



MECKLENBURG COUNTY COMMISSIONERS: HOLD CORPORATE LANDLORDS ACCOUNTABLE! OUR COMMUNITIES ARE SUFFERING

Mecklenburg County is now ground zero for the corporate control of housing. The largest predatory and abusive private equity landlords have taken over huge portions of the County's housing stock – with disastrous impacts on our families, communities, and economic vitality.

Large corporations bought **nearly a third** of all homes sold in Charlotte during the 1 fourth quarter of 2021 – a 93% increase from the year prior.

In 2021, Charlotte ranked the **#2 metro area** in the nation, after Atlanta, GA, for the 2 highest proportion of homes bought up by corporate buyers.

About 20 corporate landlords own over **25,000 single-family homes in the Charlotte area**, now a national hot spot for the industry – and over 40,000 homes throughout 3 North Carolina.

In Mecklenburg County, institutional investors own a quarter of rental homes. In some neighborhoods, corporate landlords own 1 in 5 of all single-family homes, 4 rental or not.

Large corporate landlords are driving up rents and artificially inflating housing costs, while subjecting residents to displacement, high fees, and deplorable, unsafe living conditions.

Rents have skyrocketed in North Carolina faster than the national average. During the pandemic, median single-family rental prices **increased nearly 27%** in the 6 Charlotte Mecklenburg region.

Corporate landlords are outbidding would-be homeowners, then subjecting 7 residents to higher rents than they might pay for a mortgage.

Corporate landlords evict and turn over renters at a high rate.

Local tenants of private equity landlords like Invitation Homes, Progress Residential, and Tricon report:

Steep annual rent increases of \$300 to \$500. Tenants are penalized with higher rents if they are month-to-month.

Neglect. Corporate landlords have ignored repeated complaints of serious health and safety violations including rodents, broken toilets and showers, mold, falling ceilings, lack of heating and cooling.

Being forced to pay for major safety or emergency repairs out-of-pocket, because maintenance requests are ignored.

Not having a voice to negotiate their leases.

High turnover and eviction.

Forced tenancy, and being locked out of homeownership.

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Large corporate landlords are destroying local residents' prospects for upward mobility, and stripping wealth from our communities. Large private equity landlords are unaccountable, ignoring their obligations to make repairs, while violating health & safety regulations. When homeowners associations need owner votes for decision making, they can't get in touch with corporate landlords.

"Over the last 4 years, we've been dealing with a foundation that has cracks... is sinking into the ground, [causing] the ceiling to cave in. The floor is detaching from the walls... [causing] an increase in utility bills... [and] a mice infestation... We do not have a contact for someone who oversees the property... only... a corporate email. We submitted a work order through email [in] September 2022. We received an email back saying they would not cover an exterminator... and we would have to pay out of pocket... The experience has been terrible."



– Jacob Lineberger, an Invitation Homes tenant for the past four years, who lives with his parents and two younger brothers and pays \$1,750 in monthly rent, in Mecklenburg County

Action NC joins Renters Rising in calling on corporate landlords to:

Adopt Just Cause Eviction Protections for all tenants.

Limit rent increases to no more than 3% annually.

Keep all properties up to habitability standards, and immediately address any and all issues of health and safety.

Negotiate a grievance procedure with all tenants that includes: timely responses from management; and timely action by management to address issues. Recognize tenants unions and their right to collectively bargain for lease terms. Provide reparations to every tenant harmed by prior mismanagement.

Corporate control over housing is a growing national problem. The County also has a responsibility to protect its residents.

We call on the Mecklenburg Board of County Commissioners to: Restrict corporate control of housing

Pass an ordinance limiting corporate control of housing by capping the number of units owned by private equity landlords.

Enact anti-speculation taxes such as value uplift taxes at point-of-sale, out-of-state investor and transaction taxes, luxury real estate transaction taxes, vacancy taxes on investor-owners, property flipping taxes. Use the funds raised to fund permanently affordable housing.

Ensure large corporate landlords pay their fair share of taxes. Audit and penalize corporate landlords for tax evasion. Use the funds raised for permanently affordable housing, health and safety enforcement, as well as renter services.

Explore the use of tax foreclosure as a mechanism to transfer the ownership of property from corporate landlords to providers of permanently affordable housing.

Increase fines and fees on purchases of real estate by predatory landlords. Extend and strengthen tenants' right of first refusal. Encourage the transfer of ownership to tenants, whenever landlords plan to sell.

Establish a program that uses ARPA and other funds to purchase neglected corporate properties through eminent domain and transfer ownership to tenants, community land trusts, limited equity cooperatives, or providers of permanently affordable housing.

Bank land for the creation of permanently and truly affordable housing.
Limit public contracts with predatory corporate landlords.

Protect renters

Pass an ordinance ensuring the right to counsel for all tenants and finance a Right to Counsel for any tenant who needs legal representation in eviction proceedings by allocating \$50 million in budgetary dollars from both the City and the County.

Pass an ordinance limiting corporate control of housing by capping the number of units owned by private equity landlords.

Pass an ordinance that recognizes tenants' right to organize, and requires corporate landlords to collectively bargain with tenants regarding their living conditions and rent increases.

Strengthen enforcement and education about Just Cause eviction protections.

Strengthen penalties on corporate landlords for health and safety violations. Create a program that allows tenants to petition for the transfer of home ownership to themselves, a community trust, limited equity cooperative, or provider of permanently affordable housing, if safety violations are persistent.

Implement landlord licensing, and revoke licenses for landlords with egregious or repeated health and safety violations, tax evasion, and other violations.

Support the repeal of North Carolina's ban on local rent control laws.

Explore other means of limiting rent increases by corporate landlords, such as through penalties, taxes, or fees.

Action NC and its members have a history of working with local governments to push for policy change. We ask that Mecklenburg County will work with us to take the listed aspirational reforms, and tailor them into a core set of policy recommendations that Mecklenburg County can make part of its legislative agenda, which our state and national partners can help lobby for.

For more information, please contact
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- 3 Payton Guion, Tyler Dukes, and Gordon Rago, “As Corporate Landlords Rise in Charlotte, Officials Are Watching, Not Acting—For Now,” Pulitzer Center, May 10, 2022,
<https://pulitzercenter.org/stories/corporate-landlords-rise-charlotte-officials-are-watching-not-acting-now>.
- 4 Ibid.; Tyler Dukes and Payton Guion, “5 Things We Learned Investigating the Rise of Corporate Landlords in North Carolina,” Charlotte Observer, May 4, 2022,
<https://www.charlotteobserver.com/news/state/north-carolina/article260976502.html>.
- 5 Samantha Kummerer, “North Carolina Rental Prices Increasing Faster than National Average”
ABC11 Raleigh-Durham, February 2, 2022, <https://abc11.com/rent-prices-increase-north-carolina-affordable-housing/11533489/>.
- 6 Corporate Owned Rentals: BOCC Public Policy Update, November 9, 2002,
<https://mecklenburg.legistar.com/View.ashx?M=F&ID=11418856&GUID=4E39C477-7FB1-41BA-9047-473607243D03>, p. 5
- 7 E.g., see Tyler Dukes, Payton Guion, and Gordon Rago, “With Piles of Cash, Big Investors Become NC’s Top Rental-Home Landlords.” Charlotte Observer, May 1, 2022,
<https://www.charlotteobserver.com/news/business/article260606172.html>.
- 8 Jordan Ash and Madeline Bankson, “Investing in the Housing Crisis: An Exploration of the North Carolina Public Pension System’s Relationship with Landmark Partners and the Single Family Rental Industry,” (Private Equity Stakeholder Project; Action NC; Renters Rising; Center for Popular Democracy) November 2022, https://pestakeholder.org/wp-content/uploads/2022/11/PESP_Report_NC-Housing-Crisis_Nov2022-v5.pdf; Sofia Lopez, Samantha Kattan, and Jordan Ash, “The National Rental Home Council: How America’s Largest Single-Family Landlords Put Profit Over People,” (Action Center On Race and the Economy; The Center for Popular Democracy; Private Equity Stakeholder Project; Renters Rising) May 2022,
https://acrecampaigns.org/wp-content/uploads/2022/05/ACRE_May-20_04.pdf; House Select Subcommittee on the Coronavirus Crisis, “Examining Pandemic Evictions: A Report on Abuses by Four Corporate Landlords During the Coronavirus Crisis,” House Select Subcommittee on the Coronavirus Crisis, July 2022,
<https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2022.07.28%20SSCC%20Staff%20Report%20Examining%20Pandemic%20Evictions.pdf>.
- 9 Reported by tenants to Action NC.
- 10 Reported by tenants to Action NC. See also note 8 and Amee Chew, “Social Housing for All: A Vision for Thriving Communities, Renter Power, and Racial Justice,” (Center for Popular Democracy; Renters Rising) March 2022, p.6-7, <https://www.populardemocracy.org/socialhousingforall>.