

Real Estate Investors Buy More, Pay Less According to RealtyTrac Investor Activity Report

Investors Account for Fifteen Percent of Residential Property Purchases

IRVINE, Calif., Oct. 21, 2021 – Investor purchases accounted for 15.4% of all home purchases nationally in Q2 2021 compared with 11.5% in Q2 2020 – a year-over-year increase of 3.9 percentage points – according to a new report released today from [RealtyTrac](#).

In addition to the annual increase in investor purchase activity, the Fall 2021 RealtyTrac Investor Purchase Report shows that investors are typically paying less for homes than consumer homebuyers, and that investors continue to pay for most of their purchases with cash. While the year-over-year percentage of investor purchases rose, the investor purchase share remained virtually the same as the previous quarter with investors accounting for 15.4% of all purchases in Q2 2021 compared with 15.9% in Q1 2021.

According to RealtyTrac Executive Vice President Rick Sharga, the increases, while notable, do not reflect a significant change of course for investor purchase activity. “Historically, investors have always accounted for somewhere between 10% and 15% of residential home purchases, and our data shows that this is still the case today, albeit at the high end of that range. But the data doesn’t support the ‘Wall Street is buying up Main Street’ theme that’s been a popular theory for the past year or so.”

Investor Purchase Activity Up in Most States

At the state level, the percent of investor purchases among all home sales increased year over year, from Q2 2020 to Q2 2021, in all states and the District of Columbia with the exception of six states: Alaska, Louisiana, Maryland, Nebraska, Vermont and West Virginia.

Investor Purchase Share for Q2 2021

Top Ten States with Highest RE Investor Purchase Share	
	Q2 2021 % of Investor Purchases
New Hampshire	23.2%
Delaware	23.0%
Georgia	22.9%
Arizona	20.8%
Mississippi	20.1%
Florida	19.6%
North Carolina	19.5%
Oklahoma	18.9%

Arkansas	18.9%
Nevada	18.7%

Top Ten States with Lowest RE Investor Purchase Share	
Q2 2021 % of Investor Purchases	
Vermont	0.8%
Alaska	1.9%
New Mexico	7.7%
Montana	8.2%
Idaho	8.4%
Oregon	8.5%
West Virginia	8.7%
Wyoming	9.4%
Washington	10.2%
Iowa	11.2%

Source: ATTOM Data Solutions, RealtyTrac analysis

Investor Homebuyers Pay Less Than Consumer Homebuyers

The RealtyTrac report, citing home sales data from [ATTOM Data Solutions](#), also shows that investors across the country paid an average of 29.4% less than consumers in Q2 2021 with a median purchase price of \$205,000 for investors compared to \$290,230 for all home purchases. According to the analysis:

- In Q2 2021, among the 38 states with full reporting data for this metric, including the District of Columbia, investors paid less than the state median sale price in all but these five states in which they paid at or more than the state median:
 - Vermont: average 34% premium over state median (numbers artificially inflated due to a single sale of a high-priced property)
 - California: average 3.3% premium over state median
 - Massachusetts: average 3.0% premium over state median
 - Washington: average 1.0% premium over state median
 - Nevada: investors paid, on average, the same as the state median sale price

- States with the highest purchase discounts for investor properties as of Q2 2021 include:
 - Arkansas: 76.9% discount
 - Michigan: 60.0% discount
 - Louisiana: 55.5% discount
 - Nebraska: 55% discount
 - West Virginia: 51% discount
 - Oklahoma: 50.3% discount

“Another misconception is that investors are overpaying for properties, making it difficult for consumers to compete and artificially driving up prices,” Sharga said. “But successful investors tend to look for below-market pricing in order to make a profit on their purchases. And many of them buy properties with cash, which gives them a chance to get properties at a discount.”

Investors continue to pay with cash in a majority of cases and typically see even greater price discounts for all-cash purchases. In Q2 2021, 79% of all investor purchases were cash sales compared with 69% in Q2 2020, a year-over-year increase of 10 percentage points. Cash purchases accounted for more than 50% of all investor purchases in every state, including the District of Columbia, except for one – Alaska – in Q2 of 2021. This compares with Q2 2020 when cash purchases accounted for more than 50% of all investor purchases in only 41 states with 10 states at less than 50% in cash purchases.

Full state-level data is available in the [Fall 2021 RealtyTrac Investor Purchase Report](#).

About RealtyTrac

Founded in 1996, RealtyTrac publishes the largest database of foreclosure property information in the U.S. along with other real estate and mortgage data used by real estate investors and professionals to find, analyze and purchase residential and commercial distressed properties. RealtyTrac is owned and operated by [ATTOM Data Solutions](#), a leading provider of publicly recorded tax, deed, mortgage and foreclosure data as well as proprietary neighborhood and parcel-level risk data for more than 150 million U.S. properties. For more information, visit www.RealtyTrac.com.

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