

Is BlackRock Ruining the Housing Market?

Yes, They Are

By Homer Price

Last month, *The Atlantic* published a piece by Derek Thompson entitled “[BlackRock Is Not Ruining the U.S. Housing Market](#).” The piece is a rebuttal of a *Wall Street Journal* [article](#) about how giant investment banks are gobbling up single-family homes and turning them into high-yield rentals, effectively pricing families out of the housing market. Surprisingly, the WSJ comes within inches of the full truth, providing plenty of evidence that BlackRock and other institutional investors are, in fact, ruining the housing market.

The article must have ticked off somebody at Langley – er, I mean, *The Atlantic* – which is why they stuck their senior stooge Derek Thompson on it. And who is he? Derek **Kahn** Thompson grew up in **McLean, VA**, backyard of the CIA. His mother, Petra Kahn, grew up in Michigan and is related Robert L. Kahn, according to whitepages.com. That would be [Robert Louis Kahn](#) (below, right), famed Jewish social scientist who founded **the Institute for Social Research** at the University of Michigan. So the usual pieces fall into place.



They conveniently neglect to tell you Thompson (above, left) is Jewish, but you should assume there are no writers for *The Atlantic* who *aren't* Jewish.

Lucky for us, Thompson's attempt at a counterpunch fails fantastically, starting with the headline, which reeks so much of propaganda that you are already inclined to distrust everything Thompson is about to tell you. That is, you are immediately put on alert that

Thompson is not here to convince you, but merely to program you. This is how all news headlines function now, as bald propagandist statements.

But let's get into it. After laying out the WSJ's argument, Thompson writes:

But this outrage [at BlackRock] is misdirected. If we have any chance of fixing the completely messed-up, unaffordable U.S. housing market, we should direct our ire toward real culprits rather than boogeymen.

And who is the real culprit?

...it's the forces stopping any new apartment buildings or houses from existing in the first place: your neighbors, local laws, and local governments. If we can't see the culprit of America's housing crisis, that's because we're eager to look everywhere except in the mirror.

The problem isn't big banks and their shameless landlordism. No, the problem is *you!* The Wall Street bankers who engineered the 2008 recession and then quietly weaseled their way into your neighborhood to buy up all those foreclosed houses at dirt-cheap prices, thereby profiting off the financial ruin of millions of American families – *those* people actually have your best interests at heart! The real problem is your totally unfounded distrust of people like Larry Fink, who mysteriously make billions of dollars every time there's a financial crisis.

Far worse than corporations...are the governments and noisy NIMBYish residents taking *millions* of units off the market for owners and renters alike—by blocking construction projects in the past few decades.

As if Thompson's finger-wagging wasn't enough of an affront to the reader, he then tells us the reason we are being such sticks-in-the-mud isn't because we want to preserve our local communities and keep a faceless banking conglomerate from buying up our town. No, the real reason for our obstinate blocking of capitalist progress is because *we're all greedy.*

Through law and custom, the U.S. has encouraged people to buy and cherish their houses. But by asking Americans to see their homes as precious investment vehicles, these laws activate a scarcity mindset and sow the seeds of NIMBYism: *Don't dilute my equity with new construction!*

That's right – you greedy homeowner, you want to keep the pie all to yourself. The privileged middle class is the problem, putting its boot in the faces of would-be homebuyers below us as they attempt to climb the capitalist ladder that would otherwise be open to all.

If you're still buying Thompson's unbaked argument, consider a few things. For one, if the middle class is able to wield the power of local government to create artificial housing scarcity, why are trillions-rich investment banks like BlackRock not tempted to abuse the same levers of power? Oh, wait, *they are, and they do*, on a nonstop basis. Whereas Thompson's claim of middle-class greed comes with exactly zero evidence, we know for a fact that the big banks routinely use political backdoors to get what they

want. In other words, if you're putting the boot in the face of the person below you, you can bet that the person higher up on the ladder is doing the same thing to you – and they've got a more effective boot. In fact, *The Atlantic* itself tacitly admitted this in an [article](#) from 2019:

In early 2012, [the federal government] launched a pilot program that allowed private investors to easily purchase foreclosed homes by the hundreds from the government agency Fannie Mae. These new owners would then rent out the homes, creating more housing in areas heavily hit by foreclosures.

...[H]ousing trends were on the side of the investors: America was becoming a renter nation. According to census data, between 2007 and 2017, the United States added less than 1 million households in owner-occupied homes, but 6.5 million in renter-occupied homes. Many families wanted to live in a spacious house in a good school district, but could no longer afford to do so as owners.

Of course, the trends that favored these new landlords were largely produced by a financial crisis that Wall Street had itself abetted. That some of the same investment firms that had played a part in the housing crisis were now poised to profit from it made for a dismal irony.

Yes, it's all just an ironic coincidence. Nothing to see there, move on.

But the narrative needs to be un-spun even more, since it's not really true that families couldn't afford to buy homes. A 30-year mortgage usually costs the same or less per month than renting that same home. So these families were forced to rent not because they couldn't afford to buy, but because they were deemed ineligible to buy. Due to banks tightening up their loose credit policies, many families were no longer creditworthy. After the banks inflated the housing bubble, then intentionally burst it, then recouped all their "losses" (which weren't really losses since bank loans are created out of thin air) through the government bailouts, they then closed off the housing market to a large swath of Americans, all the while building up their housing portfolio in key markets to then rent out at an ungodly profit to all the Americans they had just disenfranchised.

Thompson has an answer to this, offering the only evidence in his entire piece:

The U.S. has roughly 140 million housing units, a broad category that includes mansions, tiny townhouses, and apartments of all sizes. Of those 140 million units, about 80 million are stand-alone single-family homes. Of those 80 million, about 15 million are rental properties. Of those 15 million single-family rentals, institutional investors own about 300,000; most of the rest are owned by individual landlords. Of that 300,000, BlackRock—largely through its investment in the real-estate rental company Invitation Homes—owns about 80,000. Megacorps such as BlackRock, then, are not removing a large share of the market from individual ownership.

But Thompson is just pulling a cheap trick. By looking at the entire U.S., he is obscuring how much influence BlackRock really has. They admit that BlackRock and other big investors are only targeting key markets. They aren't buying up Backwater, Mississippi

or Strawhat, Iowa. Nor is there a housing shortage in those towns. After the 2008 crash, they targeted markets they knew would be high growth, came in early while everyone else was still reeling from the recession, and cornered those housing markets.

Nashville suburb Spring Hill is the perfect example. Again, the WSJ is surprisingly honest here:

American Homes 4 Rent arrived in 2012...[and] approached a local builder, John Maher, who had been renting unsold homes in his subdivisions. The company bought about 50 homes from him and later paid about \$10 million for 42 rental homes in the area from local landlord Bruce McNeilage and his partners... The proliferation of rental homes spooked owners in some neighborhoods. A few subdivisions voted on whether to cap the number of homes that could be rented, but the proposals failed.... American Homes controls nearly half of Spring Hill's rental homes.

Notice how this story completely disproves what Thompson tries to sell us, that us local homeowners have successfully kept the housing market scarce. Folks in Spring Hill will tell you they have absolutely no control over how many houses get built or who buys them, since they couldn't even get their own subdivisions to listen to them.

You also may be wondering who American Homes 4 Rent is. It was founded by public storage billionaire Bradley Wayne Hughes, and if you think that's not a very Jewish name, I have news for you:



Hughes lives in Lexington, KY and is big in the horse racing circuit. His horse Authentic won the 2020 Kentucky Derby. Any relation to [Howard Hughes](#)? I'd bet money. We do know his wife Patricia Whitcraft [is the daughter of](#) Francis Xavier Whitcraft, a [longtime Knight of Columbus](#) whose [family tree](#) includes Micks, Klines (Jewish), Caseys, Phillips, Grahams, Buntings, Hesses, and Thurstons. Whitcraft is probably a fudging of Wheatcroft, a peerage name that links us to Los Angeles – see [Adeline Wheatcroft](#), who died in LA in 1935 – which is where Hughes' wife grew up. These Wheatcrofts are related to the Stanhopes, Earls of Harrington, and the Fitzroys, Dukes of Grafton, and further back to the Stuarts, Bourbons, and Villiers.

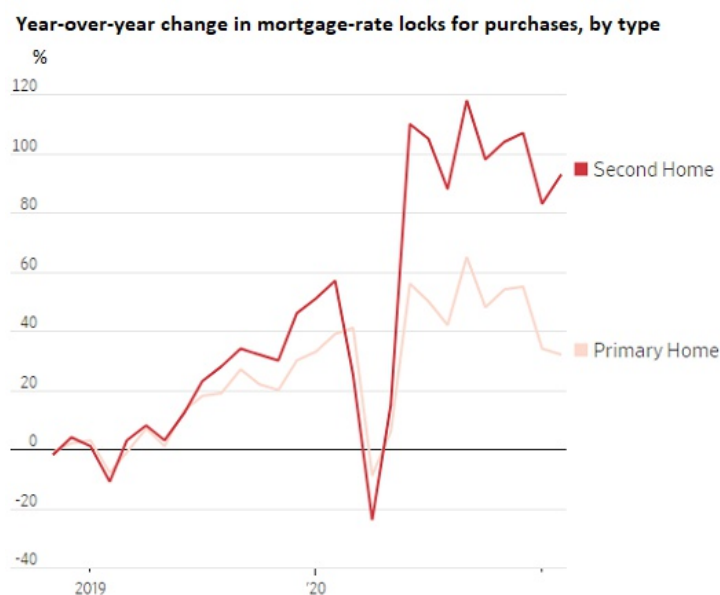
Anyhow, American Homes has since gone public, with its largest shareholders being... Vanguard, Principal Real Estate Investors, Principal Global Investors, **BlackRock**, PGGM, JPMorgan, etc., a.k.a. all the usual suspects, [all of whom own each other](#).

Spring Hill is just one example of many. Going back to the WSJ article, we learn that private equity groups currently account for 24% of all new home purchases in the Houston market, with similar stories in Miami, Phoenix, and Las Vegas. In some markets (we aren't told which), institutional investors have accounted for one-third of all home sales for several years. In Los Angeles right now there's a 700-home building project underway, 220 of which have already been sold to private equity investors, who are turning them into rentals.

...in many of the nation's top markets, roughly one in every five houses sold is bought by someone who never moves in.

Those numbers are staggering, and that's exactly why Thompson tries to fudge his way around them. What Thompson also fails to tell you is that the real estate markets in the top metropolitan areas have a trickle-down effect, starting with surrounding markets and radiating out. If the Atlanta market becomes too tight, it pushes people further and further out to the suburbs, having the same effects there. Controlling 20-25% of housing in all the major cities means BlackRock and its ilk effectively control the entire U.S. housing market.

What Thompson also fails to tell you is that [purchases of second homes are up 128% year over year](#). Second homes of course are purchased by the wealthy for vacation homes or rental investments. So while there's apparently a housing shortage for us working-class folks, the rich are having no trouble buying up additional houses and are doing so at [an unprecedented rate](#):



Source: Redfin analysis of data from real estate analytics firm Optimal Blue

The irony of Thompson's article is that it represents a bizarre reversal. On one side you have *The Atlantic*, supposedly a mouthpiece for the liberal middle class, bashing the liberal middle class and pushing the pro-capitalist, anti-government narrative in an attempt to vindicate the big banks. On the other side you have *The Wall Street Journal*, the mouthpiece for, you know, Wall Street, attacking itself and defending the working class. What's going on? You should know by now that this is all part of their game. They're always moving the boundary stones and flipping you from one side to another, merely to create as much noise as possible. The more cognitive dissonance they can create, the more information they can bombard you with, the faster they will wear you out. It doesn't matter whether it's truth or lies they're blasting at you anymore; the key to their strategy is merely to make sure that their blasters are on full force and coming at you constantly from every angle. Because they know that if you're disoriented, you won't have the mental energy to sift through all of it and form a firm opinion or take firm action. Analysis paralysis, in other words. Their goal is just to keep you adrift in an ever-churning sea of plausible information and tentative opinions.

But here's the solid ground you can stand on: BlackRock *does* control the U.S. housing market, and they *are* ruining it, *intentionally*, for their own profit. This is the 800-pound gorilla that's missing from *The Atlantic* and the WSJ and every other mainstream source: **it's all by design**. The world didn't stumble blindly into this messed up housing market, just like it didn't stumble blindly into the Covid scam and the trillions-deep bailouts, just like it didn't stumble blindly into the 2008 real estate crash and *that* trillions-deep bailout. It has all been systemically planned out by the same people who've always been doing it, who know they are amassing ungodly amounts of wealth by stealing it directly from you.

Here's something else the mainstream won't tell you: BlackRock isn't just BlackRock. It's also the government, the manufacturers, the supply chains, the news, the Intelligence agencies, Hollywood, organized religion, etc. Aside from some squabbling factions in the ranks, it's all one monolithic *thing*, and it all works together. I'll give you one example: HGTV. It seems like a pretty harmless television network, right? But it's actually a fine-tuned social engineering project that heavily promotes the idea that houses should be investment vehicles, earning you money. This is part of the essential lie of speculative capitalism, that you can create wealth disproportionate to the amount of effort you put into it. Did it ever make sense that doing a \$50,000 renovation to your house increases its value by \$100,000? Does another \$50,000 of real value magically get created? No. But this is the kind of endless mad dash for profit that gets created by the interest-based banking system. And that's what HGTV is designed to do for the housing market. It fetishizes homes to arbitrarily increase their value, turning what is normally a depreciating asset into an investment. What does that do in real terms? It eviscerates communities as everyone constantly buys and sell houses, never living in one place long enough to form neighborly bonds.

And do you know who's behind HGTV? It was founded by Kenneth **Lowe** and Susan **Packard** and has since been sold to Discovery, Inc., whose majority shareholders are...

Vanguard, BlackRock, JPMorgan, etc. Think about that: the same people behind the housing market are behind HGTV. Do you think this is a coincidence? Meanwhile, they make it harder and harder to buy a house, making you work harder. It's a feeding frenzy that goes round and round, and if you buy into it, it turns you into a miniature version of them: a little speculator and landlord perpetuating their predatory system of speculation and landlordism. But no matter how rich you get acting like them, they will always get richer off you. That's what the banking system does, and that's why you'll never catch up with them. Better to get out of the race altogether. Be as NIMBYish as you can possibly be, not because you're trying to protect your real estate investment, but because you're trying to protect your home and your neighborhood, two things which sit at the heart of everything good in this world. Why do you think the rulers are trying to buy up the housing market? Because a little family in a little house on a little street that hasn't changed in 50 years is the biggest threat of all to their hegemony. If you don't think that's true, then you still don't understand the true nature of the war that's going on around you.