Q3 2025 Investor Pulse™

Presented by BatchData

Setting the Record Straight on Investor Home Purchases

The public conversation around investors in housing is full of misconceptions. This quarter's data provides a clearer picture:

- **Investors aren't necessarily competing with traditional homebuyers.** Investors purchased homes at an average price of $449,981 in Q3—well below the national average of $512,800. They target lower-priced, older homes in need of work rather than the move-in ready houses most families buy.
- **Wall Street isn't the dominant force.** Over 95% of investor-owned homes belong to small landlords with fewer than 11 properties. Mega-investors with 1,000+ homes control just 2.1% of the inventory.
- **Investors are returning inventory to the market.** In Q3, 60% of investor sales went to traditional homebuyers, replenishing owner-occupied stock. Small investors are net buyers, but large institutions have been retreating for seven consecutive quarters.
- **This isn't 2008-era speculation.** Most investors are long-term holders, adding much-needed rental supply and renovating older homes. Institutional players continue their strategic pivot, deploying capital into build-to-rent projects, adding inventory rather than competing with traditional homebuyers for existing inventory.

Executive Summary

Investor market share reached **34% of all home purchases in Q3 2025**, maintaining the elevated levels seen in Q2 and marking the highest rate in at least seven quarters. But this continuation reflects not aggressive investor expansion but the **sustained vacuum left by retreating families** as affordability challenges persist under elevated mortgage rates and constrained inventory.

This quarter's data reveals a fundamental truth: investors have become **essential market stabilizers rather than speculative disruptors**. With traditional buyers sidelined by financing constraints and limited inventory, investors provide critical liquidity in an otherwise constrained market. The 6% decline in purchase volume quarter-over-quarter, despite maintaining elevated market share, underscores that investors are responding to market opportunities rather than driving displacement.

The Macro Forces Shaping Q3

- **Persistent affordability crisis:** Six-figure incomes remain required in over half of U.S. markets, with high home prices and slightly elevated mortgage rates
- **Continued traditional buyer retreat:** Purchase volume declined as first-time buyers remain sidelined by the combination of high prices, elevated rates, and limited inventory
- **Strategic institutional withdrawal:** Large investors sold more than they bought for the seventh consecutive quarter, demonstrating a shift in market strategy
- **Sustained small investor dominance:** Investors with 1-10 properties own 95.9% of all investor-held homes, confirming the entrepreneurial nature of rental housing

Key Dynamics Defining the Current Market Structure

- **Investors own 18% of U.S. homes**—15.6 million properties. Ownership ranges from 9% in Minnesota to 31% in Wyoming, revealing strategic geographic deployment based on specific market opportunities.
- **Small investors dominate.** Landlords with 1-10 properties hold nearly 96% of the inventory, confirming that the market is dominated by local entrepreneurs rather than Wall Street institutions.
- **Large investors continue strategic retreat.** Institutional investors sold 5,798 homes while buying just 4,663 in Q3, pruning their holdings while simultaneously redeploying capital towards build-to-rent developments.

- **Targeted market segmentation.** Investor purchase prices remain well below national averages—$449,981 versus $512,800—reflecting disciplined acquisition in lower-priced segments rather than competition for premium family homes.
- **Replenishing housing stock.** While 40% of investor sales go to other investors, the majority (60%) ultimately return stock to traditional homebuyers, supporting rather than constraining homeownership opportunities.
- **Geographic concentration creates opportunities.** Five states—Texas, California, Florida, North Carolina, and Georgia—account for one-third of all investor-owned properties, reflecting strategic capital deployment in high-population, high-growth and high-yield markets.

Macro-Economic Context: The Sustained Market Reset

The elevated investor market share in Q3 continues to reflect fundamental shifts in housing market dynamics. While mortgage rates have moderated slightly from peak levels, they remain substantially above the sub-4% rates that defined homebuying in 2020-2021, creating persistent affordability barriers that systematically exclude traditional buyers while leaving cash-rich investors unaffected.

The Affordability Crisis Persists

Current market conditions continue to require household incomes exceeding $100,000 in over half of U.S. markets to afford median-priced homes. This represents a sustained departure from pre-2020 conditions when middle-income families could access homeownership across most of the country. The combination of elevated prices and higher financing costs has fundamentally altered the buyer pool.

Traditional Buyer Retreat Continues

First-time buyer participation remains depressed as the combination of elevated rates, limited inventory, and high prices creates insurmountable barriers for entry-level purchasers. The typical first-time buyer continues to face monthly payments that are substantially higher than just two years ago, effectively pricing out significant segments of would-be homeowners.

Investors Fill the Liquidity Gap

This macro-economic environment has positioned investors as critical market stabilizers rather than competitive threats. With cash purchases eliminating financing constraints, investors provide essential transaction volume when traditional financing mechanisms remain prohibitively expensive for most buyers. Without this investor participation, many markets would face severe illiquidity and potentially destabilizing price volatility.

Investors Account for Over 34% of Home Purchases in Q3 2025

Investors purchased approximately **351,933 homes** in the third quarter of 2025, comprising **over 34% of all home purchases** over the three-month period. The total number of homes purchased by investors represented a **6% decrease from the previous quarter's** upwardly revised total of 373,389 and was also lower than the 375,363 bought in the third quarter a year ago.

The percentage of homes purchased by investors was the highest number over the past seven quarters, continuing the trend seen throughout 2025. **From 2020-2023 investor purchases averaged about 18.5%** of residential home purchases. The percentage **increased to 25.7% in 2024** and has remained elevated in all three quarters of 2025.

Market Liquidity, Not Rampant Speculation

But to keep the percentage increase in context, investor purchases through the first three quarters of the year are actually **down slightly from the same period a year ago** (1,064,622 purchases in the first nine months of 2024 versus 1,033,558 in 2025). So the increase in the percentage of homes bought by investors is **more a result of fewer homes being purchased by traditional homebuyers** than it is about increased purchase activity by investors.

This elevated participation reflects investors' role as **essential liquidity providers** when traditional financing mechanisms remain too expensive for most buyers. Without investor cash purchases maintaining transaction volume, many markets would experience severe illiquidity potentially triggering destabilizing price volatility.

Investor Transaction Activity

Investor Activity	Purchases	Sales
2025 Q3	351,933	92,765
2025 Q2	373,389	103,948
2025 Q1	308,236	89,462
2024 Q4	346,885	94,200
2024 Q3	375,363	96,802
2024 Q2	384,880	102,840
2024 Q1	304,379	83,453

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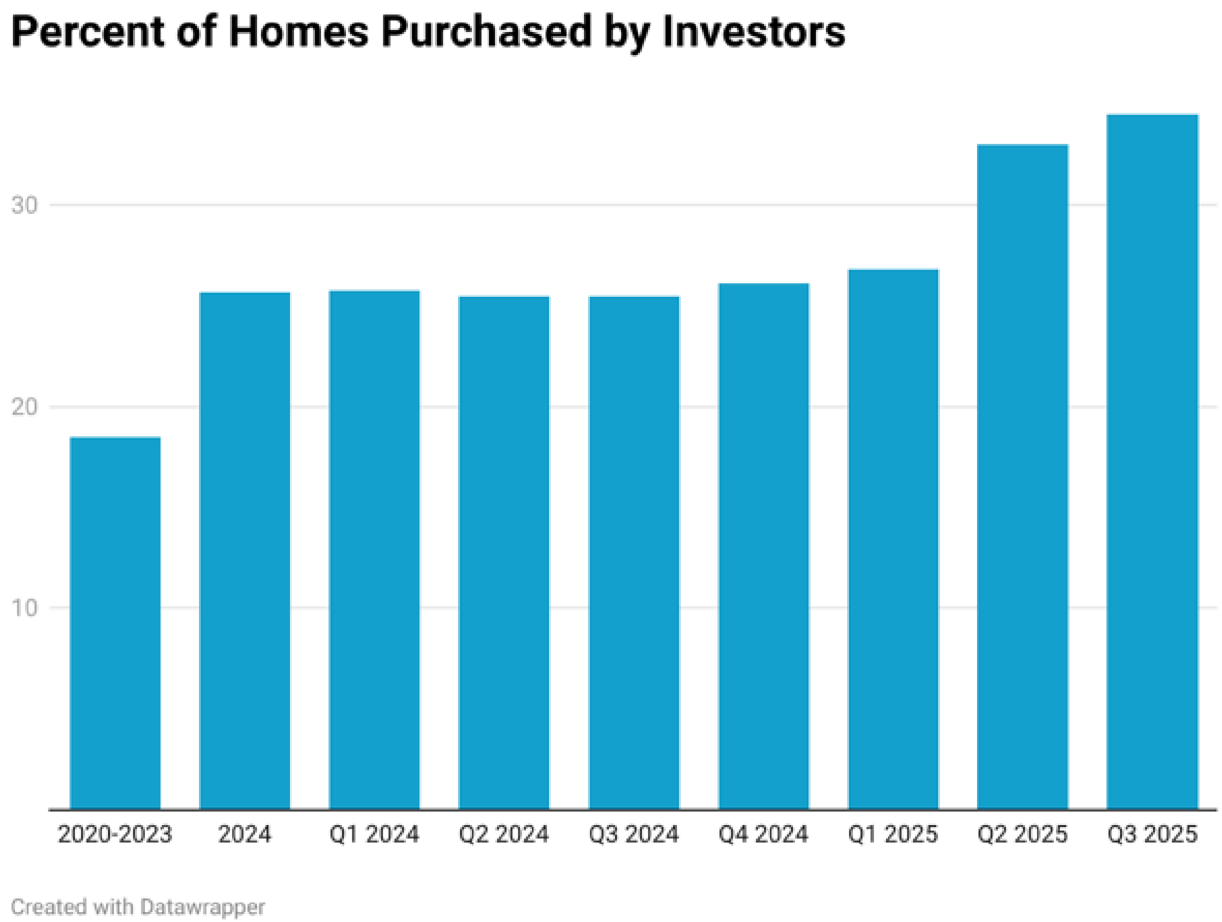
Historical Context Reveals Structural Shift

- **2020-2023 average:** 18.5% investor share during "normal" market conditions
- **2024:** 25.7% as affordability pressures began mounting
- **Q3 2025:** 34% representing the current market reality



Largest Investors Continue Strategic Retreat

Third quarter purchases by the largest investors—those holding over 1,000 properties—declined by almost **22% from the prior quarter**, dropping to **4,663 purchases** from an upwardly-revised total of 6,035.

Strategic Capital Rotation, Not Market Abandonment

Large institutional investors continue to demonstrate sophisticated portfolio management. While these investors bought 4,663 homes in the third quarter, they sold over **5,798 homes**, for a net disposition of **1,135 properties**. This marks the **seventh consecutive quarter** that mega-investors have been net sellers of single-family homes.

For the first three quarters of the year, the largest investors have sold roughly 23% more homes than they've bought, offloading 19,103 properties while purchasing only 15,514.

Unless there's a dramatic shift in the fourth quarter, **2025 will be the second consecutive year that institutional investors are net sellers** of single-family homes, continuing a trend from 2024, when they collectively purchased 23,217 homes while selling 26,254.

Large Investor Transaction Activity

Investor Activity	Purchases	Sales
2025 Q3	4,663	5,798
2025 Q2	6,035	7,205
2025 Q1	4,816	6,100
2024 Q4	7,568	8,113
2024 Q3	5,795	6,997
2024 Q2	5,304	5,761
2024 Q1	4,550	5,383

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Large institutions are rotating capital into build-to-rent developments rather than competing in existing home markets. This pivot reflects recognition of evolving market dynamics while positioning for long-term demographic trends favoring rental demand. This strategic redeployment adds new housing inventory rather than competing for existing stock.

Creating Opportunity for Small Investors

Smaller investors, however, continue to buy more homes than they sell. Investors purchased **3.6 times more properties** than they sold in the first three quarters of

2025—1,033,558 to 286,175—a similar ratio to the third quarter, when they bought 3.79 times more homes than they sold.

This institutional retreat creates **expanded opportunities for smaller, more nimble investors** who can execute value-add strategies with greater operational flexibility. While the largest investors continue to sell more than they buy, it's not surprising that smaller investors continue to comprise a much larger percentage of the investor-owned property market.

Investors Own 18% of Residential Homes in the United States

There are over **86 million properties** classified as single-family homes or townhouses across the United States. Of these, approximately **15.6 million—or 18%**—are investment properties owned by individuals and corporate entities. These homes primarily serve as rentals or short-term rentals, providing essential housing supply in markets where new construction cannot meet demand.

State Patterns Reveal Strategic Logic

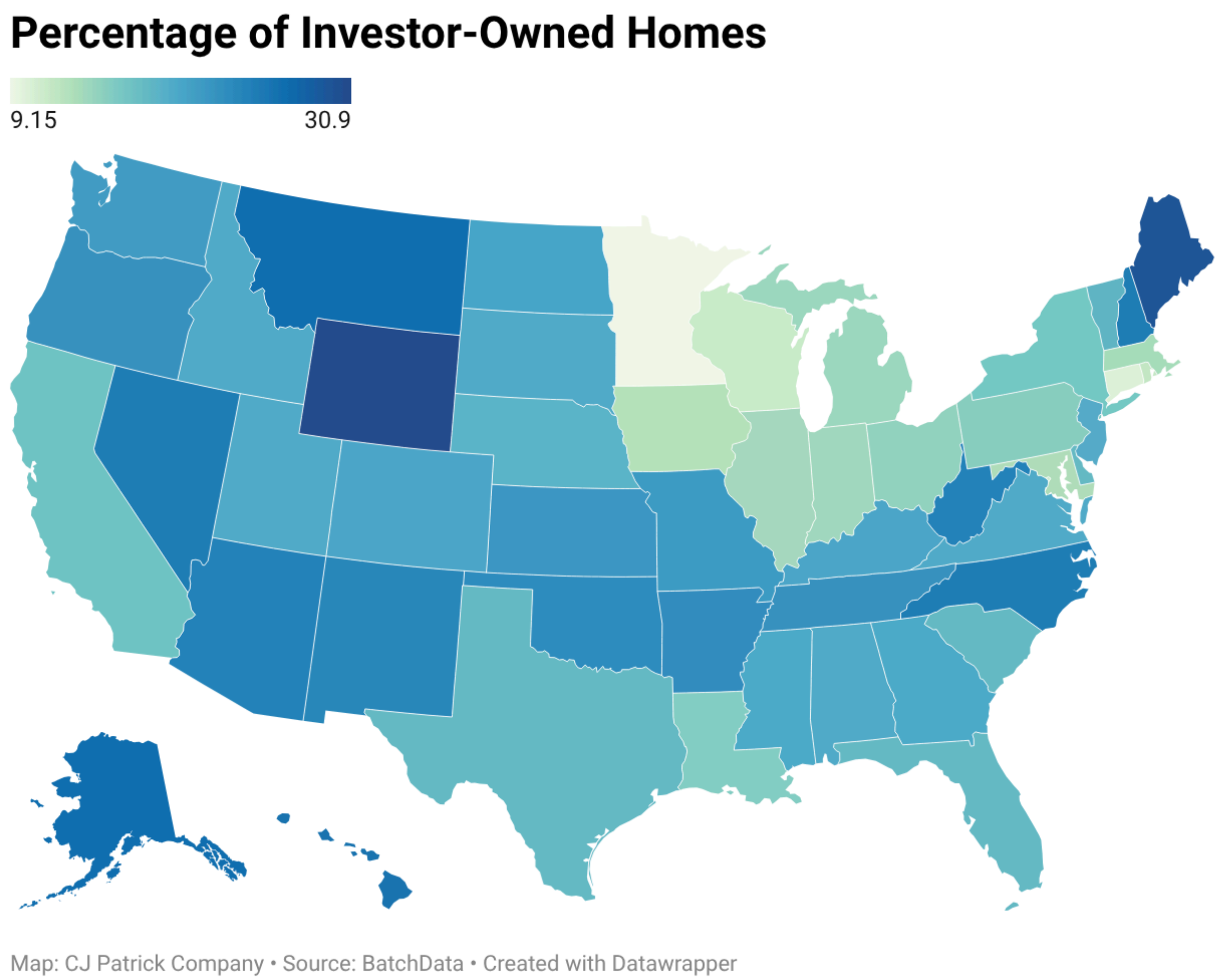
Rather than random speculation, geographic ownership patterns reflect **deliberate strategic investments**. High-share states represent either tourism markets, affordability plays with strong fundamentals, or lifestyle destinations capturing demographic transitions. Low-share states typically feature strong local economies, high homeownership rates, or regulatory environments that discourage investor activity.

Highest investor shares:

- **Wyoming:** 30.9% (highest in the nation)
- **Maine:** 29.76%
- **Montana:** 26.78%
- **Alaska:** 26.65%
- **Hawaii:** 25.96%

Lowest shares:

- **Minnesota:** 9.15% (lowest in the nation)
- **Connecticut:** 10.16%
- **District of Columbia:** 11.1%
- **Wisconsin:** 11.43%
- **Rhode Island:** 11.78%



Geographic Investment Strategies: Targeted Markets

The state-level distribution of investor activity reveals distinct strategic approaches, responding to market opportunities and risk-return profiles.

Tourism Market Strategies

Hawaii, Alaska, Montana, Maine

These markets represent **premium yield plays** where investors capitalize on vacation rental demand despite regulatory complexities. Hawaii's strong tourism fundamentals support higher returns versus the national average, while Alaska's unique seasonal dynamics create opportunities for sophisticated operators who can navigate short rental seasons and regulatory requirements. Maine's 29.76% investor share reflects its position as both an affordability play and lifestyle destination.

Five States Account for One-Third of Investor-Owned Homes

Investors own over **five million single-family homes** in Texas, California, Florida, North Carolina, and Georgia—roughly **one third of the nation's total inventory** of investor-owned properties. This concentration reflects both population density and strategic investor preference for these markets.

- **Texas:** Over 1.4 million homes (18.2% of state inventory)
- **California:** Just under 1.2 million homes (15.4% of state inventory)
- **Florida:** Just over 1 million homes (18% of state inventory)
- **North Carolina:** Almost 788,000 homes (almost 25% of state inventory)
- **Georgia:** Slightly more than 600,000 homes (19% of state inventory)

Part of the reason for these high numbers is that these states have high populations—all five states are among the 10 states with the largest number of citizens. But part of the story is also that **investors favor these states**: four of the five states have a higher percentage of investor-owned properties than the national average of 18%.

Metro Market Concentration

Investors own at least 18% of the single-family homes in **48 of the 100 largest metros** in the United States, with a strong concentration in the Southeast, where six of the 10 markets with the highest percentage of investor-owned homes are located.

North Carolina boasts two of the five metro markets with the highest percentage of investor-owned homes: **Asheville** (almost 30%) and **Fayetteville** (25.6%).

Other metros in the top 10:

- Las Vegas, NV: 26%
- Memphis, TN: 26%
- Brownsville, TX: 25%
- Savannah, GA: 24.7%
- Charleston, SC: 24.5%
- Myrtle Beach, SC: 24%
- Reno, NV: 23%

Large Investor Metro Concentration

The largest investors—those owning 1,000 or more properties—have an even higher concentration of homes in the Southeast, with seven of the top 10 metros and 12 of the top 20 are located in that region. **Investors appear to favor Florida**, which has the most metros in the top 20: Jacksonville, Orlando, Bradenton, Cape Coral, and Miami.

Top 5 metros by large investor share:

- Jacksonville, FL: 2.67%
- Atlanta, GA: 2.63%
- Phoenix, AZ: 1.96%
- Charlotte, NC: 1.95%
- Orlando, FL: 1.62%

20 Major Metros with the Highest Percentage of Investor-Owned Homes

Metro	Percent Investor-Owned Homes
Asheville-Waynesville-Brevard, NC	30
Las Vegas-Henderson, NV	26
Memphis-Clarksdale-Forrest City, TN-MS-AR	26
Portland-Lewiston-South Portland, ME	26
Fayetteville-Lumberton-Pinehurst, NC	26
Brownsville-Harlingen-Raymondville, TX	25
Savannah-Hinesville-Statesboro, GA	25
Charleston-Huntington-Ashland, WV-OH-KY	24
Myrtle Beach-Conway, SC	24
Reno-Carson City-Gardnerville Ranchos, NV-CA	23
Montgomery-Selma, AL	23
Phoenix-Mesa, AZ	23
Oklahoma City-Shawnee, OK	23
Johnson City-Kingsport-Bristol, TN-VA	22
Columbus-Auburn-Opelika, GA-AL	22
Charlotte-Concord, NC-SC	22
Greensboro--Winston-Salem--High Point, NC	22
Corpus Christi-Kingsville-Alice, TX	22
Wichita-Arkansas City-Winfield, KS	22
Knoxville-Morristown-Sevierville, TN	22

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Small Investors Continue to Hold Majority of Investment Properties

Smaller investors continue to own the **overwhelming majority of single-family homes** being held as investment properties, despite media coverage and political concerns suggesting that large, institutional investors own a disproportionately high number of properties.

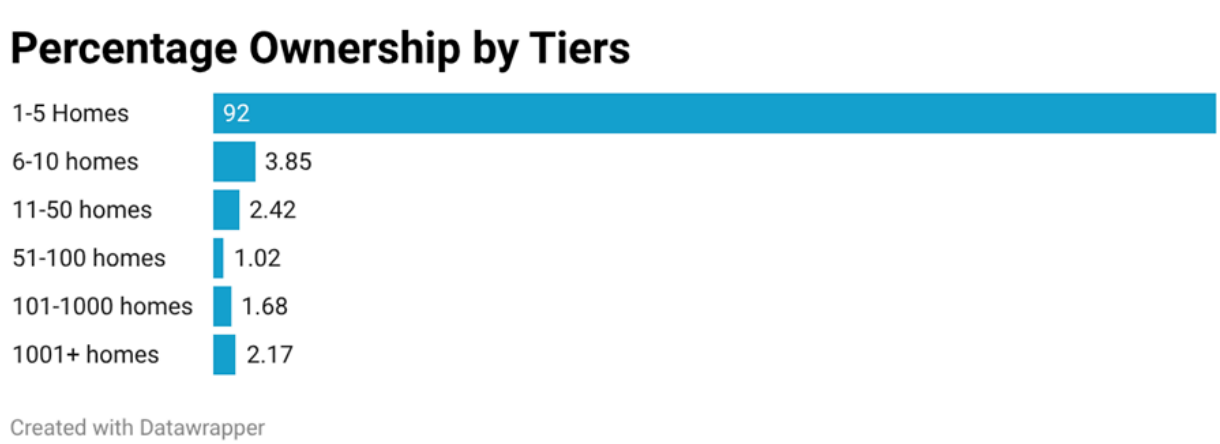
The Entrepreneurial Reality

The **smallest investors**—those holding between one and five investment homes—own **just over 14 million properties**, accounting for **over 92%** of the total number. Add the 600,000 homes owned by investors holding 6-10 properties and the percentage rises to just under **96%**.

This data demonstrates that **rental housing remains fundamentally entrepreneurial**. These small investors deploy local market knowledge, operational efficiency advantages, and personal capital that large institutions cannot match, often achieving superior returns through hands-on management and strategic market timing.

The **largest investors have far smaller shares** of the single-family residential market:

- Investors holding 100-1,000 properties: About 261,000 homes, or 1.6% of the total
- Institutional investors holding over 1,000 properties: 338,000 homes, or 2.1% of the market



Competitive Advantages Drive Performance

Small investors' high cash purchase rates and focus on cash-flow generation over speculation provides market stability while generating sustainable returns. Their ability to quickly identify and execute value-add strategies—from cosmetic improvements to strategic repositioning—creates genuine economic value rather than merely extracting existing wealth.

Pricing Strategies Reveal Market Segmentation

Investor pricing behavior demonstrates **disciplined value-oriented acquisition** rather than speculative bidding, with transaction patterns revealing mature market segmentation:

- **National average purchase price:** $512,800
- **Average investor purchase price:** $449,981
- **Large investor average:** $251,983 per purchase

Strategic Market Segmentation

This **$62,819 price differential** between investor purchases and traditional homebuyer purchases represents **sophisticated market segmentation** where investors target older, smaller, or lower-cost homes in secondary markets—properties often requiring renovation that families seeking move-in-ready homes typically avoid. This segmentation **reduces direct competition** with typical homebuyers while creating genuine economic value through property improvements.

Investors continue to **buy and sell homes at well below market prices**. This is likely due to concentration in geographic regions where home prices are lower than national averages, and due to the fact that investors often buy older homes in need of repair and remodeling rather than the move-in ready homes traditional homebuyers prefer.

In the third quarter of 2025, the average price of a home **sold by an investor was $412,517**—well below both their purchase price and the national average. Investor purchase and sales prices both dipped slightly from the previous quarter, which had the highest average purchase price and sales price in the five plus years covered in the analysis.

Investor Prices Compared to U.S. Average & Median Prices

Average Investor Prices	Purchases	Sales	U.S. Average	U.S. Median
2025 Q3	$449,981	$412,517	$512,800	$426,899
2025 Q2	$454,474	$414,518	$512,800	$410,800
2025 Q1	$440,359	$398,68	$503,800	$423,100
2024 Q4	$442,699	$401,425	$510,900	$419,300
2024 Q3	$453,065	$411,099	$498,700	$415,300
2024 Q2	$452,892	$407,912	$502,200	$414,500
2024 Q1	$422,135	$382,332	$519,700	$426,800

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Large investors operating at even lower price points ($251,983 average) target properties requiring significant capital investment, often **transforming distressed assets into quality rental housing**. This creates genuine economic value while addressing housing quality issues that constrain supply in many markets. As noted in previous Investor Pulse Reports, this is more likely a reflection on market selection and property type than an indication that larger buyers are getting bigger discounts on purchases.

Investor-to-Investor Activity Reveals Sophisticated Capital Flows

The popular narrative that investors—especially large, institutional investors—compete with traditional homebuyers, making it difficult for those prospective homeowners to find and purchase a home continues to be challenged by transaction data.

Large Investor Transaction Patterns

In the third quarter of 2025, the **largest investors bought almost 39%** of the homes they purchased from other investors, slightly below the seven-quarter average of 47.6%. This trend is a sharp reversal from the period from 2020-2023 when large investors were on a buying spree and only bought about 23% of their inventory from other investors.

These large investors also more often sell their homes to other investors. In the most recent quarter, **just under 56%** of the homes sold by these investors were purchased by other investors, a slightly lower percentage than the seven quarter average of 58%.

Asset Class Maturation

On the other hand, the broader investor community—made up primarily of small-to-mid-sized investors—buys a much lower percentage of its homes from other investors. In Q3 2025, just **12.26%** of the properties purchased by investors of all sizes were acquired from other investors, very much in line with the 12.11% seven quarter average.

When these investors decide to sell their properties, however, it's a different story: **almost 40%** of the homes sold by investors in the third quarter were purchased by other investors, again in keeping with the 38% seven-quarter average.

These transaction patterns reflect a **maturing asset class**, where investors with different strategies, time horizons, and operational capabilities trade properties to optimize portfolio performance. Small investors often acquire properties from institutions seeking to reduce operational complexity, while institutional buyers target portfolios from smaller investors seeking liquidity.

Returning Inventory to Homebuyer Market

This is an important point to understand in the ongoing discussion about investors and their role in the housing market: **while it's true that 40% of the time when they sell a home, they sell it to another investor, this means that 60% of the time, they're selling a home to a traditional homebuyer.**

Despite significant inter-investor trading, the **majority of investor sales (60%) ultimately return homes to families**, effectively providing inventory to the owner-occupied market. Even the largest investors sell to traditional homebuyers about 40% of the time. So **investors are bringing much-needed inventory to the market**—often at relatively affordable prices—helping prospective homeowners find a move-in ready property.

Market Efficiency Enhancement

This sophisticated trading activity creates **market efficiency** by ensuring properties flow to their highest and best use, whether as rental housing, family homes, or value-add opportunities requiring specific operational expertise.

Key Takeaways: The Current Market Reality

The Q3 2025 investor landscape reflects sustained fundamental market changes:

- **Liquidity providers stabilize markets:** Investors provide essential transaction volume as traditional buyers remain sidelined, preventing destabilizing illiquidity that could trigger broader economic disruption. Policy focus should recognize rather than restrict this stabilization function.
- **Small landlord dominance contradicts the Wall Street narrative:** Nearly 96% of investor inventory held by landlords with fewer than 11 properties represents entrepreneurial market activity rather than institutional manipulation. Anti-investor policies targeting large landlords may harm small landlords rather than helping housing affordability.
- **Strategic institutional retreat creates opportunity:** Mega-investors continue paring their single-family rental holdings while pivoting to build-to-rent developments, reflecting sophisticated capital allocation rather than market abandonment. Small investors benefit from reduced institutional competition while institutions address long-term rental demand through new construction.
- **Market segmentation minimizes competition with traditional buyers:** Investors targeting lower-priced segments ($449,981 versus $512,800 national average) rarely compete directly with families seeking move-in ready homes in desired locations. Geographic and price segmentation suggests complementary rather than competitive market roles.
- **Supply dynamics benefit homeownership:** 60% of investor sales replenishing family-owned stock demonstrates that investor activity enhances rather than constrains the path to homeownership by maintaining property liquidity and providing renovation capital for distressed assets.
- **Sustained elevated market share reflects buyer retreat:** Investor purchases declined 6% quarter-over-quarter and year-over-year, while market share reached 34%. This confirms the percentage increase stems from traditional buyer withdrawal, not investor aggression.
- **Geographic concentration reveals strategic deployment:** Five states—Texas, California, Florida, North Carolina, and Georgia—account for one-third of all investor-owned properties, reflecting strategic capital deployment in high-population, high-growth, high-yield markets with favorable demographic and economic fundamentals.
- **Investor ownership remains stable at 18%:** Despite elevated purchase activity, overall investor ownership of U.S. single-family homes remains consistent at 18% (15.6 million properties), demonstrating measured market participation rather than aggressive accumulation.

About The Investor Pulse

The Investor Pulse is a quarterly publication designed to highlight the role investors play in the U.S. single-family residential housing market. The report covers the footprint investors have in property ownership across the country, and breaks out investor ownership by the number of properties owned. The Investor Pulse tracks investor purchases, sales and their respective prices on a quarterly basis, and offers insights on investor market trends. The report is prepared by CJ Patrick Company, a market intelligence firm, using data provided by BatchData and other public sources.

About BatchData

Founded in 2018, BatchData is a leading provider of property data and predictive intelligence for the real estate ecosystem. Built by industry experts, BatchData has established one of the deepest and most accurate data lakes in the property technology sector, delivering instant access to over 155 million U.S. property records. The platform empowers businesses—ranging from proptech startups to enterprise institutions—with robust APIs, bulk data solutions, and AI-powered insights. By transforming complex public records into actionable intelligence, BatchData fuels decision-making for investors, lenders, and home service providers nationwide.