental property" so long as the local government commits to using the property for long term affordable housing. It applied to all residential properties consisting of 15 or more units in an urban county or 5 or more units in a rural or rural resort county.[84]

Purchases that meet these conditions may have also been assigned by a municipality to local or regional housing authorities or to the state housing and finance authority. Crucially, local governments would be allowed to "partner with a nonprofit entity, a private entity, or another governmental entity to co-finance, lease, or manage the qualifying property."[85]

Under HB 1190, local governments would have 7 days to preserve the right of first refusal, plus thirty more days to make an offer. Properties must then remain as affordable housing for at least fifty years.

Colorado's multifamily right of first refusal legislation was generally opposed by the state's real estate industry on the grounds that it would "chill investment in new multifamily projects", effectively reducing affordability by shrinking the overall housing supply.[86] The bill was passed by the state legislature but vetoed by Colorado's governor, Jared Polis, in June of 2023.[87]

Right of first refusal for residents of manufactured housing communities

HB22-1287 | May 2022[88]

Colorado's right of first refusal law for mobile home parks is designed to protect the interests of mobile home park residents when the park's owner intends to sell or transfer ownership of the property. This law grants certain rights to residents and resident associations in mobile home parks.

The law consists of several components. It includes a requirement that when a mobile home park owner intends to sell or transfer the property, they must provide written notice to the park's residents and the resident association explaining the terms and conditions of the proposed sale or transfer. Park residents then have the opportunity to purchase the park before it is sold to an outside buyer. This right is typically exercised collectively through a resident association, although individual residents may also choose to participate. Residents have 120 days to accept or decline an offer, and the offer made to residents must be on comparable terms to those offered by an outside buyer. This means that residents should have the opportunity to purchase the park under similar conditions as any prospective outside buyer.

To facilitate the purchase, the law allows residents to request assistance from the Colorado Housing and Finance Authority (CHFA) to secure financing for the acquisition. CHFA may provide loans or other financial assistance to residents or resident associations.

Under this law, tenants displaced by a park closure or land use change are entitled to financial compensation. Residents are also protected from retaliation under the law and may seek legal remedies and damages if the mobile home park owner fails to comply with the ROFR law's requirements.

This law was signed by the governor and went into effect in October of 2022.[89] While manufactured housing residents still face an uphill battle in controlling their housing conditions, this common sense legislation should be adopted by states throughout the country.

NEWARK, NEW JERSEY

Initiatives to stop corporations from buying private homes[90]

May 2022

Newark Mayor Ras Baraka aimed to combat gentrification and displacement in Newark through a 2022 "[p]ackage of proposed measures designed to reduce large-scale investor buying of private homes and bolster homeownership in Newark."[91] A non-exhaustive list of relevant measures includes:

- "Urging" the governor, state legislators, and the Municipal Council to create coordinated state and local policy to address the effects of large-scale corporate ownership of private homes
- Submitting legislation to the Municipal Council that bars the solicitation of home purchase offers without residents' permission (e.g., through mail, knocking on doors, or phone calls).
- Submitting legislation to the Municipal Council that brings more transparency to limited liability companies that are purchasing private properties.
- Submitting legislation to the Municipal Council that allows the City to impose fees on properties which are not covered by rent control and which undergo rent increases of greater than 5 percent per year. These fees will be directed to the Affordable Housing Trust Fund and used to fund the creation of new affordable rental and homeownership opportunities for Newark residents.

Unfortunately only the piece of legislation related to transparency was actually implemented. The city succeeded at creating a rental registry requirement with LLC exposure components and proactive inspection mandates, all important steps in the process of regulating landlords. However, these other measures would have had a much bigger impact if enacted together.[92]

Homeownership Revitalization Ordinance

Title II, Chapter 10 Amendment[93] | May 2023[94]

One year after the mayor introduced the prior initiative, the Newark Municipal Council approved the Homeownership Revitalization ordinance, which enables the sale of publicly owned properties to residents of Newark who have either lived in the city for over five years or experienced displacement due to gentrification. After being sold at auction for as little as $1, the properties can then be used to create homes with four or fewer units. The ordinance also established a homeowner education counseling program.[95][96]

As noted elsewhere in this report, investors are often able to outcompete individual homebuyers due to their digital acquisition technologies and large amounts of cash on-hand. This new law seeks to level the playing field by boosting the people most urgently in need of housing support.

CONCLUSION

This report has covered legislative attempts to regulate corporate landlords through pro-competitive, anti-consolidation policies. In response to corporate home hoarding, governments have tried a number of reforms that range from groundbreaking tactics like outright limiting the number of homes any one business can own all the way to changing purchase rules to make it more difficult for investors to scoop up bundles of homes en masse. Though many bills have come from the local and state level, there have also been attempts at major federal intervention.

It's a sad truth that most of these bills died early on in the legislative process due to overwhelming political opposition from the powerful propertied classes. However, the fact that so many different policies have been introduced in many different locations and diverse political environments, and in such a short period of time, should itself be a ray of hope. What's more, the fight for deconsolidation measures does have notable wins. Los Angeles voters, for example, won an unprecedented transfer tax that redistributes luxury real estate profits into housing safety net programs. Colorado implemented a right of first refusal law that empowers tenants to own their manufactured housing communities. Minnesota allows all its municipalities to require landlord licensing, and presumably would allow license limitations as a means to cap corporate landlord portfolio sizes. As tenant organizers continue to build power and amplify the conversation around national housing justice, wins like these provide strong footholds to continue building upon.

It is worth noting that most policies covered in this report focus on single family homes. This is a major oversight and reflects the tendency of politicians and media to focus on the single family housing crisis at the expense of tenants in multifamily and other housing types. In truth, many of the most vulnerable people in the United States live in apartments and manufactured housing, and investor activity is also pervasive in those spaces. Future deconsolidation efforts should explicitly target multifamily and manufactured housing investors.

In addition, deconsolidation efforts alone do not go far enough to protect the marginalized people who are most in need. Statistically, many people in the United States will never be homeowners, and will still be at risk of exploitation even if renting from small landlords. In the short term, deconsolidation efforts should be paired with robust campaigns for rent control, landlord licensing requirements, and just cause eviction policies. In the bigger picture, even more drastic measures are likely needed to counter the gross concentration of wealth and power held by America's largest landlords, including but not limited to government property redistribution and expanded social housing programs. This report discusses basic, common sense reforms that can materially improve people's lives in the short term. However, tenants and their allies deserve to dream of a world where our lives are never governed by the extractive impulses of private equity landlords.

ENDNOTES

1. Research Memorandum to House Financial Services Committee Members and Staff: Estimate of Private Equity Ownership of Housing Units, Americans for Financial Reform, June 28, 2022, https://ourfinancialsecurity.org/wp-content/uploads/2022/06/AFR_Research_Memo_PEHousing_Hearing_6-28-22.pdf
2. Brian Eason, John Perry. "American Dream for Rent: Investors Elbow out Individual Home Buyers." AJC, www.ajc.com/american-dream/investor-owned-houses-atlanta/. Accessed 7 June 2023.
3. Dowdall, Emily, et. al, Investor Home Purchases and the Rising Threat to Owners, Drexel University, September 2022, https://drexel.edu/~/media/Files/nowak-lab/220923_InvestorHomePurchases_Final.ashx?la=en.
4. Taylor Shelton and Eric Seymour. "Corporate Landlords Redux." Mapping Atlanta, https://mappingatlanta.org/2023/02/27/corporate-landlords-redux/
5. Heather Vogell. "When Private Equity Becomes Your Landlord." ProPublica, 7 Feb. 2022, www.propublica.org/article/when-private-equity-becomes-your-landlord.
6. Tyler Dukes, "North Carolina's affordable housing is disappearing. These bills could help," News & Observer, February 23, 2023. https://www.newsobserver.com/news/politics-government/article272559767.html (accessed October 18, 2023).
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. NC H114. Bill Track 50, 2023. https://www.billtrack50.com/billdetail/1570700
12. "HF 685," Minnesota State Legislature Revisor's Office, https://www.revisor.mn.gov/bills/text.php?number=HF0685&session=ls93&version=list&session_number=0&session_year=2023 (accessed October 18, 2023).
13. Ibid.
14. Ronda Kaysen and Ella Koeze, "How Wall Street Is Buying Up America's Backyards," The New York Times, September 16, 2023, https://www.nytimes.com/interactive/2023/09/16/realestate/home-sales-north-carolina-wall-street.html (accessed October 18, 2023).
15. Will Parker and Nicole Friedman, "Homeowner Groups Seek to Stop Investors from Buying Houses to Rent," The Wall Street Journal, April 18, 2022, https://www.wsj.com/articles/homeowner-groups-seek-to-stop-investors-from-buying-houses-to-rent-11650274203 (accessed October 18, 2023).
16. Ronda Kaysen and Ella Koeze, "How Wall Street Is Buying Up America's Backyards".
17. Will Parker and Nicole Friedman, "Homeowner Groups Seek to Stop Investors from Buying Houses to Rent".
18. Caroline Hicks. "Charlotte homeowners associations create rental caps to limit corporate investors," WBTV3. https://www.wbtv.com/2022/05/10/charlotte-homeowners-associations-create-rental-caps-limit-corporate-investors/
19. Sydney Sims, "Short-Term Rental Regulations in Atlanta," Atlanta Capital B News, March 15, 2023, https://atlanta.capitalbnews.org/short-term-rental-atlanta/ (accessed October 18, 2023).

20. Gloria Oladipo, "New York City to Clamp Down on Airbnb with Strict Short-Term Rental Law," The Guardian, January 26, 2023, https://www.theguardian.com/us-news/2023/jan/26/nyc-airbnb-short-term-rental-new-law (accessed October 18, 2023).

21. Nekrilov v. City of Jersey City, 528 F. Supp. 3d 252 (D.N.J. 2021), pg. 3, https://www.mrod.law/wp-content/uploads/2022/08/2022-8-16-Nekrilov-v-Jersey-City-Third-Circuit.pdf.

22. Homeaway.Com, Inc. v. City of Santa Monica, 918 F.3d 676 (9th Cir. 2019), pgs. 3-4, https://cdn.ca9.uscourts.gov/datastore/opinions/2019/03/13/18-55367.pdf

23. Hignell-Stark v. The City of New Orleans, 46 F.4th 317 (5th Cir. 2022), pgs. 14-16, https://www.ca5.uscourts.gov/opinions/pub/21/21-30643-CV0.pdf

24. Id. at pg. 11, fn. 16; Id. at pgs. 14-16, https://www.ca5.uscourts.gov/opinions/pub/21/21-30643-CV0.pdf

25. Ohio SB76. Ohio Legislature, 2023. https://www.legislature.ohio.gov/legislation/135/sb76

26. "Ohio Senate considers stemming Wall Street's takeover of housing in the state," Private Equity Stakeholder Project, June 9, 2023, https://pestakeholder.org/news/ohio-senate-considers-stemming-wall-streets-takeover-of-housing-in-the-state/ (accessed October 18, 2023).

27. Investopedia, "Flow-Through," Investopedia, https://www.investopedia.com/terms/f/flow-through.asp (accessed October 18, 2023).

28. Ohio SB76. Ohio Legislature, 2023. https://www.legislature.ohio.gov/legislation/135/sb76

29. RISE Economy, "AB 1199 Creates Opportunities for First-Time Homebuyers," RISE Economy, https://rise-economy.org/press-release/ab-1199-creates-opportunities-first-time-homebuyers/ (accessed October 18, 2023

30. Ibid.

31. City News Service, "Los Angeles City Council Calls for Tax on Large Corporate Landlords," NBC Los Angeles, June 25, 2021, https://www.nbclosangeles.com/news/local/los-angeles-city-council-calls-for-tax-on-large-corporate-landlords/2625349/ (accessed October 18, 2023).

32. Ibid.

33. RISE Economy, "AB 1199 Creates Opportunities for First-Time Homebuyers."

34. City News Service, "Los Angeles City Council Calls for Tax on Large Corporate Landlords," NBC Los Angeles, June 25, 2021, https://www.nbclosangeles.com/news/local/los-angeles-city-council-calls-for-tax-on-large-corporate-landlords/2625349/ (accessed October 18, 2023).

35. Ibid.

36. RISE Economy, "AB 1199 Creates Opportunities for First-Time Homebuyers."

37. SN&R Staff, "As Corporations Dominate Sacramento's Rental Market, Opposition by Realtors and Landlords Caused Demise of the 'Homes for Families' Bill," Sacramento News & Review, November 22, 2022, https://sacramento.newsreview.com/2022/11/22/as-corporations-dominate-sacramentos-rental-market-opposition-by-realtors-and-landlords-caused-demise-of-the-homes-for-families-bill/ (accessed October 18, 2023)

38. HF 2880. Minnesota Legislature, 2022. https://www.revisor.mn.gov/bills/text.php?number=HF2880&version=0&session=ls92&session_year=2022&session_number=0

39. Max Nesterak, "League of Minnesota Cities Pitches New Tax on Corporate Landlords," Minnesota Reformer, February 16, 2022, https://minnesotareformer.com/briefs/league-of-minnesota-cities-pitches-new-tax-on-corporate-landlords/ (accessed October 18, 2023).

40. Justin Ray, "Los Angeles Considers a Mansion Tax," Robb Report, July 3, 2023, https://robbreport.com/lifestyle/news/los-angeles-mansion-tax-1234864295/ (accessed October 18, 2023).

41. Jack Witthaus, "Californians Can Vote to Derail Los Angeles Mansion Tax in 2024," CoStar, February 6, 2023, https://www.costar.com/article/1174683654/californians-can-vote-to-derail-los-angeles-mansion-tax-in-2024 (accessed October 18, 2023)

42. Joyce Rey, "Your Ultimate Guide to Understanding the LA Mansion Tax," Joyce Rey, https://joycerey.com/blog/your-ultimate-guide-to-understanding-the-la-mansion-tax/ (accessed October 18, 2023).

43. https://www.congress.gov/bill/117th-congress/senate-bill/5151/text?s=1&r=3

44. https://www.merkley.senate.gov/senator-merkley-introduces-legislation-to-ban-hedge-fund-ownership-of-residential-housing/

45. https://www.topa4ma.org/)

46. Ibid.

47. https://www.kdrv.com/news/local/merkley-introduces-legislation-aimed-at-housing-market-hedge-fund-control/article_6b0f88e8-2bf3-11ee-8ce3-5325d887221f.html

48. https://www.congress.gov/bill/117th-congress/house-bill/8582?s=4&r=17

49. https://adamsmith.house.gov/2022/7/rep-smith-introduces-the-saving-homes-from-acquisition-by-private-equity-act-to-combat-nationwide-housing-crisis

50. Ibid.

51. https://www.kdrv.com/news/local/merkley-introduces-legislation-aimed-at-housing-market-hedge-fund-control/article_6b0f88e8-2bf3-11ee-8ce3-5325d887221f.html

52. U.S. Senate Banking Committee, "Stop Predatory Investing Act One-Pager", July 2023, https://www.banking.senate.gov/imo/media/doc/stop_predatory_investing_act_one_pager.pdf (accessed October 18, 2023)

53. Senator Sherrod Brown, "S. 2224 - Stop Predatory Investing Act," Tax Notes, https://www.taxnotes.com/research/federal/legislative-documents/proposed-legislation/s.-2224---stop-predatory-investing-act/7gyy7 (accessed October 18, 2023)

54. Senator Sherrod Brown, "Sherrod Brown, Colleagues Bill to Crack Down on Corporate Investors Who Buy Local Homes, Drive Up Housing Prices," Senator Sherrod Brown's Official Website, July 11, 2023. https://www.brown.senate.gov/newsroom/press/release/sherrod-brown-colleagues-bill-crack-down-corporate-investors-buy-local-homes-housing-prices (accessed October 18, 2023).

55. National Low Income Housing Coalition, "Senator Brown Introduces Bill to Curb Predatory Investments in Single-Family Housing," National Low Income Housing Coalition, July 17, 2023. https://nlihc.org/resource/senator-brown-introduces-bill-curb-predatory-investments-single-family-housing (accessed October 18, 2023). https://nlihc.org/resource/senator-brown-introduces-bill-curb-predatory-investments-single-family-housing

56. U.S. Senate Banking Committee, "Stop Predatory Investing Act One-Pager".

57. Varian, Ethan, "Bill from Silicon Valley Rep. Ro Khanna Would Crack Down on Corporate Landlords," Mercury News, November 5, 2022. https://www.mercurynews.com/2022/11/05/bill-from-silicon-valley-rep-ro-khanna-would-crack-down-on-corporate-landlords/ (accessed October 18, 2023)

58. Representative Ro Khanna, "Khanna, Porter, and Takano Introduce Bill to Rein in Rent Gouging by the Wealthy," Representative Ro Khanna's Official Website, November 7, 2022. https://khanna.house.gov/media/press-releases/release-khanna-porter-and-takano-introduce-bill-rein-rent-gouging-wealthy (accessed October 18, 2023).

59. Cohen, Rachel, "The quiet way banks are enabling corporate landlords," Vox, December 2, 2022. https://www.vox.com/policy-and-politics/2022/12/2/23485957/housing-banks-corporate-single-family-renters-landlord (accessed October 18, 2023)

60. Varian, Ethan, “Bill from Silicon Valley Rep. Ro Khanna Would Crack Down on Corporate Landlords”.

61. Cohen, Rachel, “The quiet way banks are enabling corporate landlords”.

62. Ibid.

63. Ibid.

64. Cohen, Rachel, “The quiet way banks are enabling corporate landlords”.

65. https://www.ocregister.com/2020/08/12/lets-stop-another-wall-street-takeover-of-single-family-homes/

66. “SB 1079 - California State Legislature,” California State Legislature, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1079 (accessed October 18, 2023).

67. CalMatters, “Let’s Stop Another Wall Street Takeover of Single-Family Homes,” Orange County Register, August 12, 2020, https://www.ocregister.com/2020/08/12/lets-stop-another-wall-street-takeover-of-single-family-homes/ (accessed October 18, 2023).

68. Don Thompson, “California Law Prioritizes People Over Corporate Home Buyers,” KQED, September 30, 2020, https://www.kqed.org/news/11840140/california-law-prioritizes-people-over-corporate-home-buyers (accessed October 18, 2023).

69. “SB 1079 Toolkit,” Sustainable Economies Law Center (SELC), https://www.theselc.org/sb_1079_toolkit (accessed October 18, 2023).

70. “Navigating California’s New Foreclosure Laws,” JD Supra, https://www.jdsupra.com/legalnews/navigating-california-s-new-foreclosure-6739093/ (accessed October 18, 2023).

71. Ibid.

72. “SB 334 - Ohio Legislature,” Ohio Legislature, https://www.legislature.ohio.gov/legislation/134/sb334 (accessed October 18, 2023).

73. “Cincinnati City Council Endorses Ohio Bill Stifling Home Sales to Out-of-State Landlords,” WCPO, https://www.wcpo.com/marketplace/real-estate/cincinnati-city-council-endorses-ohio-bill-stifling-home-sales-to-out-of-state-landlords (accessed October 18, 2023).

74. Maeve Walsh, “Feeding Frenzy: Bill Aims to Slow Wall Street Purchases of Ohio Homes,” NBC4i, https://www.nbc4i.com/news/your-local-election-hq/feeding-frenzy-bill-aims-to-slow-wall-street-purchases-of-ohio-homes/ (accessed October 18, 2023).

75. “SB 334 - Ohio Legislature,” Ohio Legislature, https://www.legislature.ohio.gov/legislation/134/sb334 (accessed October 18, 2023).

76. “Cincinnati City Council Endorses Ohio Bill Stifling Home Sales to Out-of-State Landlords”

77. “SB 36 - Ohio Senate,” Ohio Senate, https://ohiosenate.gov/legislation/135/sb36 (accessed October 18, 2023).

78. “Tracked Senate Bills - June 2023,” Ohio Economic Development Association, https://ohioeda.com/tracked-senate-bills-june-2023/ (accessed October 18, 2023).

79. Hinojosa, “HB 1057 - 88th Legislature (2023),” Texas Legislature Online, https://capitol.texas.gov/tlodocs/88R/billtext/html/HB01057I.htm (accessed October 18, 2023).

80. KVUE Staff, “Texas Representative Files Bills to Regulate Corporate Homebuyers,” KVUE, December 29, 2023, https://www.kvue.com/article/news/local/texas-representative-bills-regulate-corporate-homebuyers/269-bd1f04c1-68e0-4c8e-8a1b-6772200a0a6a (accessed October 18, 2023).

81. Hinojosa, “HB 1057 - 88th Legislature (2023)”.

82. Texas HB 1057. Bill Track 50, 2023, https://www.billtrack50.com/billdetail/1503842

83. https://legiscan.com/CO/bill/HB1099/2023

84. "HB23-1190 - Colorado General Assembly," Colorado General Assembly, https://leg.colorado.gov/bills/hb23-1190 (accessed October 18, 2023).

85. "Right of First Refusal Bill Could Chill Multifamily Development in Colorado," Brownstein Hyatt Farber Schreck, https://www.bhfs.com/insights/alerts-articles/2023/right-of-first-refusal-bill-could-chill-multifamily-development-in-colorado (accessed October 18, 2023).

86. Right of First Refusal Bill Could Chill Multifamily Development in Colorado," Brownstein Hyatt Farber Schreck.

87. Sara Wilson. "Right of first refusal housing bill falls to veto from Colorado Gov. Polis." Colorado Newsline, June 6, 2023, https://coloradonewsline.com/briefs/first-refusal-housing-polis-veto/

88. https://www.copovertylawproject.org/post/summary-of-hb22-1287-protections-for-mobile-home-park-residents

89. Seth Klamann. "Expanded protections for Colorado mobile-home owners start Oct. 1", Denver Post, September 27, 2022. https://www.denverpost.com/2022/09/27/mobile-home-protections-new-colorado-law/

90. "Newark Mayor Ras Baraka Announces Measures to Halt Corporations From Buying Homes," ABC7NY, May 4, 2022, https://abc7ny.com/newark-mayor-ras-baraka-corporations-buying-homes-real-estate/11817402/ (accessed October 18, 2023).

91. Ibid.

92. Tom Bergeron. "Newark fighting back against neglectful corporate multifamily investors." ROI-NJ.com, April 7, 2023. https://www.roi-nj.com/2023/04/07/politics/newark-fighting-back-against-neglectful-corporate-multifamily-investors/

93. https://www.scribd.com/document/643775325/Newark-Ordinance-Title-II-Chapter-10-Amendment-Home-Ownership-Revitalization-Program

94. "Mayor Baraka Announces Council Passage of Program to Enable Low-Cost Sales of City-Owned Properties to Longtime Residents and Selection of NACA as the First Program Administrator," City of Newark, May 5, 2023, https://www.newarknj.gov/news/mayor-baraka-announces-council-passage-of-program-to-enable-low-cost-sales-of-city-owned-properties-to-longtime-residents-and-selection-of-naca-as-the-first-program-administrator (accessed October 18, 2023).

95. Ibid.

96. Steve Strunsky, "NJ's Largest City Selling Seized Properties for as Low as $1 to Residents," NJ.com, May 10, 2023, https://www.nj.com/essex/2023/05/njs-largest-city-selling-seized-properties-for-as-low-as-1-to-residents.html (accessed October 18, 2023).

97. Research Memorandum to House Financial Services Committee Members and Staff: Estimate of Private Equity Ownership of Housing Units, Americans for Financial Reform, June 28, 2022, https://ourfinancialsecurity.org/wp-content/uploads/2022/06/AFR_Research_Memo_PEHousing_Hearing_6-28-22.pdf

98. Brian Eason, John Perry. "American Dream for Rent: Investors Elbow out Individual Home Buyers." Ajc, www.ajc.com/american-dream/investor-owned-houses-atlanta/. Accessed 7 June 2023.

99. Dowdall, Emily, et. al, Investor Home Purchases and the Rising Threat to Owners, Drexel University, September 2022, https://drexel.edu/~/media/Files/nowak-lab/220923_InvestorHomePurchases_Final.ashx?la=en.