

Whenever there's a problem in the economy that's hurting families and driving up prices, there's a pretty good chance you'll find a Wall Street scheme either causing it, or taking advantage of it and making it worse.

One of the reasons housing prices have gotten so out of control, is that corporate America sensed an opportunity.

Private equity firms and corporate landlords and investors saw a shortage, and they saw a captive market. They bought up properties, they raised rents, they cut services, they priced out family homebuyers, and they forced renters out of their homes.

Our failure to invest in new, affordable housing has left these renters with few options.

Before the pandemic, nearly one-in-four renters was paying more than half their income for housing.

All across the country, we see headlines about the skyrocketing cost of housing, and the squeeze it's putting on our families.

Potential homebuyers looking for a home in the communities where they grew up or where they work are outbid by out-of-town, all-cash buyers.

Rents in communities from Atlanta to Boise to Columbus to Denver are growing far out of reach for families and workers.

While most of us see high rents and a lack of housing choices as a problem to solve, deep pocketed investors see an opportunity for profit.

Investment firms have been touting rising rents and renters' lack of options to attract investors.

One large landlord proudly advertises under their, quote, "market strategy" that the "recent mortgage meltdown has raised the bar for those who can qualify for a mortgage, thereby increasing the pool of people who must rent for the foreseeable future."

But rather than providing the essential affordable housing that families need, many of these firms are just exploiting people.

On Tuesday, our Committee held a listening session to hear directly from renters about what happens when investors put profits over people's lives.

As one renter was told when she asked why her rent suddenly increased by cost hundreds of dollars, "we have to please the investors."

Think about that... "we have to please the investors."

Renters in apartment buildings and single-family homes and manufactured housing, from Las Vegas to Great Falls to Hyattsville, shared their stories.

Over and over, no matter where they lived, no matter what type of home they had, renters told us how they were overlooked and overcharged by the big investors that owned their homes.

Long-time residents described double-digit rent increases and new fees for everything from water and trash to family pets.

One resident of a manufactured home community in Senator Tester's home state said the increases amounted to "about an 86% increase for the dirt our homes sit on."

Seniors on fixed incomes and working families can't afford that.

Renters in Nevada and Maryland and Texas and California had their homes repeatedly flooded with wastewater, lived with pests and rodents, and went long periods without working showers or hot water.

In Senator Smith's home state of Minnesota, a working mother's continual complaints about her home's flooded basement and dangerous garage went unanswered, and the city itself was forced to step in because of code violations.

Another renter in Senator Van Hollen's home state of Maryland told us that "[t]he owners think that because we are immigrants, we are not important." For them, they want the money to arrive every month without doing anything for us. We have the need to live in an apartment, but not live like this."

No one is arguing that landlords – whether a teacher renting out the home her parents raised her in, or a professional company – shouldn't be able to make a living.

Of course rental housing is a business: You provide a decent place to live, in exchange for collecting people's hard-earned money in rent each month.

But if your building is full of mold and mice and doesn't have working heat or a working stove, you're not holding up your end of the deal.

That's not a real business. And families are paying a very high price for it.

Investors increasingly structure their purchases through LLCs and real estate investment trusts, with different names for each property or fund.

And when owners hide behind LLCs, it makes it impossible to track down all the neglected properties they own and all the tenants they force out.

This leaves local leaders like Ms. Martin with only two options – let investors continue to run down neighborhoods and run out residents, or use time and money they don't have to connect with other local leaders to track down bad owners one-by-one.

For investors, homes and rent increases are distilled down as returns to shareholders. Code violations and eviction filings are the cost of doing business.

But for Ms. Martin and the residents of Cleveland and South Euclid, these are their homes. These are their neighborhoods. And no one seems to be tracking their returns.

When Matthew Desmond, the author of the book “Evicted,” signs copies of the book, he signs it with the words “Home = Life.”

Those of us who are lucky enough to go home each night to a safe home we can afford may not think about it much, but it's a simple truth.

Where we live matters. It determines so much about our lives, and our children's lives.

I look forward to hearing from our witnesses today about how we can strengthen our homes and our neighborhoods with investments and protections that will make it easier for people to find safe, decent, affordable homes, and how we can give local leaders like Ms. Martin and Mr. Waller the tools they need to improve the homes of all families in Cleveland and Atlanta and across the country.