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Ralph W. Voorhees Center for Civic Engagement
Edward J. Bloustein School of Planning and Public Policy
Rutgers University

Corporate Ownership of Small Residential Properties in

Seven New Jersey Municipalities

Asbury Park
Millville
Montclair
New Brunswick
Passaic
Phillipsburg
West New York

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Executive Summary

This report examines changes in corporate ownership of 1-to-4 unit residential properties in New Jersey between 2010 and 2022. Corporate ownership of housing has been on the rise in parts of the US over the past decade, raising concerns about the dwindling supply of affordable homes and rising rental costs and evictions. While corporate owners can range from individual investors using a limited liability corporation (LLC) to major institutional investors like private equity funds, the collective growth of corporate ownership and its concentration in particular communities in other parts of the US, particularly in the Sun Belt, raises questions about the presence and magnitude of this phenomenon in New Jersey. A recent report by the Center for Law, Inequality, and Metropolitan Equity (CLiME) at Rutgers found that corporate investors accounted for a substantial share of recent sales of 1-to-4 unit properties in Newark.[1]

This report builds on this prior research by examining the extent of corporate ownership of 1-to-4 unit residential properties in a sample of New Jersey municipalities that reflect the state's diverse geography, development patterns, and housing market conditions: Asbury Park, Millville, Montclair, New Brunswick, Passaic, Phillipsburg, and West New York. In each municipality, we explored how corporate ownership has changed over time and which types of areas it affects.

We used state property tax list data to identify corporate-owned properties and examined the ownership patterns in the context of key demographic and housing market characteristics, including neighborhood racial and ethnic composition, tenure and home value, and recent histories of high-cost mortgage lending and foreclosure. We drew on New Jersey property assessor data from the N.J. MOD IV Historical Database to explore 1-to-4 unit properties, excluding condominium units. We identified corporate owners based on the presence of corporate identifiers in the owner name, for instance, "LLC." We additionally identified properties as corporate-owned if the owner name indicated it was held by a trust and the tax mailing address was not the same as the property address.

We found that corporate ownership in the seven New Jersey municipalities we studied is:

- **Increasing:** Corporate ownership of 1-to-4 unit residential properties increased in all seven municipalities between 2010 and 2022 (see **Figure 1**). In some municipalities, like New Brunswick, this increase was dramatic. In other cities, like Montclair, it was more modest.
- **Spatially Concentrated:** In most municipalities, corporate ownership was concentrated in one or two neighborhoods, especially those that historically had majority Black populations and histories of racialized disinvestment, and/or areas with large numbers of Latino immigrants or students. In contrast, corporate ownership in West New York and Passaic is more diffuse.

1 Trout and Nelson 2022.

- **Associated with Foreclosures:** Consistent with existing housing policy research, we found that across the municipalities we studied, areas with high rates of high-cost lending before the financial crisis and subsequently with high rates of foreclosure were associated with higher rates of corporate ownership.[2]
- **Small-Scale:** In most municipalities we studied, corporate owners had a small number of properties on average (see **Figure 2**). New Brunswick is the only one of our seven municipalities where a small number of corporate owners own many properties, though these owners were still relatively small-scale compared with large national corporate investors which are not present in these seven municipalities.
- **Local and Regional, not National:** In all seven municipalities, at least three quarters of corporate-owned properties were owned by entities with mailing addresses in New Jersey, with the majority of out-of-state owners in Pennsylvania and New York. Most corporate owners do not have mailing addresses in the same municipality as their holdings (see **Figure 3**). The three municipalities with the highest rates of outside corporate ownership, New Brunswick, Millville, and Phillipsburg, also have the lowest housing costs among the municipalities we studied.

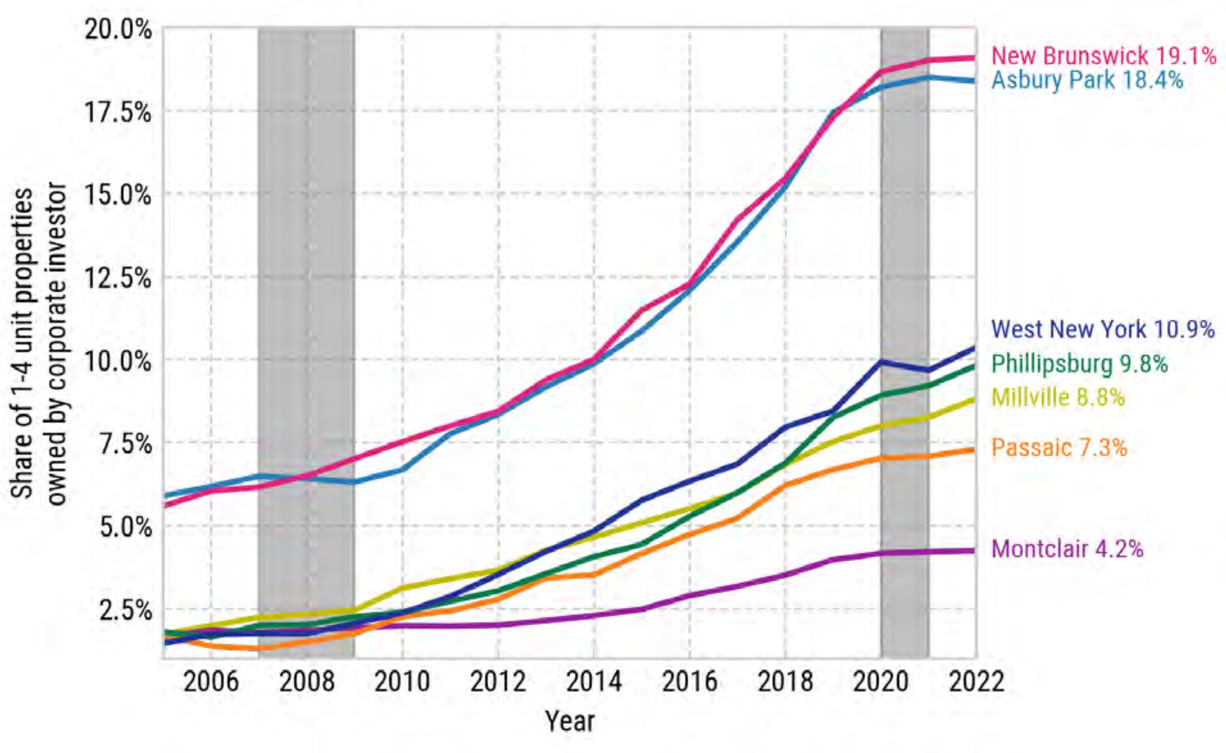

Figure 1: Corporate Ownership 2005–2022

2 Fields 2018.

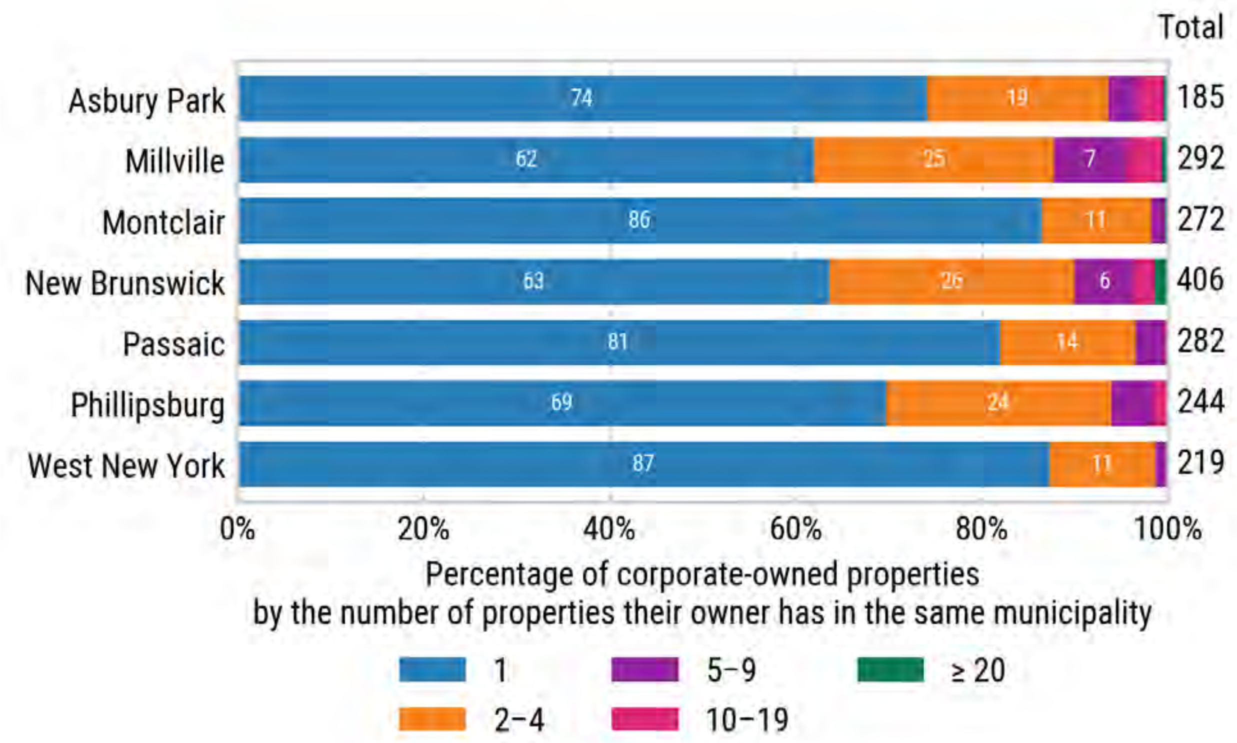

Figure 2: Corporate Ownership in 2022 by Owner Size

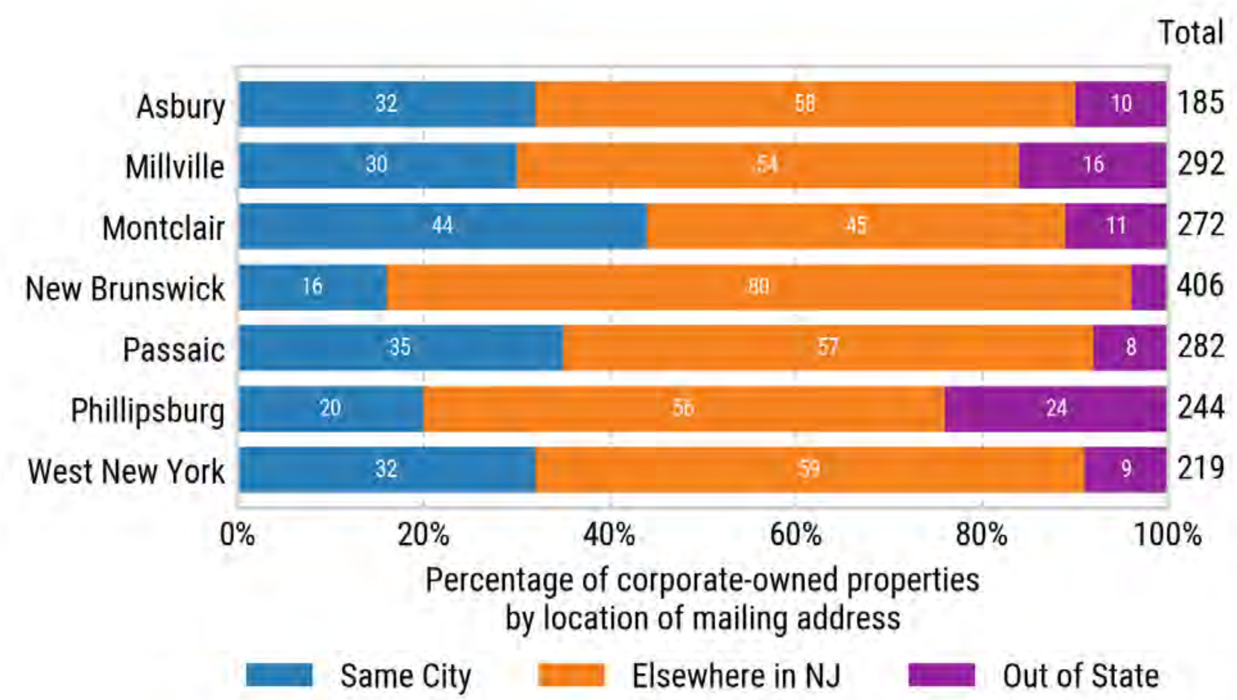

Figure 3: Location of Corporate Owner Mailing Addresses in 2022

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Introduction

Corporate ownership of housing, particularly 1-to-4 unit properties, has been on the rise in the US over the past decade. This trend encompasses ownership by parties ranging from individual investors using a limited liability corporation (LLC) to major institutional investors. Corporate acquisition of housing picked up after the foreclosure crisis and accelerated during the 2020s, with corporate buyers, broadly defined, accounting for a historically high share of home purchases across the US (around 15% across 40 major metros in 2021).[3] The highest rates of purchases by corporate investors have appeared among lower-priced sales and in sales in majority Black neighborhoods, accounting for 26% of the lowest-priced (bottom third) sales in 2023 and 30% of all sales in majority Black ZIP codes in 2021.[4] Purchases of low-price properties accounted for roughly half of total purchases by corporate buyers (47% in 2022 and 2023).[5]

This trend of increasing corporate ownership, particularly ownership by large corporate investors with thousands of units, has raised a number of concerns and questions. First, growing corporate investment has increased competition for 1-to-4 unit properties.[6] Investors, especially large ones, often pay cash and waive contingencies, making it difficult for households needing to finance with mortgages to compete. The concentration of corporate purchases among lower-priced properties has raised concerns about moderate-income households being able to transition to ownership. Given the importance of homeownership for building wealth in the US and the already substantial racial homeownership and wealth gap, this is a concern. In New Jersey, the Black and Latino homeownership rates in 2020 were 36% and 35%, respectively. The white homeownership rate was nearly double at 74%.[7]

Second, there are concerns specifically about large-scale corporate investors as landlords. These types of corporate landlords operate in order to generate competitive returns for their investors, which in turn, tenants and housing advocates contend, leads them to charge high and regularly increasing rents and add fees and charges to boost revenues.[8] Large corporate landlords may also be more likely to file for eviction since they do not have a personal relationship with their tenants and they view eviction as a way to coerce payment and add additional fees and charges. Research on large corporate landlords finds that they are statistically more likely to file for eviction than other owners of comparable properties.

Additionally, researchers have linked corporate ownership, broadly defined, to housing disinvestment and relatively worse property conditions, on average, in some cities.[9] The use of an LLC makes it difficult to identify the actual property owners and this structure

3 Schaul and O'Connell 2022, February 16.
4 Katz 2024, February 14; Schaul and O'Connell 2022, February 16.
5 Katz 2024, February 14.
6 US Department of Housing and Urban Development 2023.
7 US Census Bureau 2020.
8 Mari 2020, October 22.
9 Travis 2019.

limits their personal liability. An increasing share of investor owners, including small-scale owners, place their properties under LLC ownership.[10] While for many owners, an LLC is simply a commonly used hedge against frivolous lawsuits, for others it facilitates speculation and neglect, worsening conditions for tenants and the neighborhoods targeted by these types of investors. Thus, while investor ownership, including corporate investor ownership, is not inherently negative, speculators may be more likely to use LLCs and it may be more difficult to hold negligent owners using an LLC accountable.

Much of the research on corporate ownership has focused on the trend of very large investors, including private equity firms and Real Estate Investment Trusts (REITs), purchasing large numbers of single-family homes in some parts of the US, particularly in Sun Belt cities like Atlanta and Las Vegas.[11] With all of this work on large-scale investors in the Sun Belt, we were interested to investigate what corporate ownership looks like in New Jersey, which presents a very different context in terms of housing prices and property taxes, housing stock and development patterns, and regulations including tenant protections. A recent report by the Center for Law, Inequality, and Metropolitan Equity (CLiME) at Rutgers found that corporate investors accounted for about half of recent sales of 1-to-4 unit properties in Newark.[12] While investors, corporate and other otherwise, have long owned a substantial number of 1-to-4 unit properties in Newark and other older NJ cities, there has been increasing interest in understanding the degree of corporate investor ownership across the state, where it has grown fastest, and, particularly, where absentee and large corporate owners may be present.

[10] Messamore 2023.
[11] Raymond et al. 2018; Seymour 2023.
[12] Trout and Nelson 2022.

Data and Methods

Our report builds on this prior research by examining the extent of corporate ownership of 1-to-4 unit residential properties in a sample of New Jersey municipalities that reflect the state's diverse geography, development patterns, and housing market conditions: Asbury Park, Millville, Montclair, New Brunswick, Passaic, Phillipsburg, and West New York. In each municipality, we explored how corporate ownership has changed over time and which types of areas it affects. These municipalities are focus areas the research team's New Jersey State of Affordable Rental Housing (NJSOARH) project, funded by the Robert Wood Johnson Foundation. NJSOARH is a statewide project that seeks to better understand rental housing and housing insecurity in New Jersey. The project's seven focus municipalities were selected in collaboration with a community advisory committee to reflect housing market and population diversity within New Jersey.

The quantitative and spatial analysis of corporate ownership presented here draws on New Jersey property assessor data from the N.J. MOD IV Historical Database, a project of the Bloustein Local Government Research Center at Rutgers University that is financially supported by the New Jersey Department of Community Affairs. These data contain information about property location, type, and owner. We restricted our analysis to 1-to-4 unit properties using the property class field. We also excluded condominium units. We identified corporate owners based on the presence of a corporate identifier in the owner name field, for instance, "LLC." The vast majority of properties we identified as corporate-owned had an owner with "LLC" in their name. We additionally identified properties as corporate-owned if the owner name indicated it was held by a trust and where the tax mailing address was not the same as the property address.

We examined sale prices drawing on publicly available deeds data from New Jersey's Sales Ratio 1A, or SR1A, forms that we obtained from the Open Public Records Search System website of Monmouth County. The data were not consistent in their temporal extent; therefore, we used varying ranges of years for some municipalities. We identified arm's length sales using the non-usable code, which refers to whether a property sale is usable in determining property tax assessments. To identify arm's length sales, we selected records with a sale price of at least $500 and we filtered for deeds where the assessor either did not enter a non-usable code, indicating that the sale was valid for assessment purposes, or the code indicated that the transaction was likely an arm's length sale but something about the transaction rendered it unusual for assessment purposes, such as when a property had been substantially improved subsequent to assessment but prior to sale.[13] We also used these records to identify foreclosures, using the non-usable code indicating the transaction was a sheriff's sale or deed-in-lieu of foreclosure, both of which reflect repossession due to delinquent mortgage payments.

[13] We excluded deeds where the non-usable code was one of the following: **1** (sales between members of the immediate family), **2** (sales in which "love and affection" are stated to be part of the consideration), **3** (sales between a corporation and its stockholder, its subsidiary, its affiliate or another corporation whose stock is in the same ownership), **4** (transfers of convenience), **12** (sheriff's sales), **18** (transfer to banks, insurance companies, savings and loan associations, mortgage companies when the transfer is made in lieu of foreclosure where the foreclosing entity is a bank or other financial institution)

Data on high-cost loans was obtained from records provided at the Census tract level by the federal Consumer Financial Protection Bureau as required by the Home Mortgage Disclosure Act (HMDA). High-cost mortgages are defined as those with annual percentage rates (APRs) that are at least 3% higher than the Average Prime Offer Rate (APOR), a benchmark based on average interest rates, fees, and other mortgage terms offered to highly qualified borrowers.

The maps shown in the **Spatial Patterns** section for each municipality we study were made by first creating a kernel density surface of all corporate-owned 1-to-4 unit residential properties in each municipality (with a search radius of 1,320 feet or one-quarter of a mile) and adjoining areas using QGIS, a software package, and then extracting contour lines representing five corporate-owned properties within that radius, similar in appearance and function to the kinds of topographic contour maps of surface elevations produced by organizations like the US Geological Survey. In this case, the labeled peak positions represent the highest density of corporate-owned 1-to-4 unit residential properties in the study area, with values getting smaller by five with every line outward from those peaks.

For typical home price data that we used to create **Figure 5**, we used Zillow's Home Value Index for single-family homes..[14] For the demographic and housing characteristic data we used throughout the report, we drew on data from the US Decennial Census (Census) for 2000, 2010, and 2020 from the American Community Survey (ACS) for 2018–2022 5-year estimates.

[14] Zillow 2024.

Corporate Ownership in New Jersey

New Jersey is a large state with substantial variation in housing market dynamics across and even within communities, from higher-cost cities in North Jersey to relatively lower-cost communities further from New York, particularly in South Jersey. This geographic variation in housing markets is a function of geography, but also of housing characteristics, local economic conditions including regional employment trends, and processes of discrimination and segregation shaping distinct housing submarkets.

This report examines corporate ownership of 1-to-4-unit properties in municipalities with varied housing market and demographic characteristics (see **Figure 4**):

1. Asbury Park (Monmouth County)
2. Millville (Cumberland County)
3. Montclair (Essex County)
4. New Brunswick (Middlesex County)
5. Passaic (Passaic County)
6. Phillipsburg (Warren County)
7. West New York (Hudson County)

These municipalities exhibit substantial differences in home values, reflecting differences in the size of the housing stock and the demand for housing in those areas (see **Figure 5**). Montclair, a high-demand North Jersey suburb with easy access to Manhattan, has a typical home value above one million dollars, among the highest in the state. In contrast, Millville, a South Jersey city that has experienced decades of deindustrialization and disinvestment, has a typical home value around $230,000, among the lowest in the state. Common to all of our municipalities, however, is the rise of home values in recent years following an at least modest fall in home values following the Great Recession. Prior research suggests that corporate investors are more likely to buy homes in lower-cost markets, reflecting the lower cost of acquisition and greater perceived potential for appreciation, as well as favorable price-to-rent ratios. However, even a municipality like Montclair contains diverse housing markets, including both lower- and higher-value areas, raising the question of whether even some high-cost municipalities have experienced growing corporate ownership.

These municipalities also differ in terms of the degree to which 1-to-4 unit properties accounts for the total housing stock and the strength of demand for rental housing, one indicator of which is the percent of households that rent (see **Figure 6**). West New York, which sits across the Hudson River from Manhattan, has a very large share of housing units in multifamily properties, particularly high-rises overlooking the river. West New York has also added a substantial number of new luxury units on its waterfront and near its light rail station. While major corporate investors are deeply involved in producing luxury rentals in West New York and other parts of New Jersey, it is unclear whether corporate investment extends to the market for small residential properties. In contrast, Phillipsburg and Millville have a modest but growing share of renter households, but far more of the housing stock consists of 1-to-4 unit properties (see **Figure 7**). Combined with lower housing prices, these conditions suggest these municipalities may be candidates for increased corporate ownership. New Brunswick and Passaic both have high rentership rates and large shares of rental units in two-to-four unit properties, which might make those properties attractive to corporate investors searching for more affordable properties where they expect they can raise rents (though as we detail below, corporate ownership was significantly higher in New Brunswick than in Passaic).

These municipalities further differ in their racial and ethnic composition. New Brunswick, Passaic, and West New York have a large share of Latino residents, Asbury Park and Montclair have a sizable though recently shrinking number of Black residents, and Millville and Phillipsburg exhibit signs of recently increasing diversity (see **Figure 8**). While prior research has found that very large corporate investors target properties in neighborhoods that tend to be more white, corporate investors as a whole, largely driven by the activity of smaller investors, have been more active in majority Black neighborhoods in recent years.[15] However, it is impossible to disentangle race and home value in the US, as majority Black neighborhoods have long experienced disinvestment and devaluation relative to predominantly white communities. Many people are now familiar with the concept and practice of redlining, whereby Black neighborhoods have been systematically denied access to credit, including home loans.[16] Black and Latino neighborhoods were also targeted with predatory high-cost loans in the late 1990s and early-to-mid 2000s, leading to foreclosure, displacement, and the at least temporary devaluation of housing. The links between race and ethnicity, high-cost lending and foreclosure, and subsequent corporate acquisitions in Black and Latino neighborhoods has been noted in other contexts and in Newark by CLiME. These are important variables to examine in combination to understand the context for understanding the geography of growing corporate ownership.

Finally, the municipalities we studied differ in the level and growth of corporate ownership, from a high of nearly 20% of 1-to-4 unit properties in 2022 in New Brunswick to less than 5% in Montclair (see **Figure 9**). While these municipal-level rates are consistent with the findings from a statewide study of corporate ownership by municipality in New Jersey produced by the NJ Department of Community Affairs, the remainder of this report looks closely at our sample of New Jersey municipalities to understand the small-scale, neighborhood level patterns of corporate ownership and the contexts in which it occurs.[17] Even as municipalities like Montclair exhibit low overall rates of corporate ownership, they may still have high levels in specific neighborhoods, as we demonstrate below. In the following sections, we discuss overall and neighborhood level demographic and housing market characteristics for each municipality before describing numeric and spatial patterns in corporate ownership. We then place those spatial patterns in their specific neighborhood context to better understand the conditions associated with the presence and increased activity of corporate owners and their potential effects.

[15] Charles 2020; Schaul and O'Connell 2022, February 16.
[16] New Jersey Institute for Social Justice 2020.
[17] New Jersey Department of Community Affairs 2022.

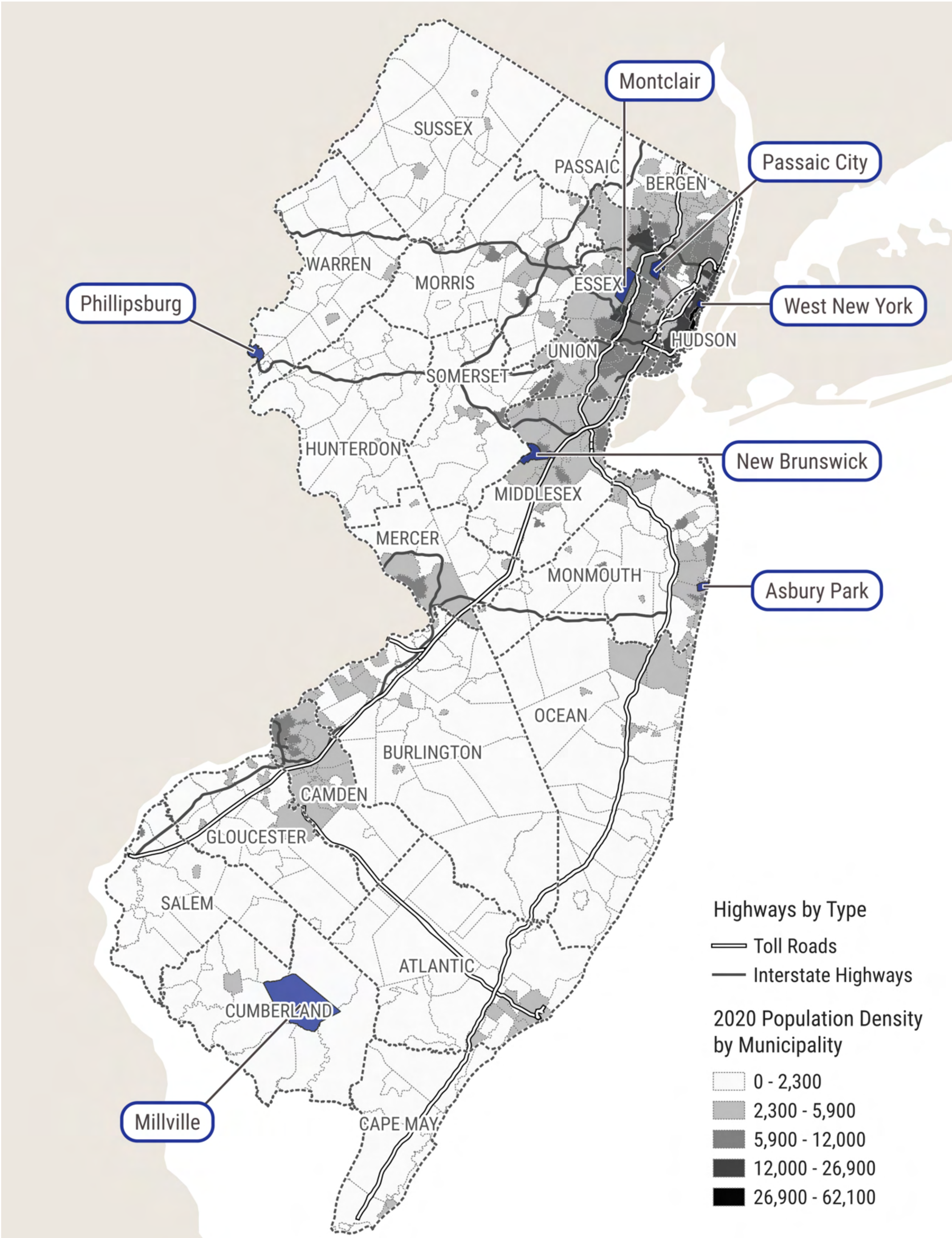

Figure 4: State Reference Map

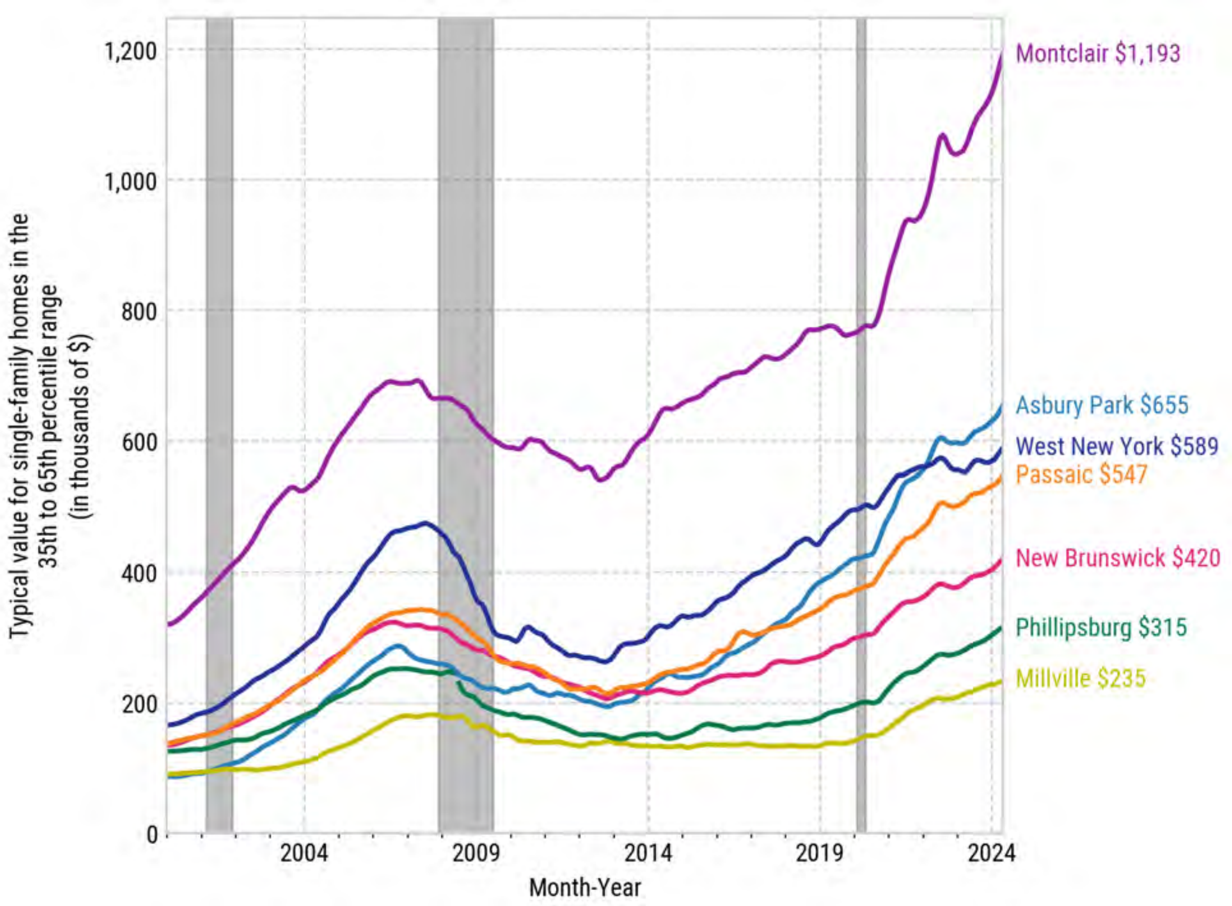

Figure 5: Typical Home Values from 1999 to 2024 (Source: Zillow)

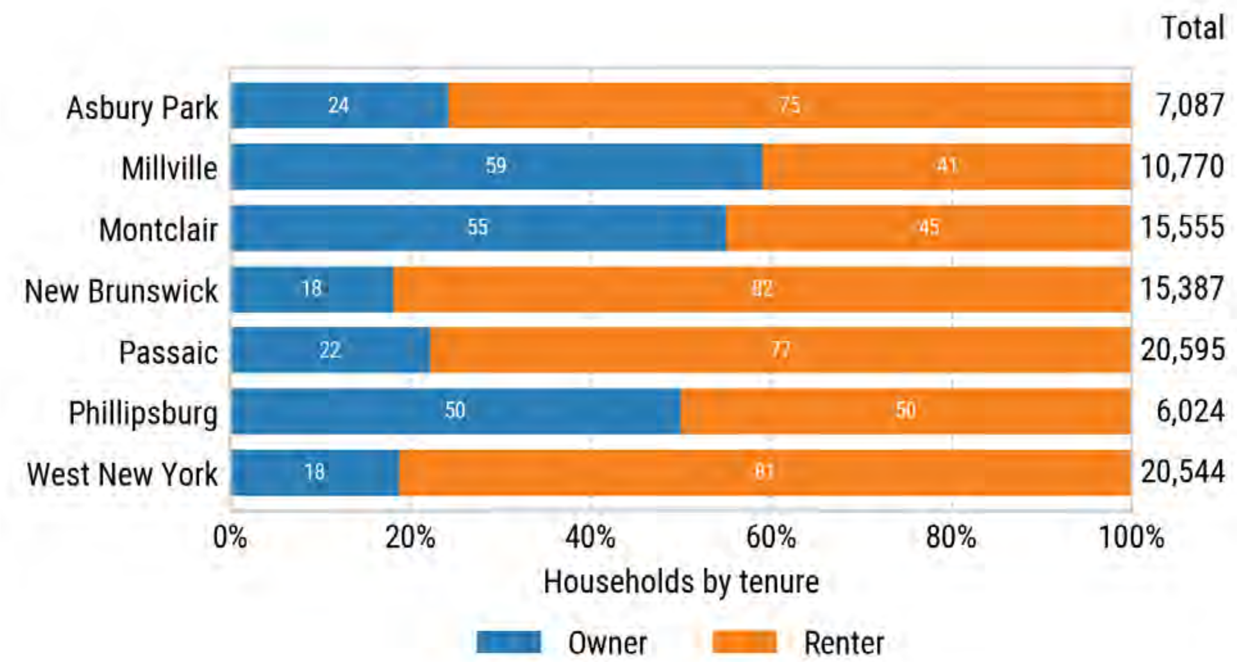

Figure 6: Housing Tenure (Source: Census 2020)

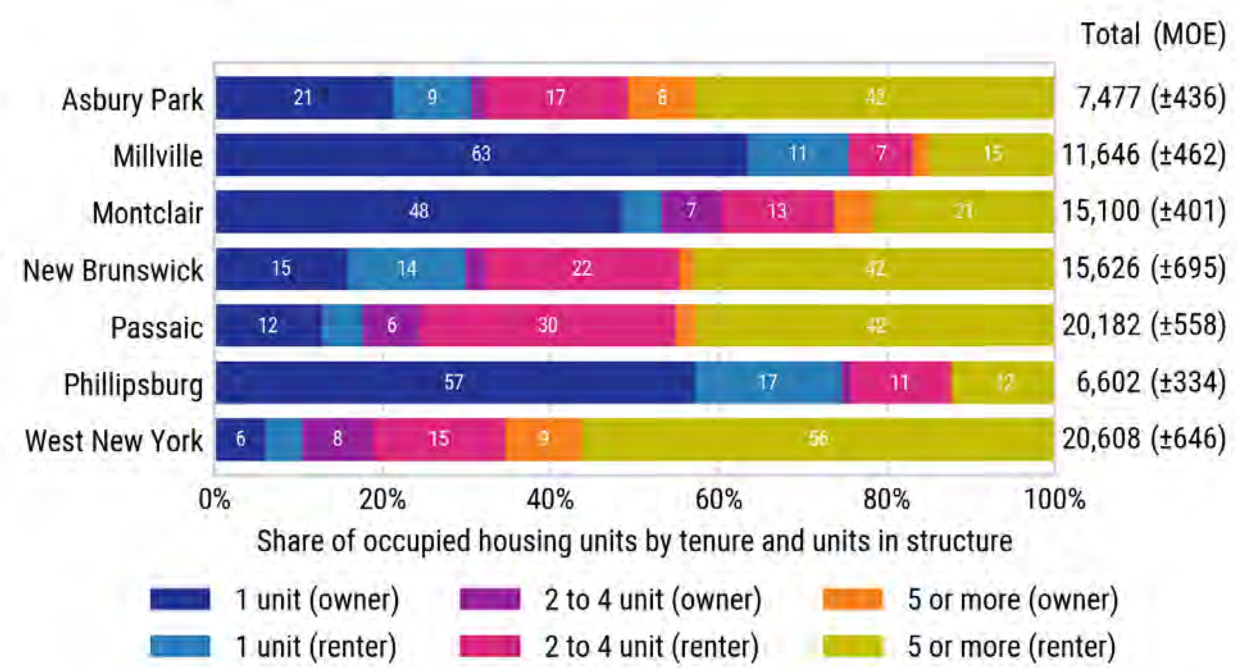

Figure 7: Tenure by Units in Structure (American Community Survey 2018–2022). Note: MOE = Margin of error of the estimated total number of occupied housing units.

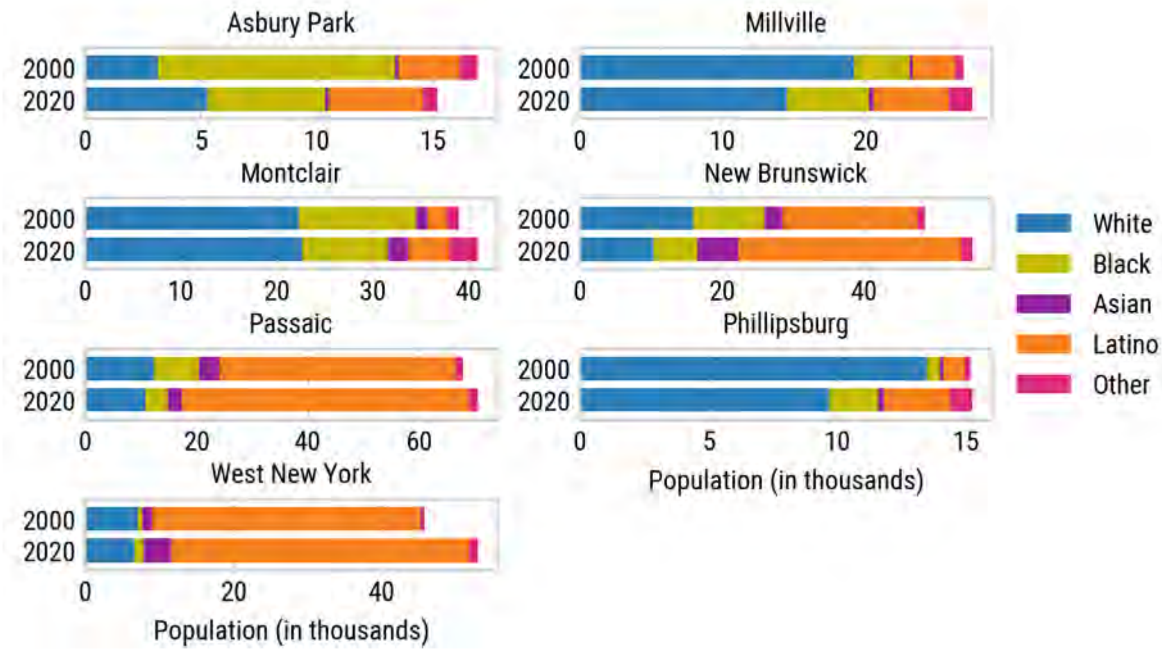

Figure 8: Racial and Ethnic Composition: 2000 and 2020 (Source: Census 2000, 2020)

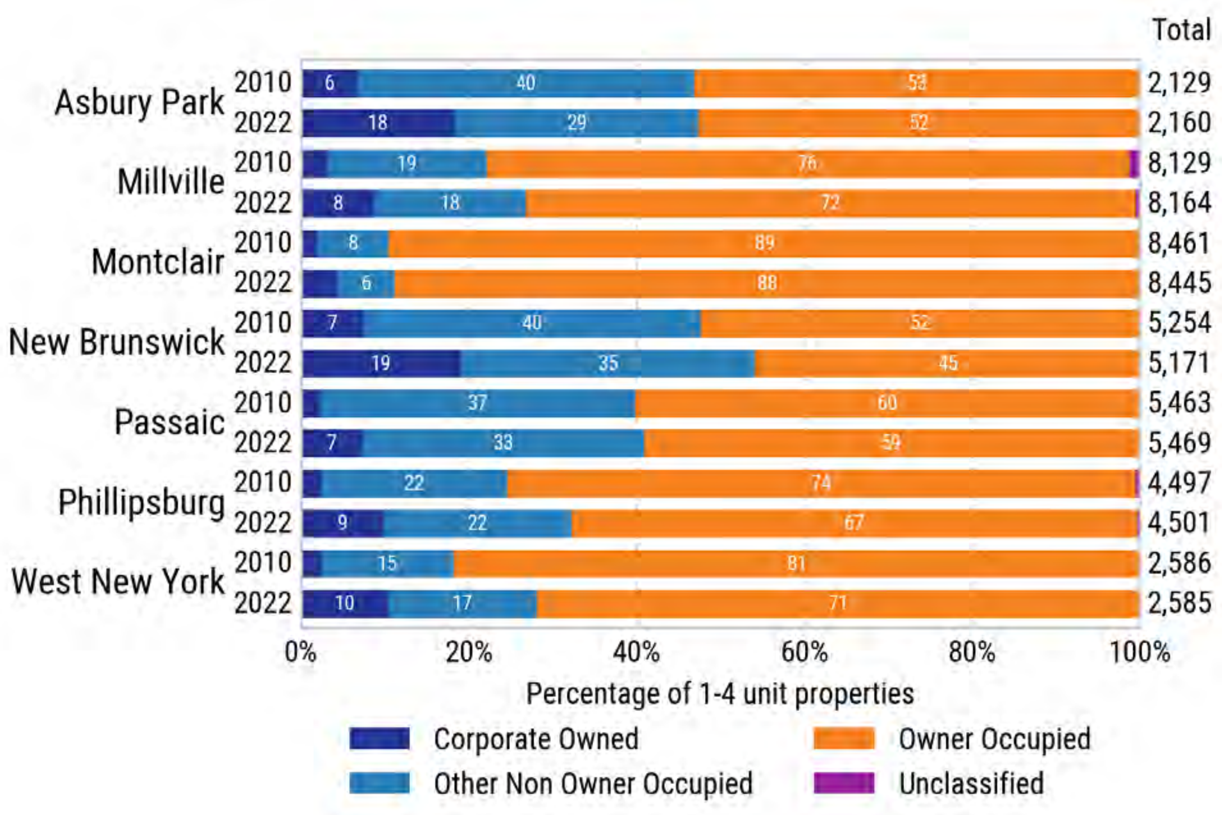

Figure 9: Ownership of 1-to-4 Unit Residential Properties in 2010 and 2022

Asbury Park

Asbury Park is a small city of roughly 15,000 residents located on the central Jersey Shore in Monmouth County about 60 miles from New York City. Asbury Park is a popular seaside destination famous for its boardwalk and music scene. Founded in 1871, Asbury Park became an established beachfront destination by the early twentieth century. It was historically racially segregated, with the East Side, on the east side of the railroad tracks near the Shore, predominantly white and the West Side, west of the railroad tracks and south of Asbury Avenue, predominantly Black. Following the Second World War, the expansion of the Garden State Parkway, suburban development, and affordable air travel reduced the number of residents and visitors to the city, and Asbury Park experienced a sustained period of disinvestment. By the late 1990s, there was renewed interest in Asbury Park. It was relatively affordable among beachfront communities in the region and was easily accessible by car and rail. After decades of stalled efforts to redevelop the waterfront, developers have recently built or renovated substantial amounts of commercial and residential properties on the East Side, and new luxury units are in development. The city's downtown, in the southeast of the city, has also experienced recent investment, and luxury multifamily housing is planned for the West Side near the rail station. In just the past few years, outside interest in the city and demand for accommodations for full-time and seasonal residents and short-term visitors have increased dramatically.

Demographics

Asbury Park has nearly equal numbers of white, Black, and Latino residents, but they mostly live in separate areas, and the municipality has experienced parallel trends of Black population loss and white population gain since 2000.

- Asbury Park's population decreased by 10% between 2000 and 2020 to 15,188.
- During this time period, the number of Black residents decreased by 51% and the white population increased by 68%. In 2000, the city was majority Black. By 2020, it was one third Black, about one quarter Latino, and about one third white.
- Since 2000, there has been a substantial loss of Black residents on the East Side and the northwest part of the city. The East Side lost three-quarters of its Black population and the northwest lost roughly 60% while both areas became more white.
- The city's Black residents remain concentrated on the West Side. More than 60% of the city's Black residents lived in the West Side in 2020, and more than half of residents there identified as Black, compared to 37% in the northwest and 15% on the East Side.
- More recently, the number of Latino residents has grown on the West Side, accounting for 36% of the population in 2020. Together, Black and Latino residents accounted for approximately 90% of the West Side's population in 2020 (see **Figure 10**).

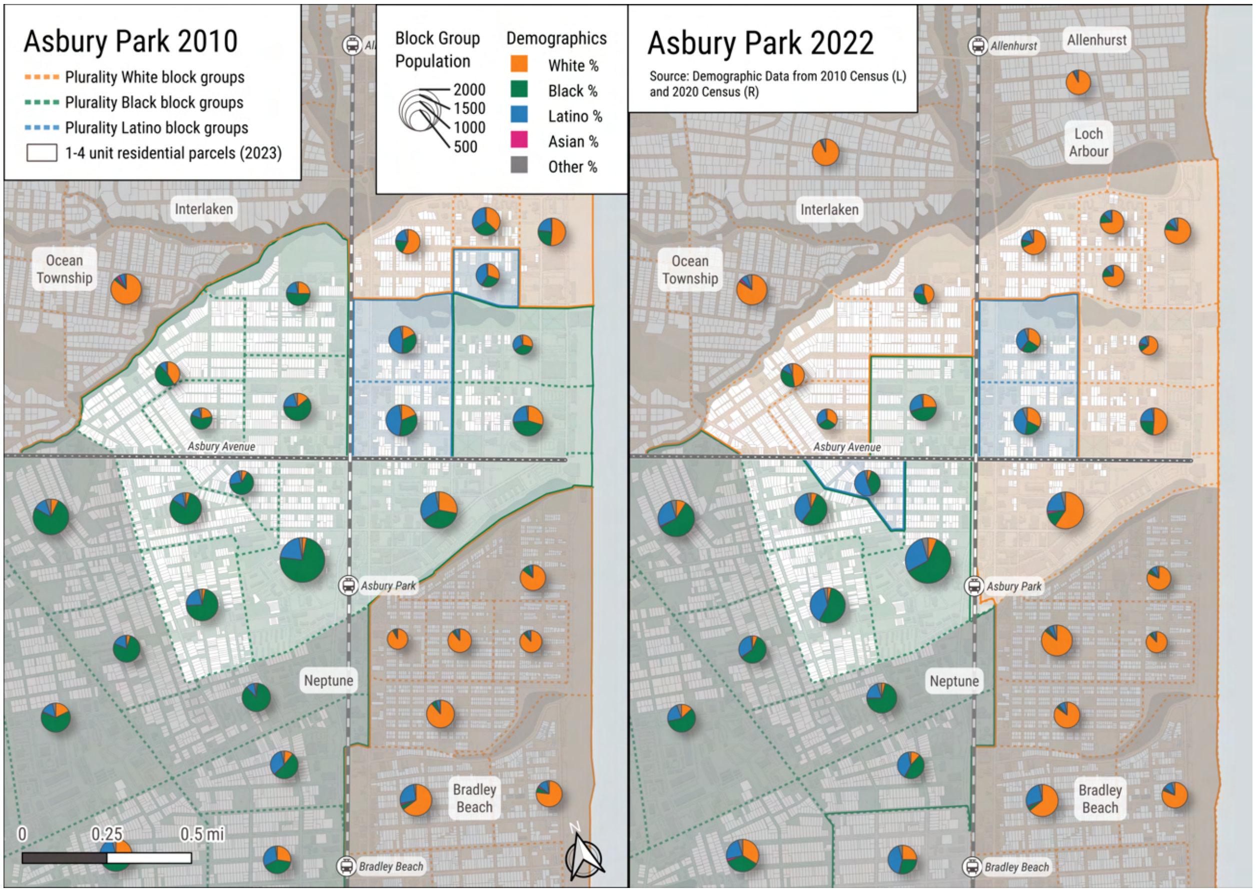

Figure 10: Census Block Group Demographics in Asbury Park (2010 and 2020)

Housing Market

Asbury Park's housing market has become much more expensive in recent years, though home values were relatively much lower on the West Side following the foreclosure crisis.

- Home prices have tripled since 2012, and the typical home value in 2024 was $654,500
- About three-quarters of the city's housing units are renter-occupied (2020 Census). The rate is even higher on the West Side at 87%. Between 2000 and 2020, the share of homeowner households on the West Side decreased from 22% to just 13%.
- Approximately half of all occupied housing units are located in 1-to-4 unit buildings (2018–2022 ACS). The rate is higher on the West Side, where 70% of occupied units are in 1-to-4 unit buildings.

The median sale price for a 1-to-4 unit property remained below $100,000 across the city through the late 1990s according to Zillow data. But sale prices in the northwest and East Side increased substantially during the early 2000s. After experiencing a dip during the recession, prices climbed again in the mid-2010s and have risen even more sharply since 2019. The typical single-family purchase price in Asbury Park seen in New Jersey's SR1A deeds data exceeded $600,000 by 2023.

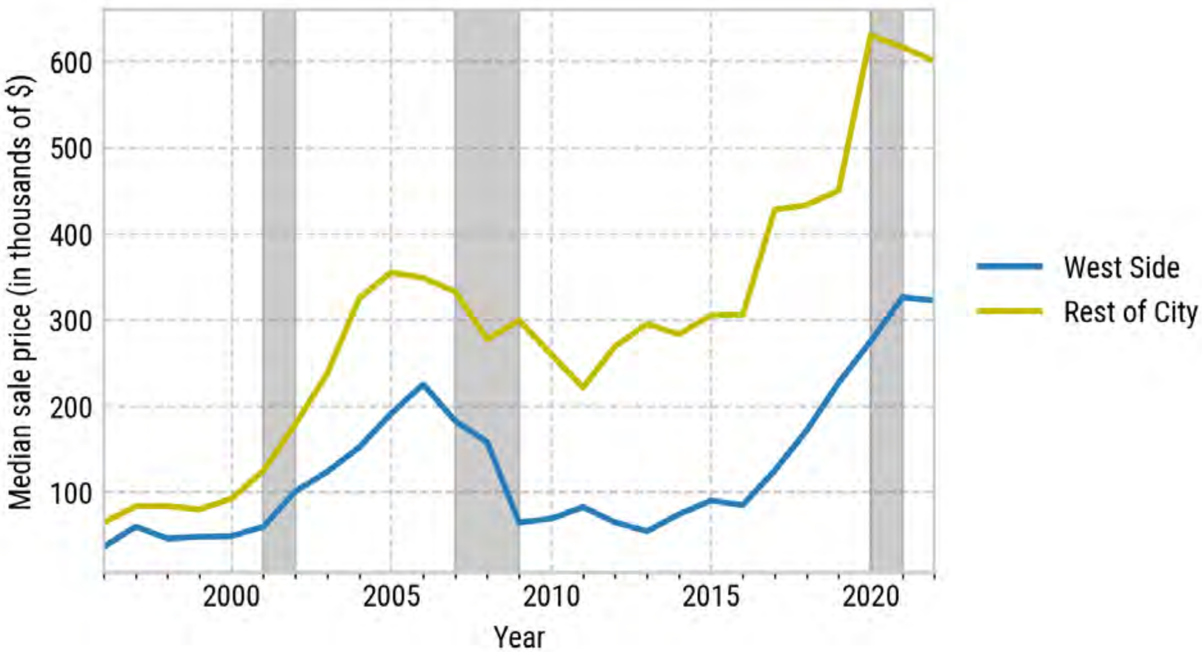

Figure 11: Median Sale Price, Asbury Park (1996–2022)

Housing market conditions on the West Side are markedly different from the rest of Asbury Park.[18] Though home prices rose during the early 2000s, they dropped during the recession, likely leaving some homeowners underwater, i.e., owing more on their mortgages than their homes were worth. Before the 2008 financial crisis, this area experienced a surge in high-cost mortgage lending. During the peak of the high-cost lending boom, roughly one-third (33%) of home purchase and refinance loans for 1-to-4 unit properties in the West Side were high-cost. This is roughly twice the rate experienced in the rest of the city (16%). The West Side subsequently experienced a higher rate of completed foreclosures, repossessions, and distressed property sales. Between 2014 and 2019, the rate of completed foreclosures in this area was 11%, more than twice as high as the rate north of Asbury Avenue (5%).

[18] We define the West Side as 2020 Census Tracts 807200 and 807300.

Corporate Ownership

Overall Trends

- Corporate ownership in Asbury Park increased 275%, rising from 7% in 2010 to 18% of all 1-to-4 unit residential properties in 2022.
- 39% of non-owner occupied 1-to-4 unit properties were corporate-owned in 2022.
- More than half (56%) of corporate-owned properties had an owner with fewer than five 1-to-4 unit properties in Asbury Park in 2022, and 31% of all corporate-owned 1-to-4 unit properties had an owner with just one property.
- Only seven corporate owners of 1-to-4 unit properties had 10 or more properties in 2022, with the largest owner having more than 60 properties.
- 32% of corporate-owned properties had a mailing address based in Asbury Park in 2022, and 90% had one in New Jersey (8% had a mailing address in New York State, with Brooklyn highest among those).

Spatial Patterns

Corporate ownership is highly concentrated on Asbury's West Side. Corporate owners accounted for nearly a third (31%) of 1-to-4 unit properties on the West Side in 2022, a three-fold increase from 9% in 2010. In the rest of the city, the rate of corporate-ownership rose from 6% in 2010 to 11% in 2022, just one-third of the rate in the West Side. The area of highest corporate owner concentration in 2022 was above Bangs Avenue on the West Side, where there were nearly 70 corporate-owned homes within a quarter-mile distance (see **Figure 12**).

Though there were high levels of corporate ownership throughout the entire West Side, there were particularly high levels of corporate ownership stretching east to west below Asbury Avenue and north to south on the western border with Neptune township. These areas surround the area immediately west of the train station, which has few 1-to-4 unit residential properties (shaded in white on the contour maps).

In Asbury Park, we see the close correspondence between racial composition, housing market dynamics, and recent patterns of corporate ownership. The West Side experienced higher rates of high-cost mortgage lending in the early to mid 2000s followed by higher foreclosure rates. Once starved of credit through redlining, neighborhoods like the West Side of Asbury Park were flooded with high levels of higher risk loans. Corporate investors subsequently took advantage of discounted sale prices after the collapse of the housing market, especially through foreclosure sales, directing their attention to places like the West Side of Asbury Park. While in some parts of the US, foreclosure investors are major corporations based in distant locations, the largest corporate owner in Asbury Park is an existing small local rental company that substantially grew its inventory by buying foreclosure sales between 2014 and 2019.

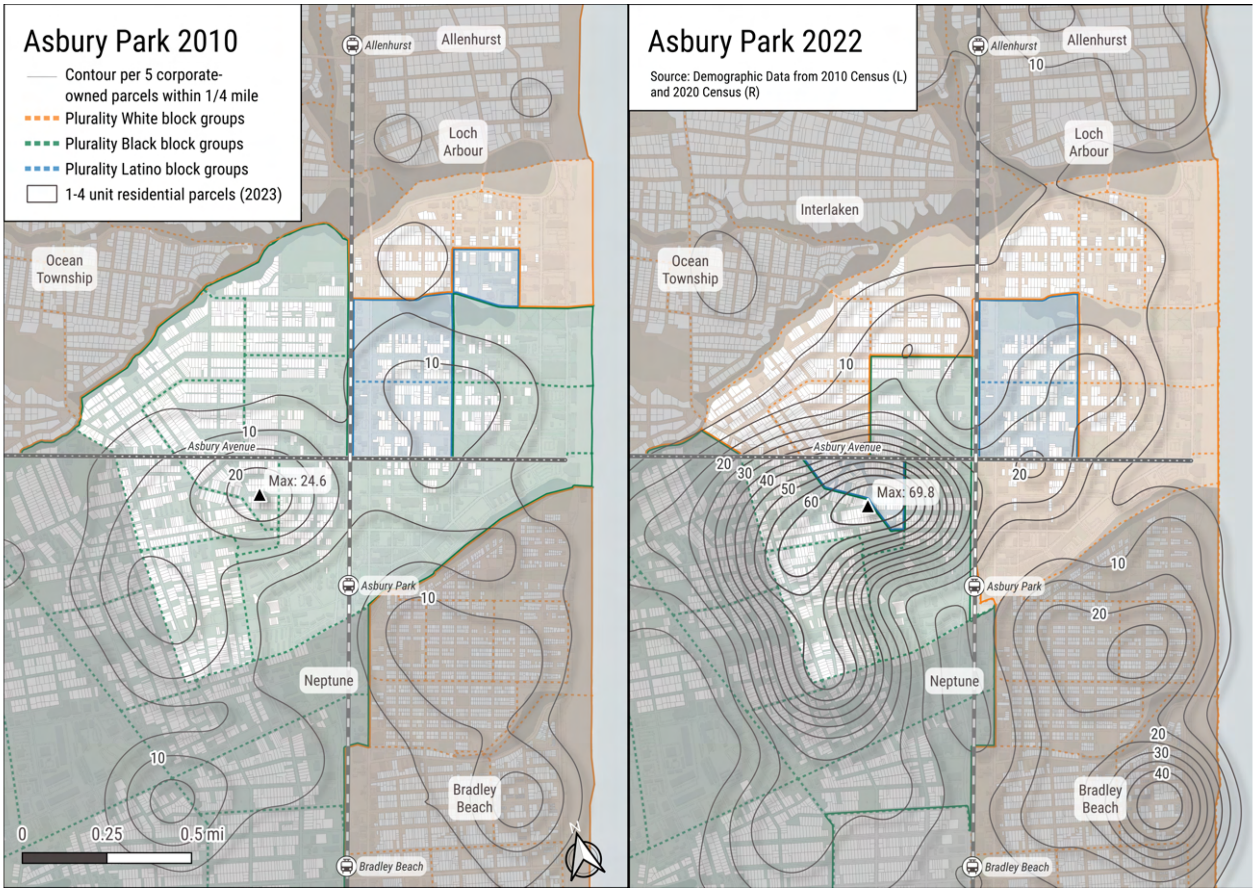

Figure 12: Corporate Ownership of Small Residential Properties in Asbury Park (2010 and 2022)

Millville

Millville is a city of roughly 27,000 residents located in Cumberland County in southern New Jersey, about 40 miles east of Wilmington, Delaware and 50 miles southeast of Philadelphia. Millville earned its name from its early lumber mills, and it became a major hub for the glass industry beginning in the late nineteenth century. The city and region were hit hard by job losses starting in the 1970s, as changing consumer preferences and the dominance of plastics and other modern materials significantly reduced demand for glass products. Since the city was not connected to other major cities through highways until 1989, it was difficult to attract new industry to the area, and the older central city area experienced significant disinvestment, followed by significant foreclosures and vacancy since the late 2000s. Many residents turned to employment at prisons built outside of the city and at Atlantic City casinos after they were legalized in the 1970s. More recently, cold-storage warehousing and food processing and packaging have emerged as major sectors in the Millville area economy.

Demographics

Millville's population has remained stable over the past 20 years, but this masks differences between the central city area and outlying suburban areas. Due in part to changing economic circumstances, a substantial share of white residents have left the city over the past 20 years. At the same time, the Black and Latino population has grown, especially in the central city area, which we define to include neighborhoods around downtown as well as the southern part of the Third Ward (the area approximately located between 8th Street, G Street, West Foundry, and East Main Street) (see the area near downtown shaded green on the right panel of **Figure** 13).

- The city's population increased 2% since 2000 to 27,491 people in 2020. However some parts of the city have lost population such as the central city area.
- The share of the city's white population decreased from nearly two-thirds to about 50% between 2000 and 2020, while the Black population increased from 14% to 21%, and the Latino population increased from 11% to 19%.
- The more suburban parts of Millville, further from downtown, remained predominantly white while the areas closer to downtown have become more demographically diverse, with increasing numbers of Black and Latino residents. For example, between 2000 and 2020, the white population in the central city area (as defined above) fell by 57%, while the Black population roughly doubled, and the Latino population grew by 27%.

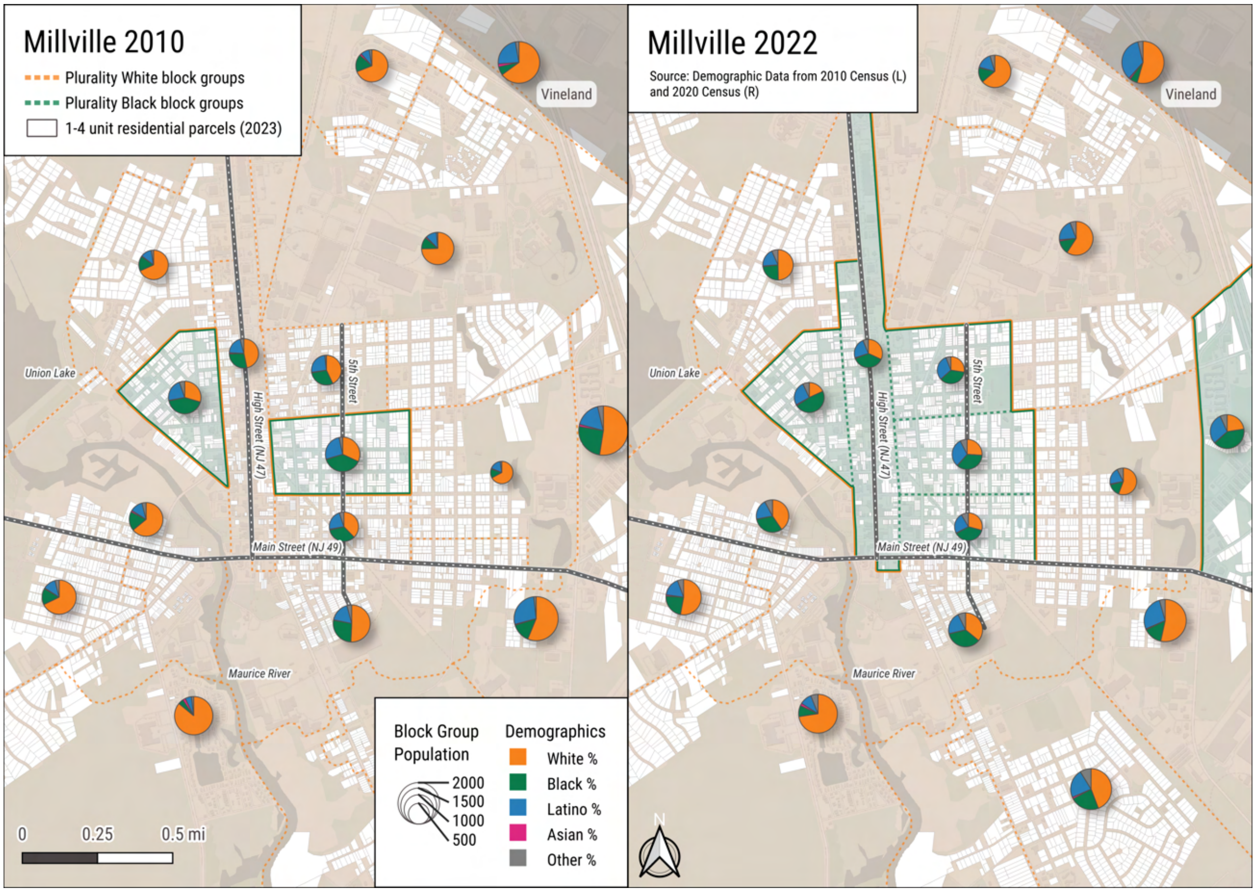

Figure 13: Demographic Composition of Census Block Groups in Millville (2010 and 2020)

Housing Market

Millville's housing market is the lowest-cost among the municipalities we studied, though prices have risen since 2019 after experiencing a post-recession decline that disproportionately affected the central city area.

- Home values have increased in Millville 130% since May 2012. The typical home value in 2024 was $234,700 (Zillow)
- 41% of households in Millville were renters in 2020, up from 36% in 2000. Rentership is higher in the central city, where 73% of households rented in 2020 (2020 Census).
- 83% of the city's housing units were located in 1-to-4 unit buildings (2018–2022 ACS).

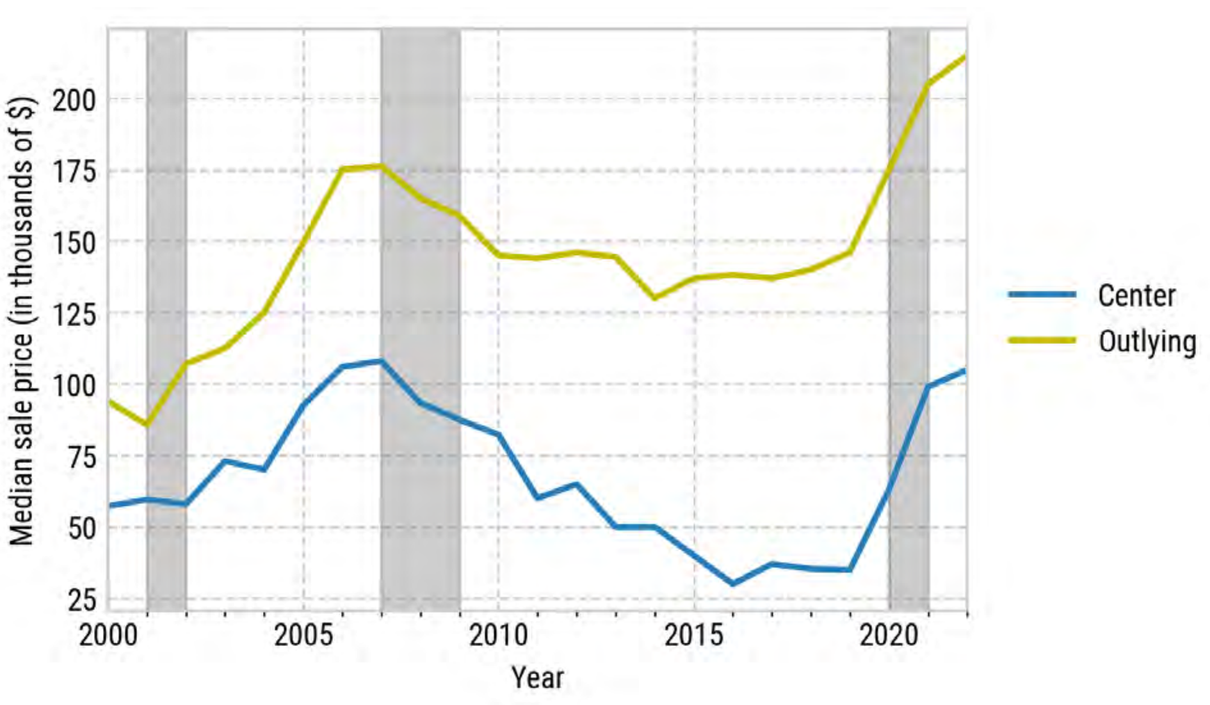

Figure 14: Median Sale Price, Millville (2000–2022)

Although home values have been rising in Millville since 2019, they are the lowest among the municipalities we studied, and they were extremely low following the Great Recession. For example, in the three Census Tracts in the city center (tracts 30100, 30200, and 30300, somewhat larger than the central city area defined above), the median home price fell below $50,000 in 2015. Since 2019, the median home price quickly shot back up to more than $100,000. In the outlying areas beyond the city center, home prices did not fall as far after the recession, and they have since risen above $200,000.

The same three tracts in the city center discussed above experienced relatively high rates of high-cost lending from 2004 to 2006. In this area, 40% of home purchase and refinance loans were high-cost, compared to 25% in the rest of the city. This same area subsequently experienced a large number of completed foreclosures, affecting 12% of 1-to-4 unit residential properties, compared to 8% for the remainder of the city.

Corporate Ownership

Overall Trends

- Corporate ownership rates of 1-to-4 unit buildings tripled from 3% in 2010 to 9% in 2022.
- 33% of non-owner occupied housing units in 1-to-4 unit buildings were corporate-owned in 2022.
- Most corporate entities held only a few properties; 46% of corporate-owned homes had an owner with one to five homes in Millville, with roughly 20% owning just one property.
- Conversely, 36% of corporate-owned homes had an owner with 10 or more properties.
- 30% of corporate-owned homes had a mailing address in Millville, and 84% had a mailing address in New Jersey.

Spatial Patterns

Corporate ownership is primarily concentrated in the central city area. The highest concentration in 2022, at 62.5 homes within a square mile, was in the southern part of the Third Ward, west of Buck Street and north of Broad Street (see **Figure 15**). The second-highest concentration of corporate-owned homes is in the adjacent area east of High Street and west of 6th Street. Given that the two areas of highest corporate ownership were separated by the High Street commercial district, with a lower number of 1-to-4 unit residential properties, these two areas are not really distinct regions but part of a larger trend in which the center city area has the highest level of corporate ownership and outlying areas have comparatively low levels. In the central city area plus the Census Block Group immediately south of East Main Street, the rate of corporate ownership was 25% in 2022, up from 12% in 2010.

In Millville, we again see a close correspondence between neighborhood racial composition, housing market dynamics, and the concentration of corporate ownership. The central city area of Millville experienced a high rate of high-cost lending, which led to high rates of subsequent foreclosure and repossession. Corporate investors acquired a substantial share of foreclosed properties in Millville, as they did elsewhere. But corporate investors were more broadly able to capitalize on low sale prices, weak demand from homebuyers for the older, larger housing stock that dominates much of the central city area, and growing demand from renters. Though we did not study this topic in our report, prior research suggests that certain investors specialize in renting properties in lower-cost markets to tenants utilizing vouchers, who face barriers finding housing in more high-demand areas.

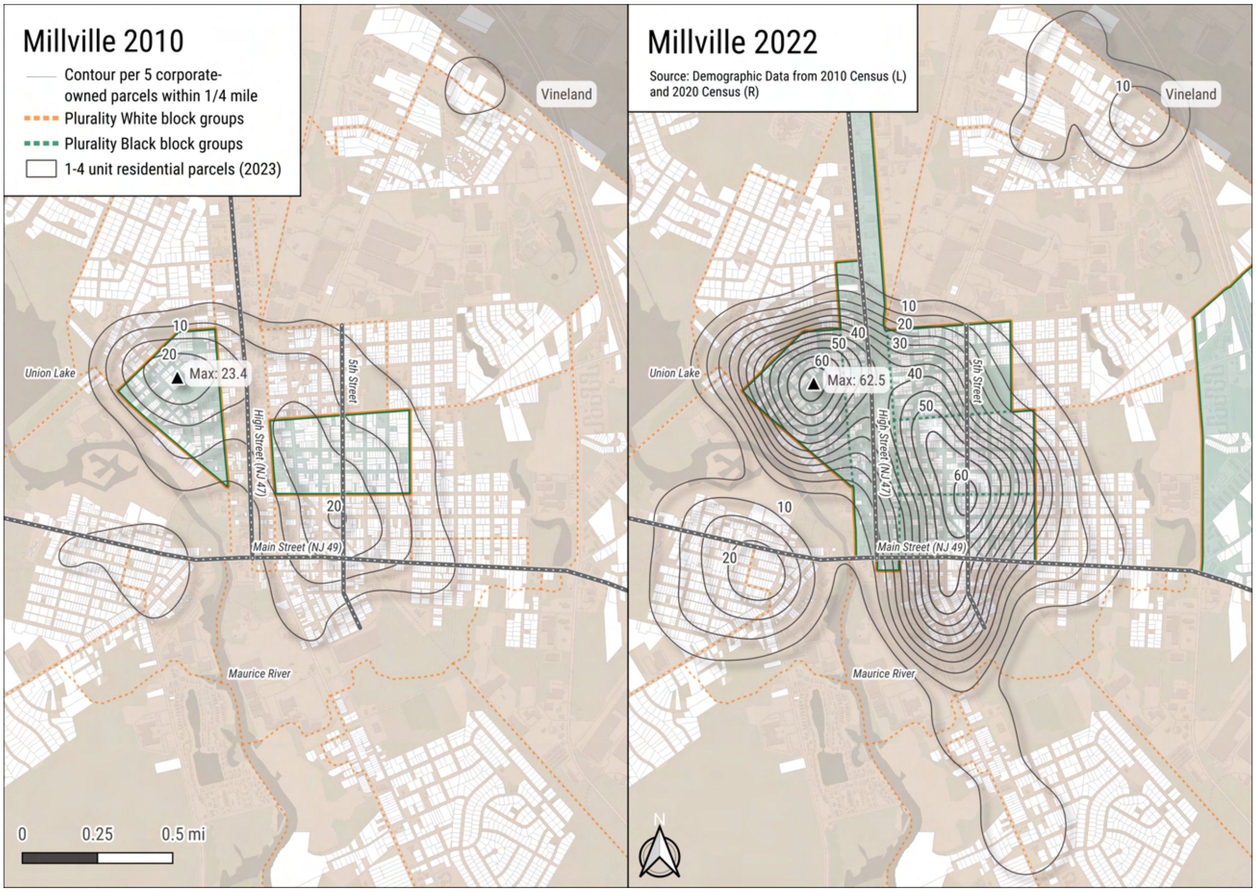

Figure 15: Corporate Ownership of Small Residential Properties in Millville (2010 and 2022)

Montclair

Montclair is a township of approximately 40,000 residents in Essex County in North Jersey. A high-demand bedroom community about 20 miles away from New York City, residents can easily travel by rail or bus to the city for work and entertainment. The township has a reputation as a demographically, although not as economically, diverse and politically progressive municipality with high-performing schools and other amenities, including shopping and restaurants on Bloomfield Avenue, its main commercial thoroughfare. Though Montclair has long been racially diverse, Black residents have been highly concentrated in the Fourth Ward, particularly below Bloomfield Avenue along the border with Glen Ridge. The township is home to a number of recently constructed luxury multi-family properties, especially along the Bloomfield Avenue corridor, including new buildings around the Bay Street train station near Montclair's eastern border and within the Fourth Ward. The proposed redevelopment of the historic Lackawanna Plaza on the Fourth Ward's western border has raised concerns about additional price pressures, especially in the neighborhood just south of Bloomfield Avenue, which is within walking distance of Bay Street station.

Demographics

Montclair is racially and ethnically diverse, but is highly segregated, with a large share of the municipality's Black population living in the Fourth Ward. Montclair has also lost a substantial share of Black residents over the past 20 years, particularly in parts of the Third Ward that historically had a sizable share of Black residents.

- Montclair's population grew slightly to 40,921 in 2020, a 5% increase from 2010.
- The municipality is a little more than half white, about a fifth Black, about a tenth Latino, about 6% multiracial or of another race, and 1% Asian in 2020.
- Between 2000 and 2020, the white population remained steady while the Black population fell by one-quarter and the Latino population more than doubled.
- Most neighborhoods lost Black residents during this period. Losses were particularly concentrated in areas around the Walnut Street rail station.
- The Fourth Ward is still predominantly Black.

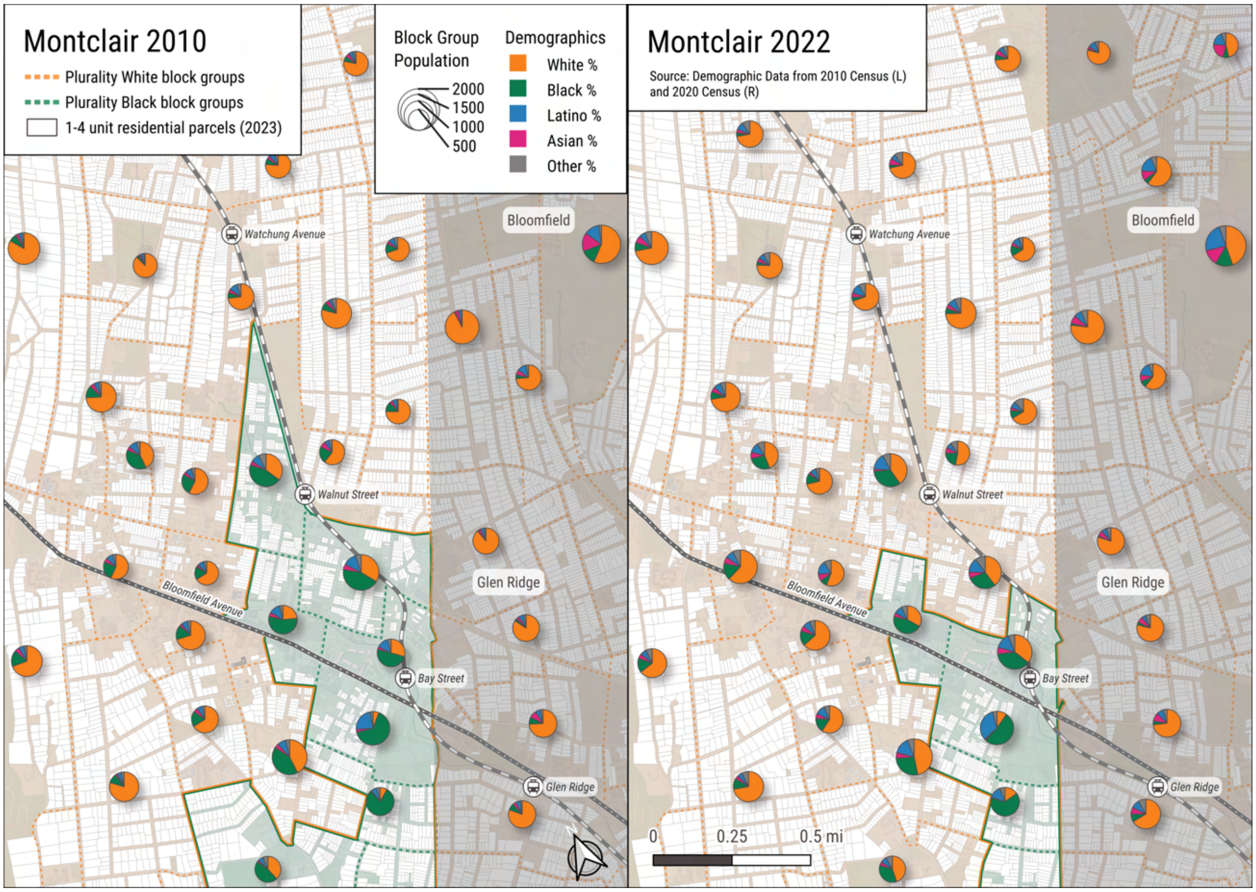

Figure 16: Demographic Composition of Census Block Groups in Montclair (2010 and 2020)

Housing Market

Montclair is an extremely in-demand market and the highest-cost municipality among our study areas, but the historically Black Fourth Ward has much lower home values.

- Montclair home values doubled since May 2012. The typical home value in 2024 was $1,192,600 (Zillow).
- Montclair is a majority homeownership municipality; only 45% of households were renters in 2020. However, some areas have much higher rentership rates, including two areas that historically have been largely African American–the northern part of the 4th Ward and the area just north of Bloomfield Avenue in the middle of the township.
- Most of the housing stock consists of 1-to-4 unit properties. About three quarters of total housing units (74%) were in 1-to-4 unit structures (2018–2022 ACS).

Though Montclair has the highest home values among the municipalities we studied, it has distinct submarkets. Home prices differ dramatically between the Fourth Ward and the rest of the township. Home values in the rest of Montclair surged through 2006 and experienced only a modest decline before rebounding since 2012.

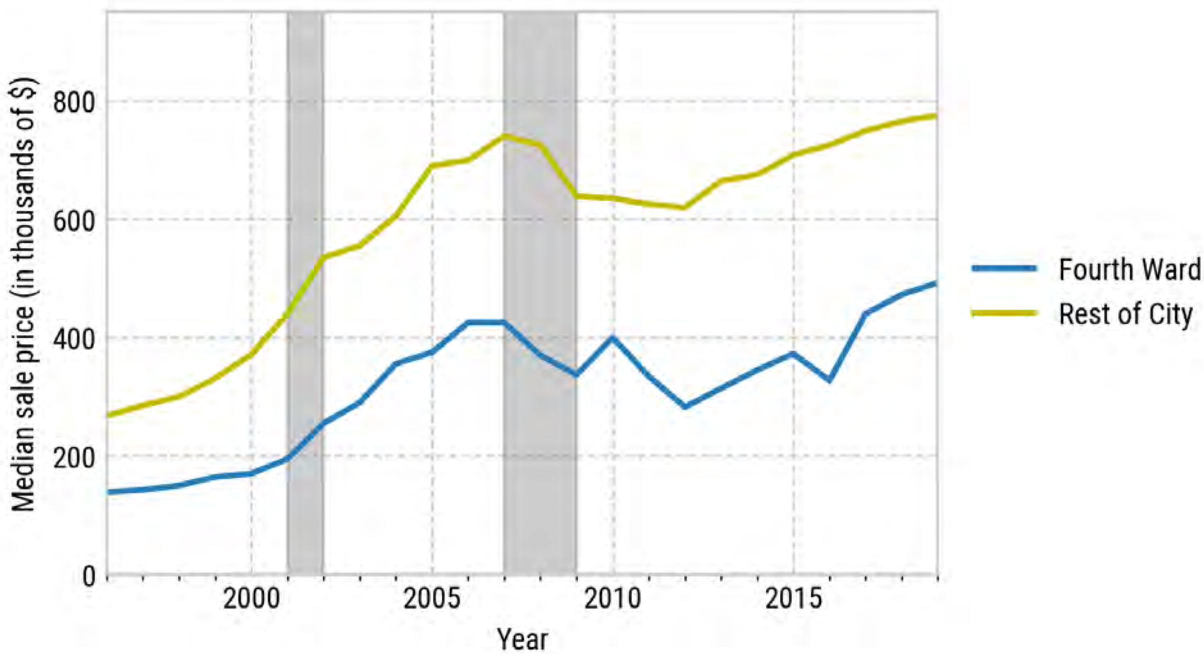

Figure 17: Median Sale Price, Montclair (1996–2019)

Though our sales data only run through 2019, other data sources, including Zillow, indicate that prices have climbed sharply during and since the pandemic, driven in part by affluent families leaving New York City for more space.

The Fourth Ward also experienced a greater share of high-cost mortgage lending in the period leading up to the financial crisis and recession. It subsequently experienced higher rates of foreclosures between 2014 and 2019. In one part of the Fourth Ward, immediately below Bloomfield Avenue adjacent to Glen Ridge, 39% of home purchase and refinance loans originated between 2004 and 2006 were high-cost, the highest rate in Montclair. The foreclosure rate in this area was 8%, also the highest in the township.

Corporate Ownership

Overall Trends

- Compared to the other cases we examine in this report, Montclair exhibited a significantly lower rate of corporate ownership of 1-to-4 unit residential properties in 2022 at just 4%, a modest increase from 2% in 2010.
- Corporate owners accounted for 38% of all non-owner-occupied 1-to-4 unit residential properties.
- 53% of corporate-owned properties were owned by entities with only one property in Montclair, and 33% of corporate-owned properties were owned by entities with two to four properties.

- Only 15% of corporate-owned properties were owned by corporate entities with over 10 units, and only one corporate entity owned over 20 properties.
- Among corporate-owned homes, 44% had a tax mailing address in Montclair, and 89% of the tax mailing addresses were in New Jersey.

Spatial Patterns

Corporate ownership is especially concentrated in and around parts of the Fourth Ward. As illustrated in **Figure 18**, corporate ownership in 2022 was heavily concentrated below Bay Street Station, near the eastern border of the township.The area in the Fourth Ward south of Bloomfield Avenue, bounded by Maple Avenue, Elm Street, and Elmwood Avenue, had a corporate ownership rate of 22% in 2022, up from 7% in 2010, and the largest absolute number of corporate-owned homes at 36. Other areas in Montclair outside the Fourth Ward have smaller clusters of corporate ownership, particularly between Bloomfield Avenue and Walnut Street station, where the largest cluster of corporate ownership was in 2010. A separate, smaller area of concentration was located just above Watchung Avenue Station.

In Montclair, we again see the close correspondence between racial composition, housing market dynamics, and the concentration of corporate ownership. While corporate ownership is low for Montclair, it is quite high in a historically Black part of the municipality that saw substantial high-cost lending in the mid-2000s and a greater number of completed foreclosures and discounted sales in subsequent years. However, foreclosures alone do not account for the entirety of growing corporate investment. The fact that this part of the township had long been subject to historic racialized structural disinvestment meant that home values were lower than in other areas. As places like Montclair, long in-demand, saw even greater demand for housing in walkable communities with access to transit, corporate investors undoubtedly chased remaining values in places like the Fourth Ward, as the rest of the municipality was already extremely expensive.

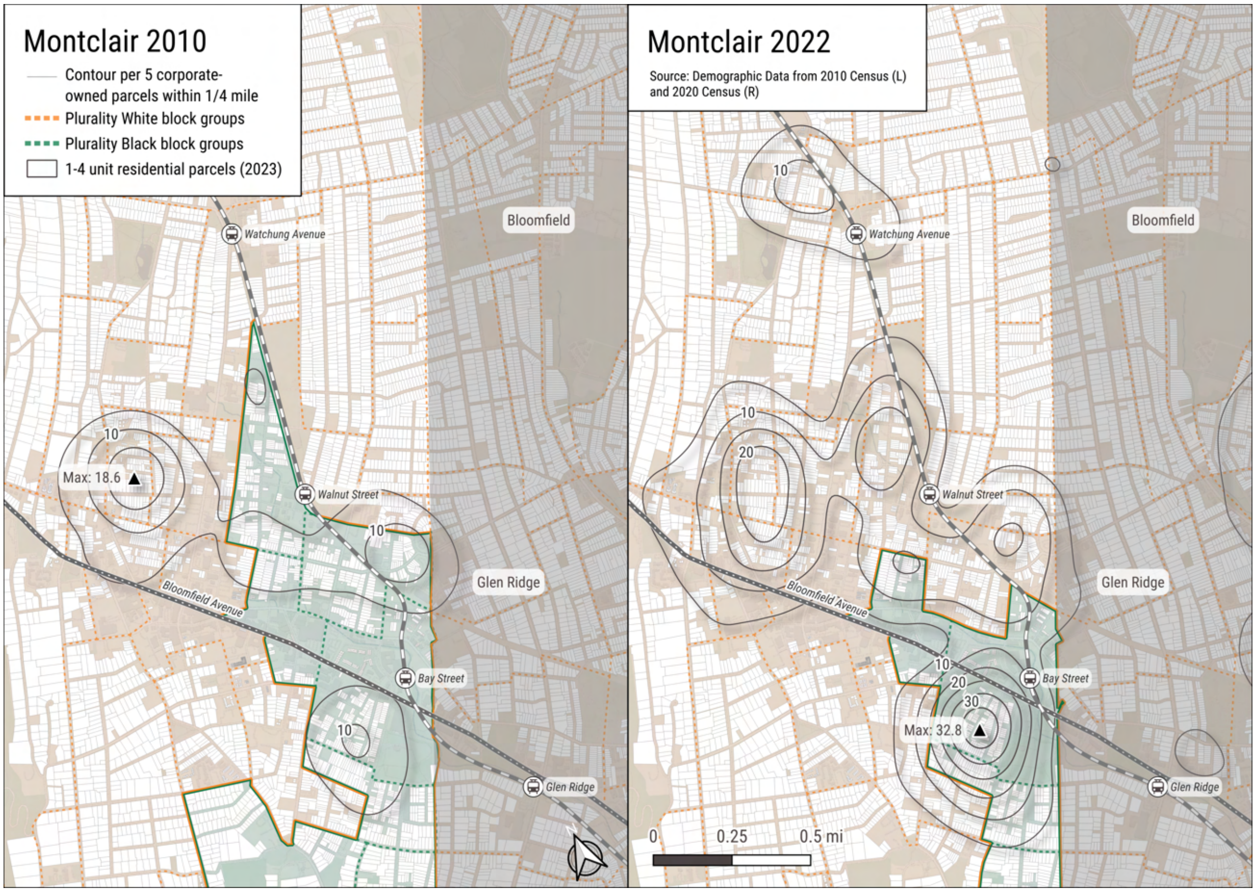

Figure 18: Corporate Ownership of Small Residential Properties in Montclair (2010 and 2022)

New Brunswick

New Brunswick is a city with a population of approximately 55,000 in Middlesex County in central New Jersey, about 30 miles from New York City. Known as the "Hub City," it is located along the Northeast Corridor rail line with direct, regular service to Penn Station in Manhattan and relatively easy access to Philadelphia as well as Boston, Washington D.C. and points in between, in addition to regular express bus service to New York City. New Brunswick is the site of the oldest and largest campus of Rutgers, the State University of New Jersey. The city is also a major healthcare and pharmaceutical hub. Johnson & Johnson's corporate headquarters has been located there since the company's founding in 1886, and the city has multiple large hospitals. New Brunswick has been a major immigrant gateway throughout its history, most recently for people from Mexico and Central and South America. The city has been the site of significant redevelopment since the 1970s. In recent years, another wave of redevelopment has added numerous luxury and student-focused multifamily residential towers downtown and near the College Avenue Rutgers campus. The Health and Life Science Exchange (HELIX) complex, including the new headquarters for Nokia Bell Labs, is currently under construction downtown directly across from the rail station, and is expected to draw additional high-wage workers and potentially residents to the city upon completion.

Demographics

New Brunswick has a large and growing Latino population living largely around the downtown area and a substantial population of students living in off-campus housing. Many of the Latino residents are foreign born, including a sizable number of recent immigrants from Mexico and Central and South America.

- New Brunswick's total population grew 14% between 2000 and 2020 reaching 55,266 residents.
- The municipality is currently 57% Latino, 19% white, 11% Black, 10% Asian, and 3% other or multiracial (Census 2020).
- About one third of the city's population are foreign born (2018–2022 ACS).

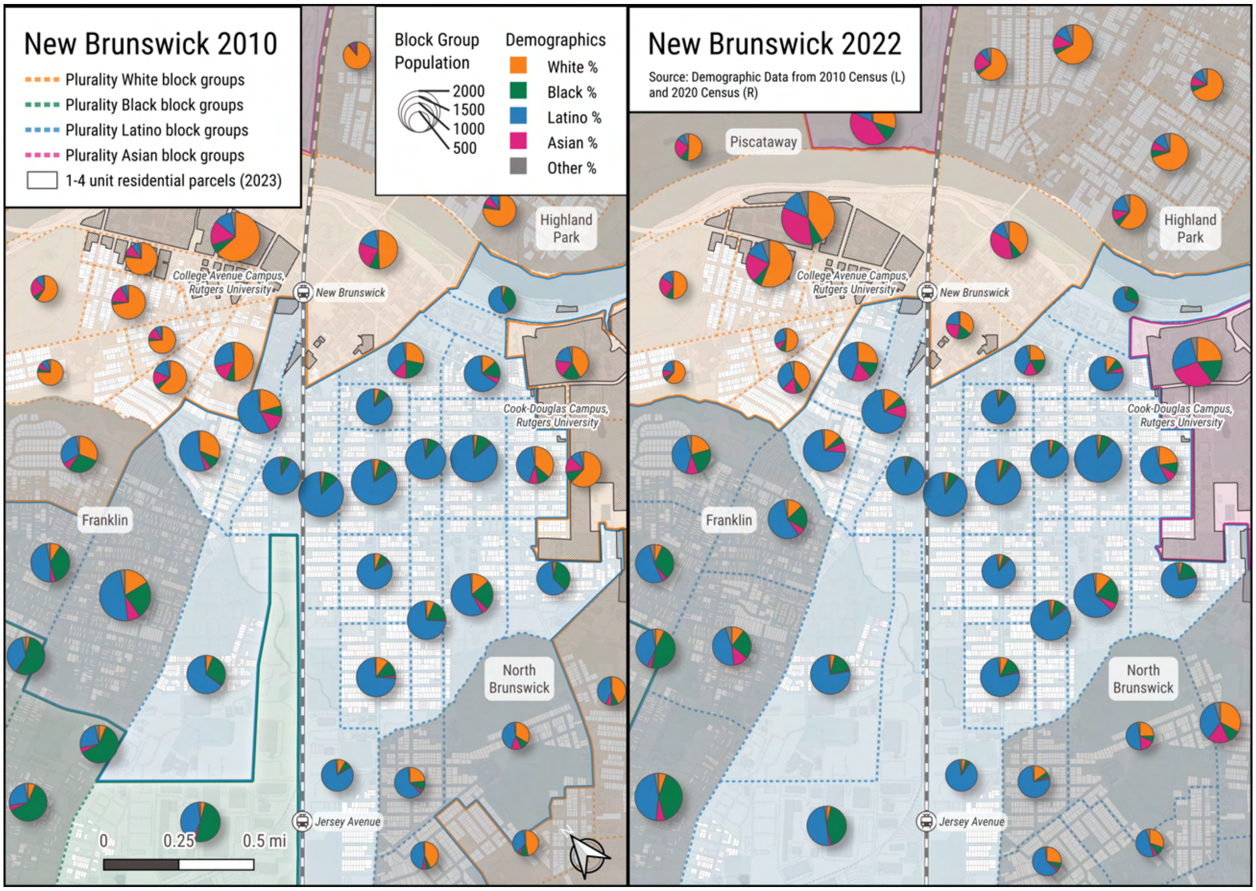

Figure 19: Demographic Composition of Census Block Groups in New Brunswick (2010 and 2020)

Housing Market

New Brunswick's home prices are in the middle-range of the municipalities we studied. Prices were substantially lower in the predominantly Latino neighborhoods following the recession, but they have trended up across the city in recent years. New Brunswick has very high demand for rental housing, with one of the highest rentership rates in the state, and a large share of 2-to-4 unit buildings.

- New Brunswick home values have doubled since May 2012. The typical home value in 2024 was $419,700 (Zillow).
- New Brunswick has a very large share of renter households; 82% of housing units were renter-occupied (2020 Census).
- 55% of housing units were located in 1-to-4 unit buildings (2018–2022 ACS).
- Householders under 25 make up approximately 15% of all renters and a much larger share of renters in the area adjacent to the Rutgers College Avenue campus in the northeastern part of the city.

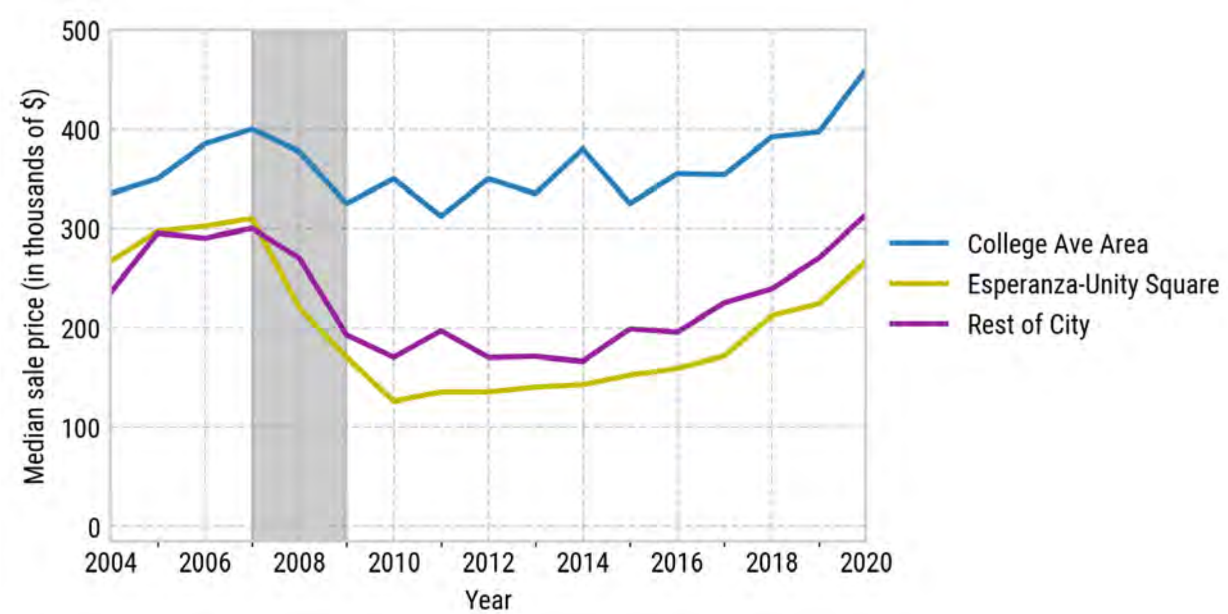

Figure 20: Median Sale Price, New Brunswick (2004–2020)

Home values have been on the rise in New Brunswick since the Great Recession, with the typical home value reaching $300,000 in 2020 and passing $400,000 at the end of 2023 (Zillow). In the predominantly Latino Esperanza and Unity Square neighborhoods around downtown, named for community organizing efforts within these areas, home prices fell further during and after the Great Recession, and the median home price hovered around $150,000 until 2017, after which it rose to about $250,000 by 2020.[19]

Corporate Ownership

The Esperanza and Unity Square neighborhoods experienced high levels of high-cost mortgage lending before the financial crisis. In the three Census Tracts around downtown in which the Esperanza and Unity Square neighborhoods are located, 33% of home purchase and refinance loans originated between 2004 and 2006 were high-cost. Subsequently, there were nearly 200 completed foreclosures in this same area, equivalent to nearly one in ten homes. In the College Avenue area, in contrast, 19% of loans were high-cost during the same period, and there were only 19 foreclosures from 2014 to 2019.

[19] We use 2020 Census Block Groups to define the Esperanza-Unity Square (53001, 53002, 56021, 56022, 56023, 58002, 58003) and College Avenue (51001, 51002, 51003, 51004, 52001, 52003, 52004) areas.

Overall Trends

- At 19%, New Brunswick's rate of corporate ownership of 1-to-4 unit properties in 2022 was the highest rate among the municipalities we studied. This value is two and a half times higher than the city's 2010 value of 8%.
- 35% of all non-owner-occupied 1-to-4 unit properties were corporate-owned in 2022.
- Among corporate-owned properties, 22% were owned by entities with only one property in New Brunswick, and an additional 27% were owned by entities with two to four properties.
- Roughly 21% of all corporate-owned properties in the city were owned by a firm with at least 20 homes in the city, and 33% were owned by those with at least 10 properties in the city.
- 16% of corporate-owned homes in 2022 had owner mailing addresses in New Brunswick, and 96% were located in New Jersey.

Spatial Patterns

Corporate ownership is present across much of the city, though its highest levels are concentrated around the Rutgers University College Avenue campus and in the predominantly Latino neighborhoods around downtown, southwest and east of the train station. The highest concentration in 2022, with over 80 corporate-owned homes located within a quarter mile, is located off Easton Avenue, north of the New Brunswick Train Station and adjacent to the Rutgers College Avenue Campus (see **Figure 21**). The College Avenue area had a corporate ownership rate of 27%. The Latino neighborhoods below and around downtown also exhibited very high rates of corporate ownership; the Esperanza-Unity Square area had a corporate owner rate of 24%.

In New Brunswick we observe clear associations between areas of high corporate ownership and certain housing market and demographic characteristics. First, the neighborhoods that are home to large and growing numbers of Latino immigrant families experienced a substantial increase in corporate ownership since 2010. These same areas were also the site of the highest levels of high-cost lending and subsequent foreclosure, reflecting and contributing to depressed home prices following the recession and opportunities for corporate investors to acquire properties at substantial discounts. The growing immigrant population means a larger number of households in search of housing, but their financial circumstances makes it difficult to access a wider range of housing, and landlords specializing in renting to these households can command higher rents in return. Investors in these properties can generate profits by subdividing properties. Meanwhile, renters may share apartments or even rooms to afford rent.

Investors in the College Avenue Campus area were similarly targeting a specific demographic, in this case the growing demand for off-campus housing. While home prices in this area were higher than in the area around downtown, investors specializing in student housing can make modest renovations and market them to multiple tenants sharing units who often have parents assisting with living expenses. This area has also experienced a tremendous amount of recent investment, including new luxury apartment buildings and shops and other amenities which investors may capitalize into rents.

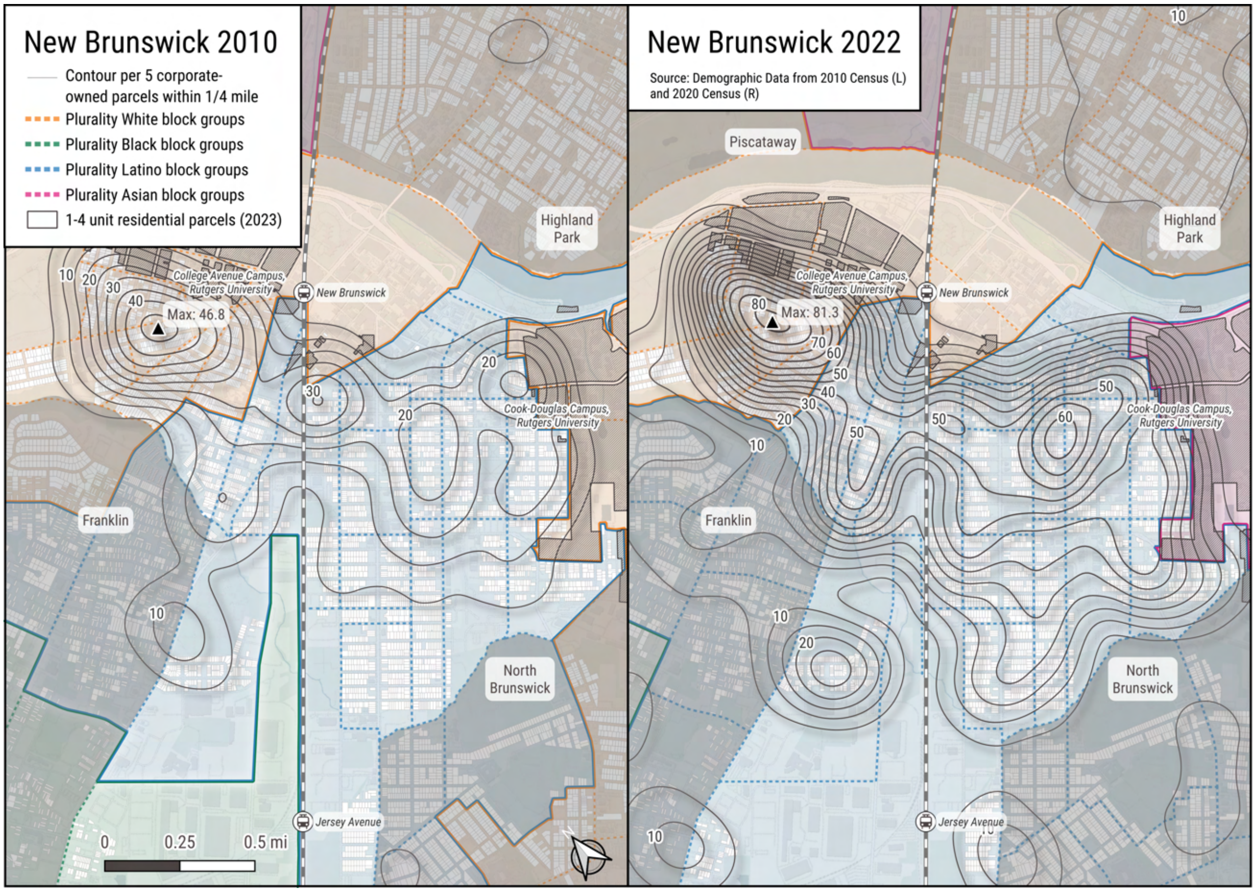

Figure 21: Corporate Ownership of Small Residential Properties in New Brunswick (2010 and 2022)

Passaic

Passaic is a city of about 70,000 people and 3.1 square miles located in Passaic County about 10 miles from New York City. Passaic is bordered by the Passaic River to the north and east, and the city's historical development stems from its location along this river, which provided power and a goods distribution system for textile mills and factories. Passaic has long been a destination for immigrants, many of whom historically worked in the city's factories. The Latino population grew substantially in the decades following the Second World War, and the city also has growing South Asian communities.

Demographics

Passaic is a predominantly Latino municipality. It has a lower-density area in the south that is majority white, while the rest of the municipality has a large and growing Latino population. The city's Black population living in areas with 1-to-4 unit housing is concentrated along Main Street near the western border with Clifton, though this population has fallen by half municipality-wide since 2000.

- Passaic City's total population increased by 4% between 2000 and 2020. The municipality had a 2020 population of 70,537.
- By the 2020 decennial census, the municipality was 73% Latino, 15% white, 6% Black, 4% Asian, and 2% other or multiracial.
- While the Latino population grew 22% to more than 50,000 from 2000 to 2020, all other groups lost population. The number of Black residents fell by half while other groups experienced less extreme losses between 2010 and 2020.
- The southern part of the city, below Paulison Avenue, contains a predominantly white section on a hill overlooking the Passaic River and with distant views of the New York City skyline. The rest of the city is predominantly Latino.
- 42% of the population is foreign born (2018–2022 ACS).

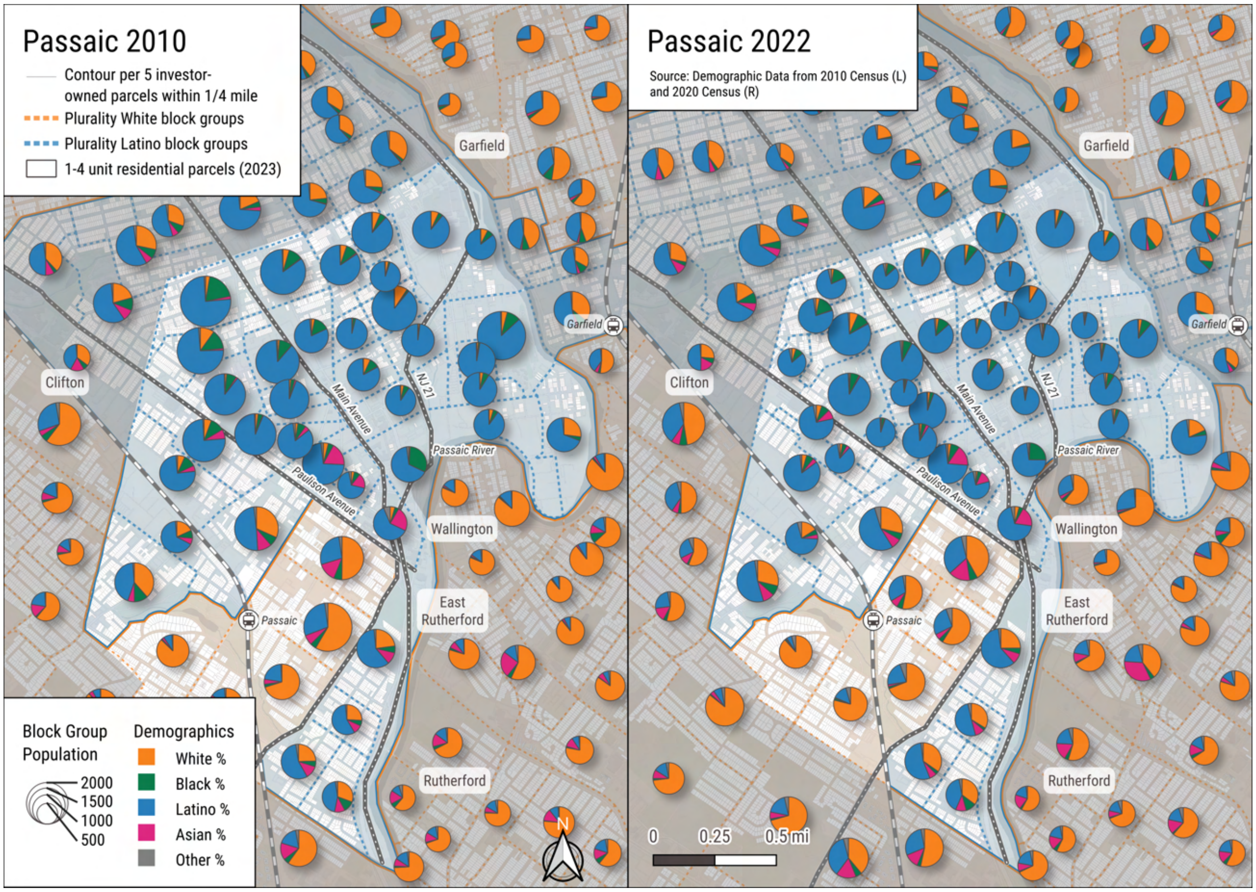

Figure 22: Demographic Composition of Census Block Groups in Passaic (2010 and 2020)

Housing Market

Home prices in Passaic have more than doubled over the past decade, but they remain moderate compared to many North Jersey municipalities. Passaic exhibits strong demand for rental housing and the greatest share of housing in 2-to-4 unit buildings among the municipalities we studied.

- Home values increased 250% since May 2012. The typical home value in 2024 was $547,400 (Zillow).
- Passaic is a majority renter city; 78% of housing units were renter-occupied (2020 Census). However, homeownership is higher in the southern part of the city near Clifton, in the same areas that are majority white. A greater share of units are renter occupied above Paulison Avenue.
- 55% of housing units were located in 1-to-4 unit buildings (2018–2022 ACS).

While many 1-to-4 unit residential properties are concentrated in the southern part of the city, there is another concentration north of Paulison Avenue, especially along Passaic's western and northern borders with Clifton.

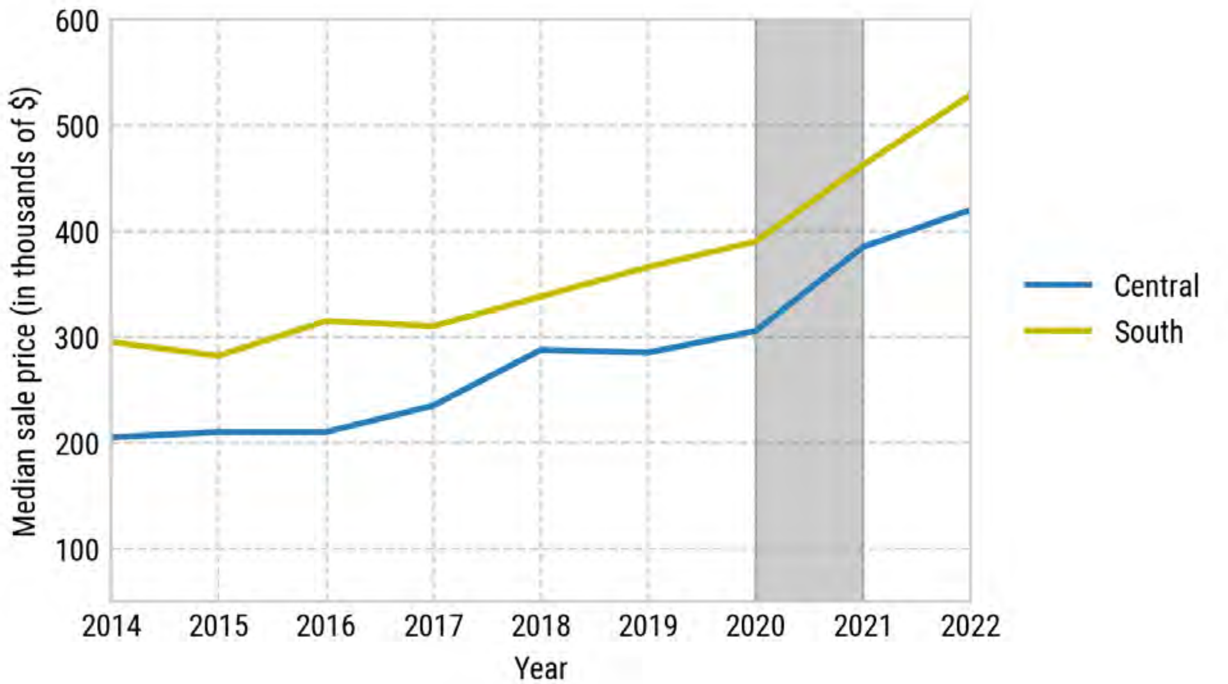

Figure 23: Median Sale Price, Passaic (2014–2022)

Home prices have been steadily rising across Passaic, though prices in the central part of the city, north of Paulison, are consistently lower than those in the southern part of the city, where properties are larger and homeownership rates are higher.[20]

The central part of Passaic experienced higher rates of high-cost lending and completed foreclosures in the leadup and aftermath of the financial crisis. In the area above Paulison and west of McCarter Highway, 43% of home purchase and refinance loans originated between 2004 and 2006 were high-cost (Tracts 1753, 1754, 1755, and 1758). This was 1.6 times the rate in the area below Paulison (Tracts 1756 and 1757). In the central area, 12% of 1-to-4 unit properties went through foreclosures between 2014 and 2019, more than twice the rate (5%) in the southern part of the city. This area is also where the Black population declined the most between 2010 and 2020 (see **Figure 22**).

[20] We use 2020 Census Tracts to define the central (175804, 175803, 175502, 175501, 175801, 175301, 175401, 175302, and 175402), and southern (175604, 175603, 175704, 175601, 175701, 175703) regions.

Corporate Ownership

Overall Trends

- Passaic had a relatively low overall level of corporate ownership in 2022 at 7% of all 1-to-4 unit housing units, up from just 2% in 2010.
- 18% of non-owner occupied housing units in 1-to-4 unit buildings were corporate-owned in 2022.
- 49% of corporate-owned properties were owned by entities with only one property in Passaic, and a further 33% by entities with fewer than five properties in the city.
- Most corporate owner mailing addresses are in Passaic and neighboring municipalities. Thirty-five percent of corporate-owned properties had a tax mailing address in Passaic, and 92% were located in New Jersey.

Spatial Patterns

Though Passaic does not have any hotspots of corporate ownership on the level of areas of Asbury Park or New Brunswick, corporate ownership does exhibit some degree of concentration above Paulison Avenue and in the residential areas closer to the city's western border with Clifton. The point of highest concentration of corporate-owned 1-to-4 unit properties in 2022 was located north of Hope Avenue, roughly on the city's border with Clifton, where the maximum value was 27 corporate-owned homes located within a quarter-mile distance. There were two other areas of high concentration within the city reaching roughly 25 properties within a quarter-mile. Both are located in the area between Main Street to the north and Paulison to the south.

In Passaic, we do not observe the same intensity of localized corporate ownership as in the other municipalities we studied. However, to the extent that there is corporate ownership concentration, it occurs in neighborhoods that have relatively lower home values, higher shares of renters, previously higher levels of high-cost lending and foreclosure, and greater concentration of Black and Latino residents. The wedge between Main and Paulison near the western border is where we see these variables come into closest correspondence.

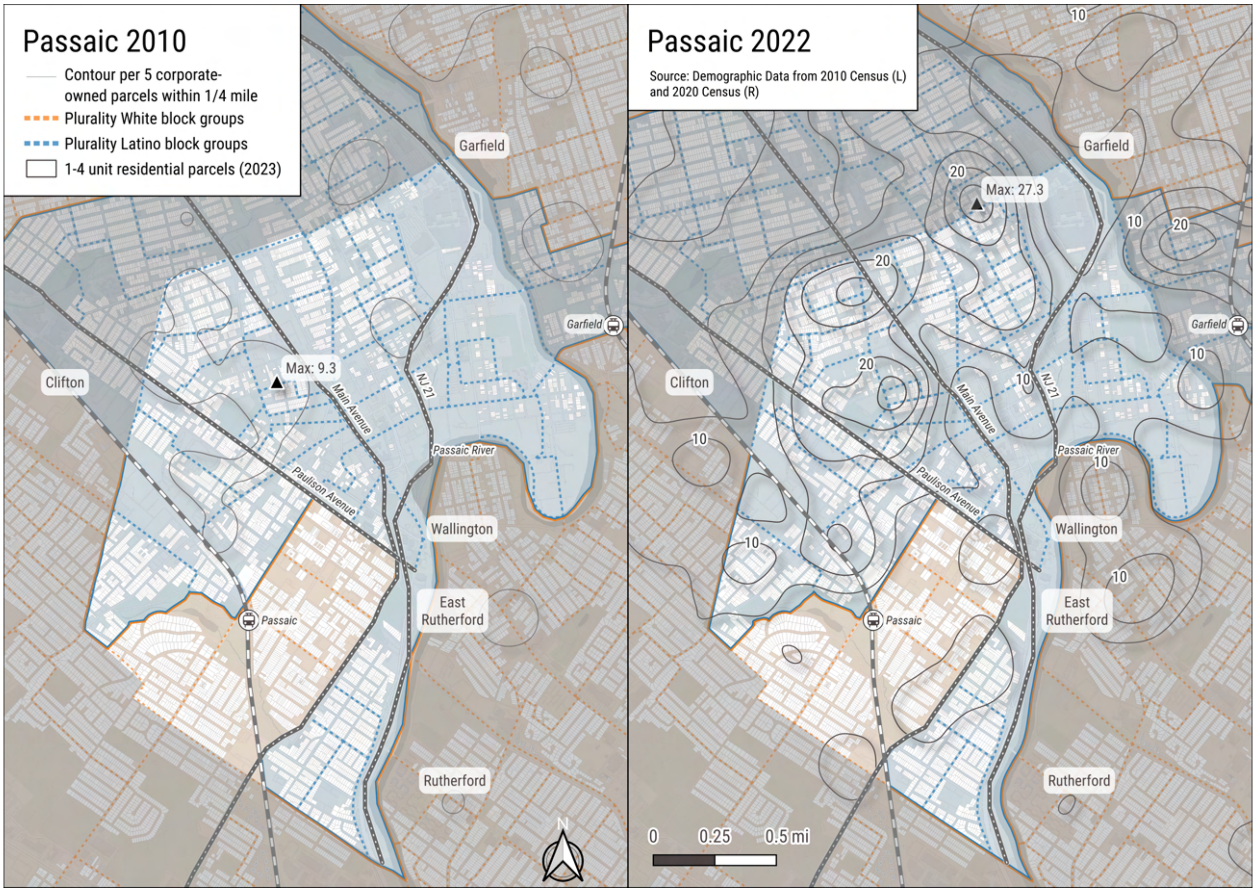

Figure 24: Corporate Ownership of Small Residential Properties in Passaic (2010 and 2022)

Phillipsburg

Phillipsburg is a town in northwestern New Jersey with a population of approximately 15,000, located in Warren County on the border with Pennsylvania. Easton, Pennsylvania, which is gentrifying, lies directly west across the Delaware River. Phillipsburg emerged as a node in transportation and shipping networks connecting Pennsylvania to New York. The Morris Canal connecting Phillipsburg to Newark opened in 1832, and the town was later a node on five different rail lines. Ingersoll-Rand, a manufacturer of heavy machinery which operated in the town from 1903 to 2000, was a major employer in the area and built employee and manager housing in several sections of town. Reflecting this legacy, Phillipsburg's downtown and main street are home to a variety of historic buildings in different architectural styles. Like many other municipalities, Phillipsburg experienced substantial disinvestment as a result of postwar suburbanization and deindustrialization. Passenger rail service was terminated in 1983, and the opening of Interstate 78 in 1989 connecting New York to Pennsylvania bypassed the town as a transportation node. In 2000, Ingersoll-Rand closed, eliminating many jobs. The state and town have deployed a number of strategies to attract investment including state Enterprise Zones, federal Opportunity Zone, and a variety of redevelopment plans, most recently targeting warehousing and logistics businesses.

Demographics

Phillipsburg's population has remained static over the past 20 years, as Black and Latino population growth has offset white population loss.

- Phillipsburg's population has remained largely static since 2000, increasing just 1% to 15,249 residents in 2020.
- By the 2020 census, the municipality was 64% white, 17% Latino, 13% Black, 6% other or multiracial, and 1% Asian.
- Though Phillipsburg remains majority white, it lost 28% of its white population between 2000 and 2020, while the Black population nearly tripled from just 502 people to 1,907, and the Latino population more than doubled from just 816 to 2,552.
- While the Black and Latino populations have increased in all parts of Phillipsburg, there is a greater representation of Black and Latino residents downtown and in the South Main Street area close to the downtown (see **Figure 25**).

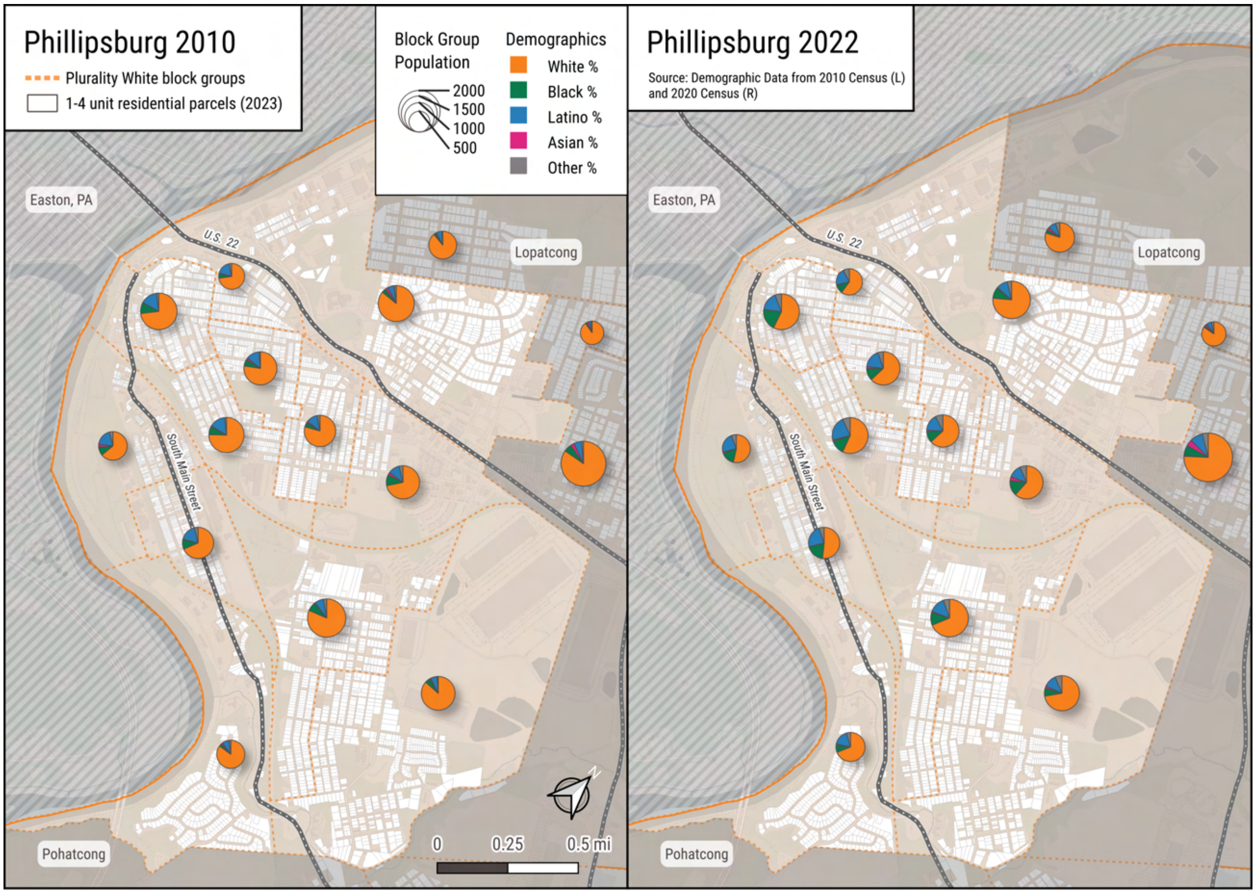

Figure 25: Demographic Composition of Census Block Groups in Phillipsburg (2010 and 2020)

Housing Market

Phillipsburg has relatively low home prices, though they have picked up since 2020 as in other New Jersey municipalities. Phillipsburg has the highest share of units located in 1-to-4 unit properties among the municipalities we studied, with the bulk of them single-family properties.

- Phillipsburg's home values have more than doubled since May 2012. The typical home value in 2024 was $315,000 (Zillow).
- 50% of households were renters in 2020. The rentership rate is highest in the area at the intersection of US-21 and Roseberry Street, which mainly has multifamily housing, but also in the South Main Street area above Abbott Street and the Lehigh Valley Railroad where most housing units are in 1-to-4 unit buildings. In this South Main area, the rentership rate is 72%, and 71% of units are in 1-to-4 unit buildings.
- 88% of housing units were located in 1-to-4 unit buildings (2018–2022 ACS).

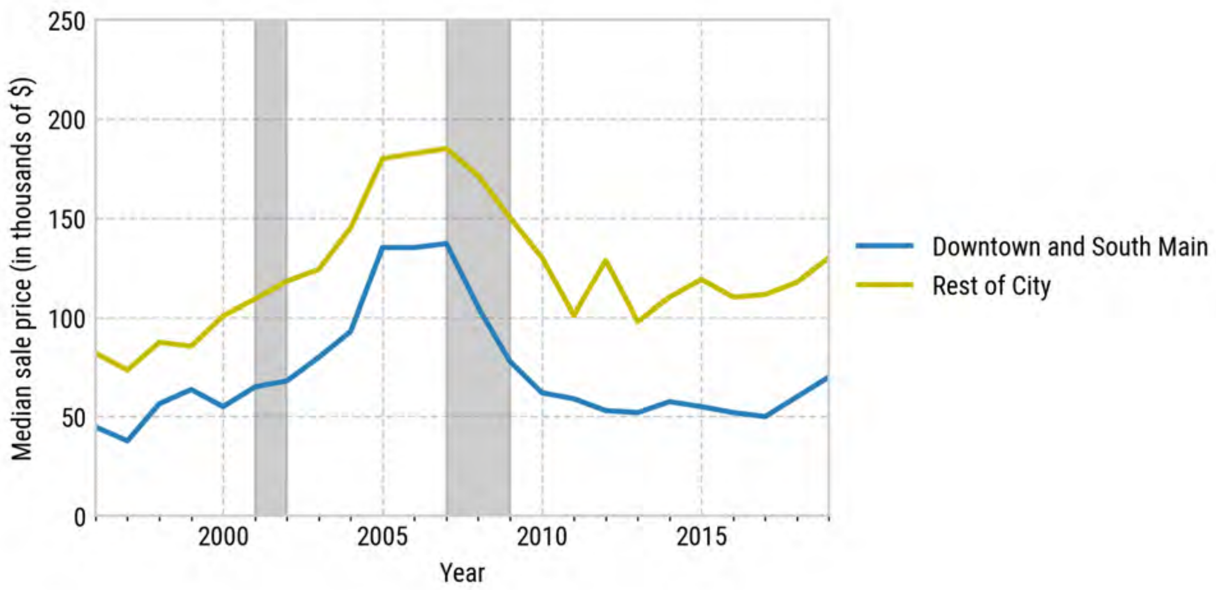

Figure 26: Median Sale Price, Phillipsburg (1996–2019)

While home values have doubled since 2012 in Phillipsburg, sale prices downtown and in the South Main area have been consistently lower than in other parts of the town.[21] In the downtown and South Main Street area, 37% of home purchase and refinance loans between 2004 and 2006 were high-cost, higher than the 26% value for the the rest of Phillipsburg. In the downtown and South Main Street area, 11% of 1-to-4 unit properties went through foreclosures, higher than the 7% rate for the rest of the municipality.

Corporate Ownership

Overall Trends

- Phillipsburg had a corporate ownership rate of 10% of all 1-to-4 unit housing units in 2022, up from just 2% in 2010.
- 31% of non-owner occupied housing units in 1-to-4 unit residential buildings were corporate-owned in 2022.
- About one-third of corporate-owned properties had an owner with just one property in Phillipsburg, and a further third had an owner with fewer than five properties.
- There were 10 owners with 10 or more properties, half of them corporate entities. The largest owner, a corporate entity, had 15 properties.
- 20% of corporate tax mailing addresses were in Phillipsburg, and 76% of tax mailing addresses were in New Jersey (another 14% were in Pennsylvania).

[21] We define the downtown and South Main area as 2020 Census Tract 30700 and Block Groups 309001 and 309002.

Spatial Patterns

Corporate ownership is highly concentrated downtown, where the maximum value was 51 corporate-owner homes within a quarter-mile distance. Another point of high concentration was located around South Main Street. The rate of corporate ownership in the downtown and South Main Street area in 2022 was 15%, three times the rate for the rest of Phillipsburg.

In Phillipsburg, corporate ownership is concentrated in areas with very low home values, previously high levels of high-cost lending, and higher foreclosure rates. These are also areas with the highest share of Black residents and relatively larger shares of Latino residents.

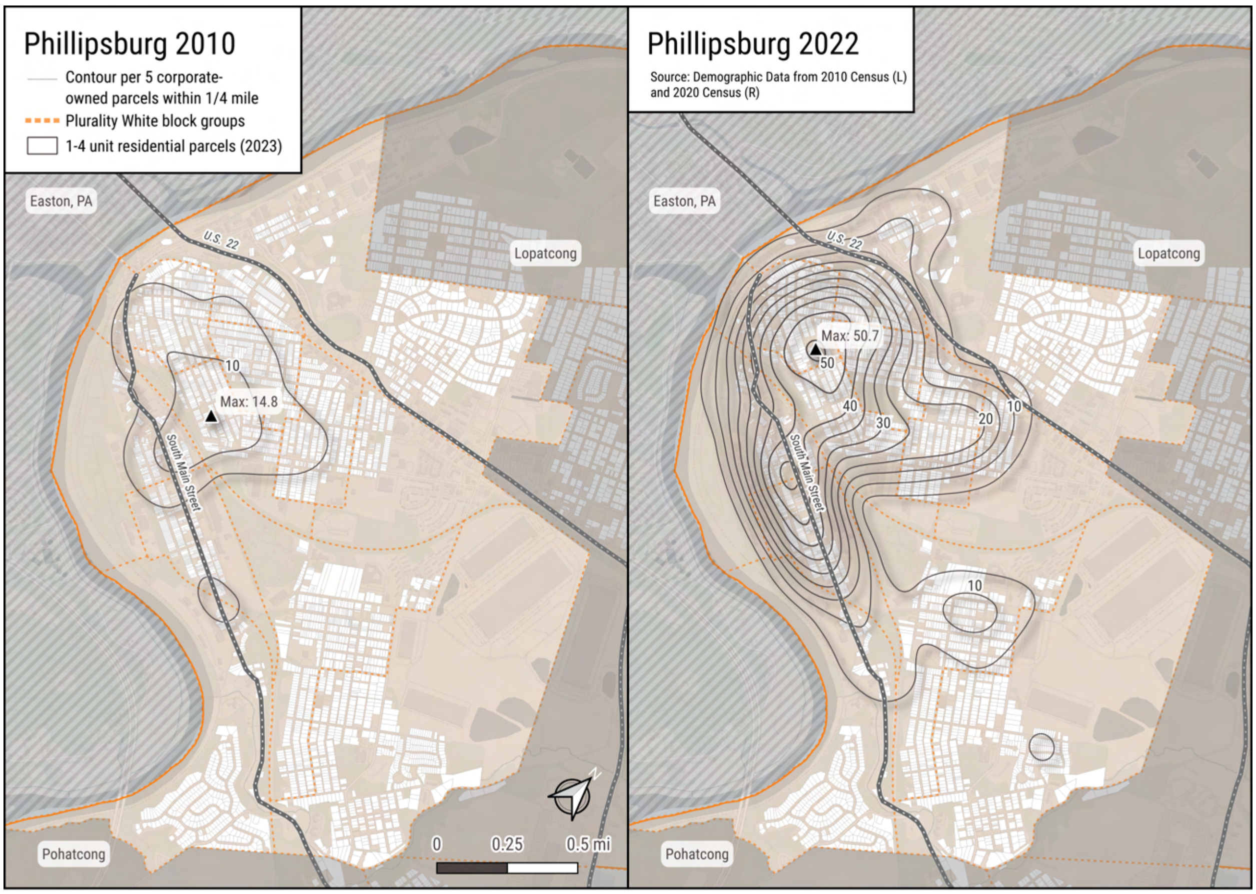

Figure 27: Corporate Ownership of Small Residential Properties in Phillipsburg (2010 and 2022)

West New York

West New York is located in Hudson County, across the Hudson River from the Upper West Side of Manhattan. The third-densest municipality in the state, with 50,000 people in only one square mile, West New York emerged as a center of embroidery industry by the early twentieth century when it experienced substantial growth. Cuban refugees came to the area in the 1960s and 1970s in the wake of the Cuban Revolution. West New York became majority Latino as groups that had migrated to the area earlier moved to the suburbs and immigration first from Cuba and later from Mexico and parts of Central and South America changed the demographic composition of the town. Many higher-income households and people employed in Manhattan also live in West New York, which is easily accessible to Manhattan via ferry, rail, bus, and car. Most of West New York sits above the Palisades, but an area known as Port Imperial lies at the base of the cliffs along the Hudson River. This area has been the site of extensive redevelopment over the past several years, with large-scale luxury developments rising along the waterfront. New highrise development is also expanding in the area above the Palisades, especially within walking distance of the Bergenline Avenue light rail station.

Demographics

The majority of West New York, located above the Palisades looking over the Hudson River towards Manhattan, is predominantly Latino, with an established Cuban population and a growing share of residents from Central and South America. The redeveloped area around Port Imperial has significantly higher proportions of white and Asian residents.

- The municipality had a 2020 population of 52,912, 16% higher than its 2000 value.
- By the 2020 census, the municipality was 76% Latino, 13% white, 7% Asian, 2% Black, and 2% other or multiracial.
- Between 2000 and 2020, the Latino population grew 11% to more than 40,000 people, the Asian population grew 189% to 3,753. The Black population grew 88% to 1,254, and the white population declined 6% to 6,649.
- Most of the growth in the Asian population was concentrated in Port Imperial.
- Most of the population and essentially all of the 1-to-4 unit residential properties are located above the Palisades.
- 59% of the population is foreign born (2018–2022 ACS).

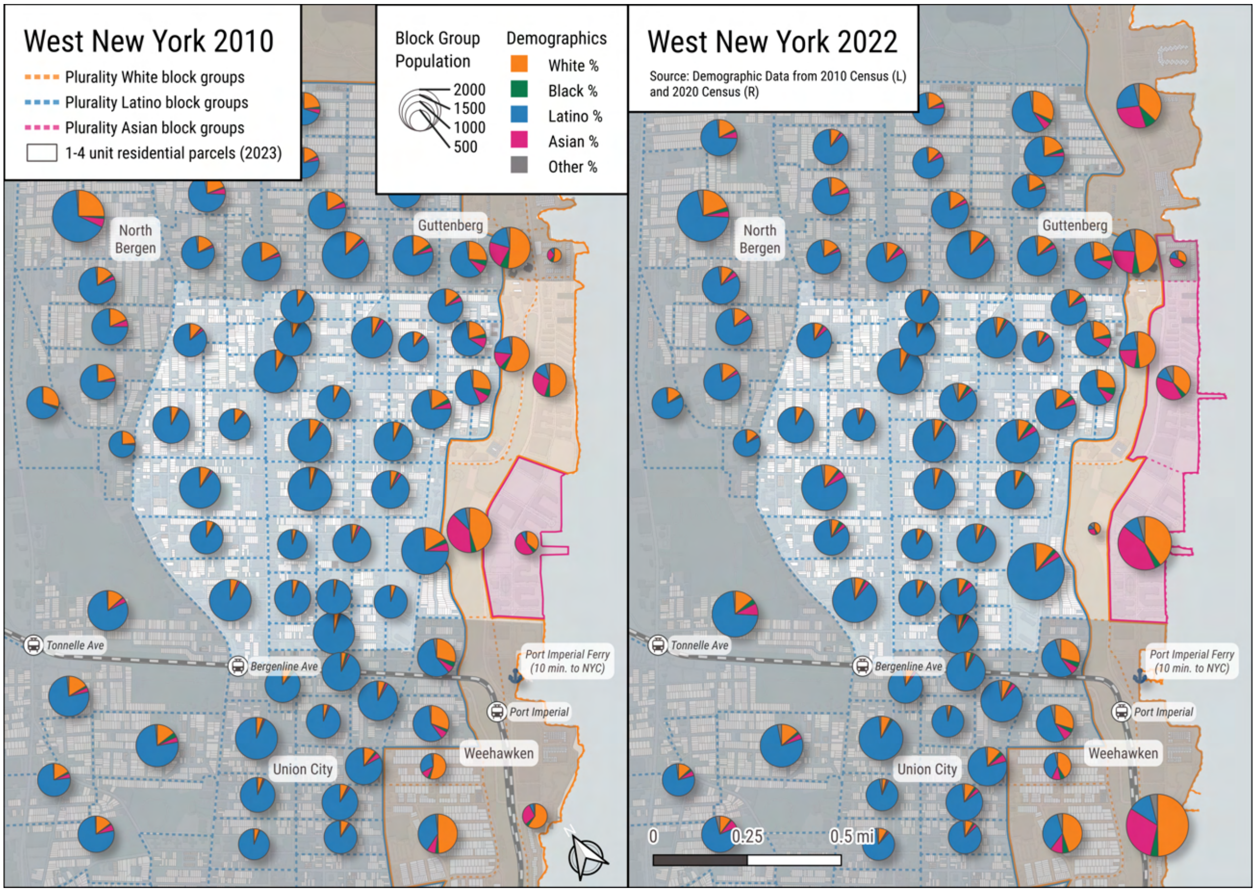

Figure 28: Demographic Composition of Census Block Groups in West New York (2010 and 2020)

Housing Market

West New York's housing market tumbled after the recession but has picked up steadily since 2012. The municipality has particularly strong demand for rental housing and has a low homeownership rate. In the core area of the municipality above the Palisades, much of the housing consists of 1-to-4 unit properties, many of which are renter occupied.

- West New York's home values more than doubled since May 2012. The typical home value in 2024 was $589,100 (Zillow).
- West New York is a majority renter municipality; 81% of housing units were renter-occupied (2020 Census).
- 35% of housing units were located in 1-to-4 unit buildings (2018–2022 ACS), most (96%) of which are located above the Palisades.

The median sale price for a 1-to-4 unit property in West New York has risen substantially since a decline during the Great Recession, reaching or exceeding $600,000 by 2022. Unlike most of the cities we studied, the section of West New York above the Palisades does not exhibit substantial variation in demographic and housing characteristics.

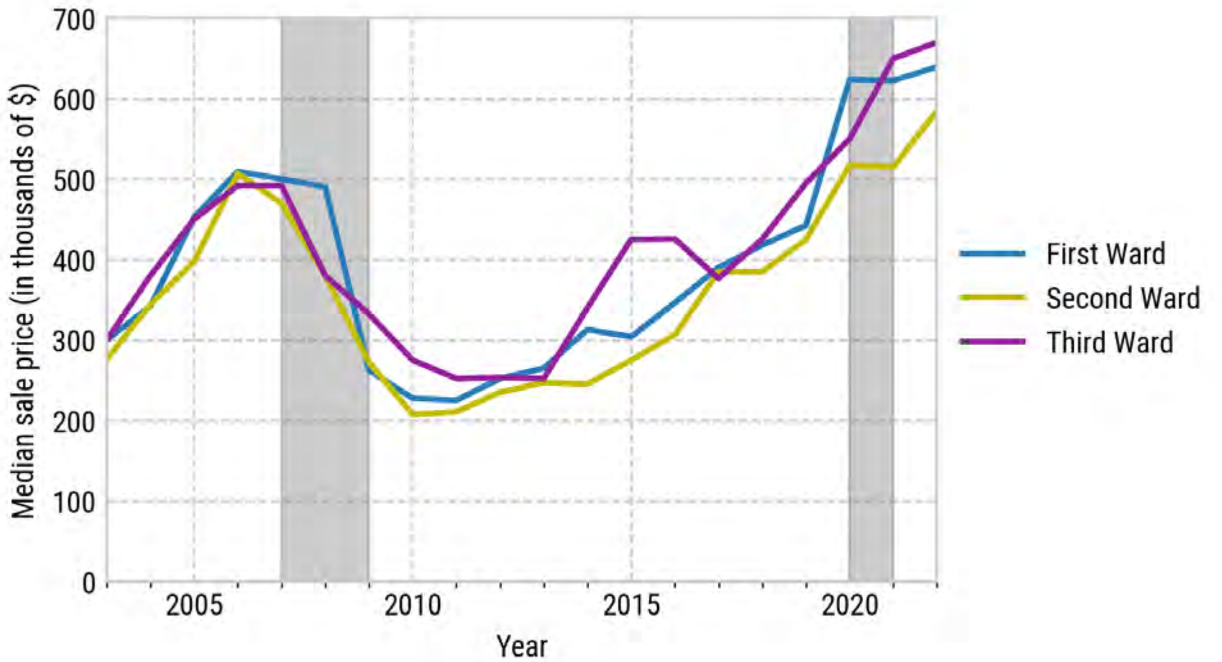

Figure 29: Median Sale Price, West New York (2003–2022)

In the lead-up to the financial crisis, 20% of all home purchase mortgages originated in West New York from 2004 to 2006 were considered high-cost loans, and 23% of refinance mortgages were high-cost. West New York did not see the same volumes of foreclosures as other communities, possibly the result of strong demand for housing in Hudson County during this period that kept properties from reaching foreclosure sale. High-cost lending did exhibit spatial patterns, with the western part of the municipality more heavily impacted than areas adjacent to the waterfront. Though there were fewer sales of foreclosed homes, corporate owners accounted for the majority of foreclosed home buyers (67%), the most among the municipalities we studied.

Corporate Ownership

Overall Trends

- West New York had a corporate ownership rate of 10% of all 1-to-4 unit properties in 2022, up from just 2% in 2010.
- 37% of non-owner occupied 1-to-4 unit properties were corporate-owned in 2022.
- Most (57%) of the corporate owners have just one property in West New York. About a third (32%) own between two and four properties in the town.
- There are no corporate owners with 10 or more properties in West New York.
- About a third (32%) of corporate owner tax mailing addresses were in West New York, and 91% were in New Jersey.

Spatial Patterns

Corporate-owned properties were not as concentrated in specific neighborhoods as in many of the cities we studied. Instead, these properties are more evenly distributed across the town. This likely reflects that there is relatively greater homogeneity in the market for 1-to-4-unit properties, excluding condos. West New York above the Palisades is relatively similar in terms of demographic and housing market characteristics. While West New York might offer value for professionals working in Manhattan, home values there are high relative to other parts of New Jersey. There were fewer foreclosures and therefore fewer properties for investors to acquire at substantial discount.

In West New York, we do not observe a great deal of clustering of corporate ownership, nor do we observe substantial variation in demographics or housing market dynamics in the area above the Palisades. However, West New York ranks third among the municipalities we studied in terms of overall corporate ownership in 2022. Corporate investors have likely been drawn to West New York's 1-to-4 unit properties, particularly those that can be purchased at discount, for a variety of reasons, in some cases to tear them down to be replaced with larger developments.

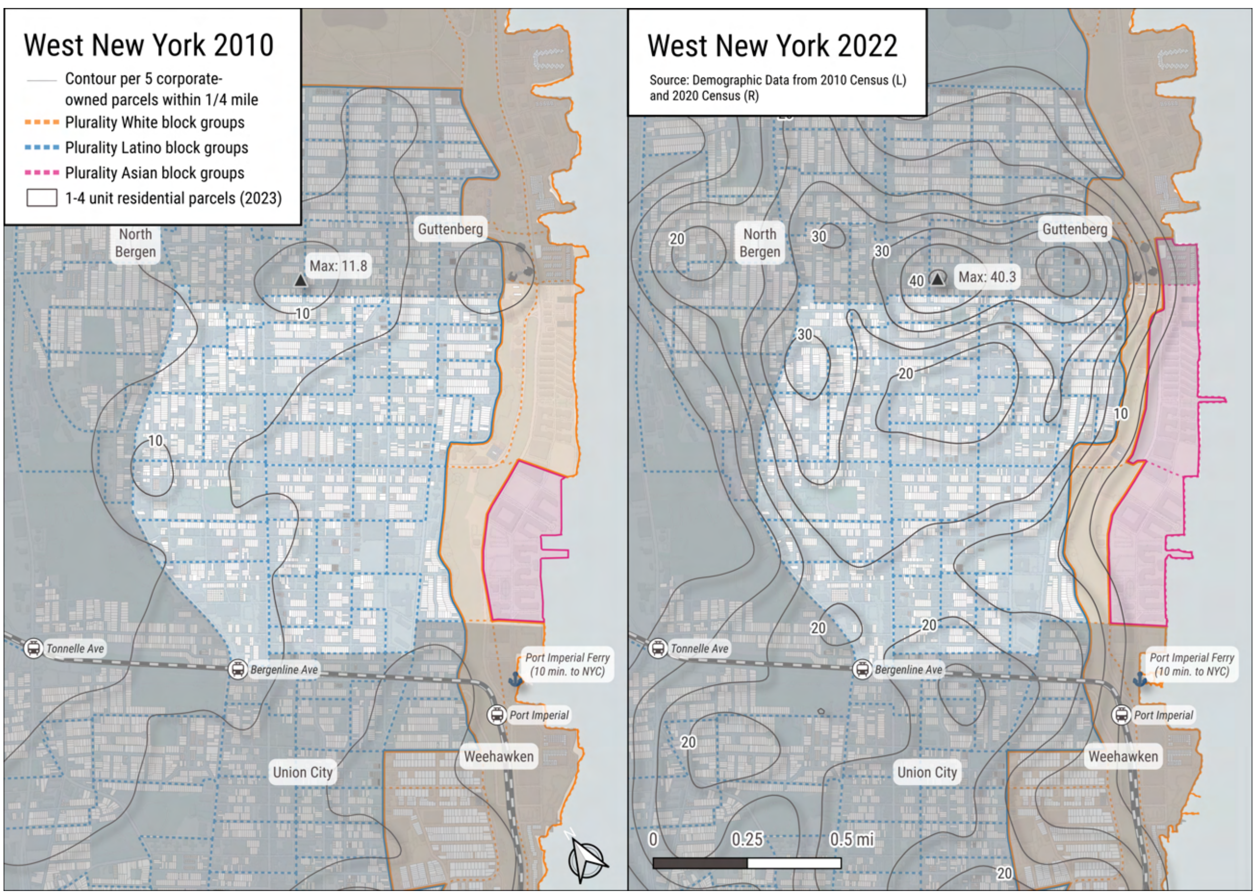

Figure 30: Corporate Ownership of Small Residential Properties in West New York (2010 and 2022)

Discussion

In this report, we explored the spatial and temporal patterns of corporate investment in 1-to-4 unit residential properties in seven New Jersey municipalities between 2010 and 2022. We found that:

- Corporate ownership of 1-to-4 unit residential properties **increased in all seven cities** between 2010 and 2022. In some cities, like New Brunswick, this increase was dramatic. In other municipalities like Montclair, the increase was more slight.
- In most cities, **corporate ownership is concentrated in one or two neighborhoods**, especially those that historically had larger numbers of Black residents, high rates of foreclosure in the past decade, and/or areas with large numbers of Latino immigrants or students. In West New York and Passaic, corporate ownership is more diffuse.
- Consistent with existing housing policy research, we have found that across the cities we studied, **high rates of high-cost lending and foreclosures before the financial crisis are associated with higher rates of corporate ownership**.
- In most cities, **corporate owners own a small number of properties on average**. New Brunswick is the only municipality we studied where a small number of corporate owners own many properties. Very large institutional investors like Invitation Homes are not a major portion of the corporate ownership ecosystem for 1-to-4 unit residential real estate in New Jersey.
- Most corporate owners do not have mailing addresses **in the same municipality as their holdings, but in every municipality we studied at least three quarters of corporate-owned properties were owned by entities located in New Jersey**, and the majority of non-New Jersey owners were located in Pennsylvania and New York. The three municipalities with the lowest rates of corporate owners with addresses in the municipality (New Brunswick, Millville, and Phillipsburg), also have the lowest housing costs among the cities we studied.

Next Steps

Though this work answered the questions we set out to explore, it also raised a set of questions about the implications of corporate ownership for tenants, potential homebuyers, and neighborhoods. We suggest that future work consider these five sets of questions:

- First, are all or some subset of corporate buyers contributing to rising rental prices as a function of their business models? For example, some investors might have purchased properties in places where they perceived that current rents were below market value. Other investors might have purchased properties in order to upgrade them and rent for higher prices.
- Second, is corporate investment making it more difficult for potential homebuyers to purchase homes? While high prices and interest rates currently pose substantial barriers to buying, corporate investment in relatively lower-cost properties might have exacerbated difficulties in expanding homeownership for moderate-income households.
- Third, have some corporate investors made it easier or more difficult for tenants using Housing Choice Vouchers to find housing? Some investors, by raising rents beyond existing or previous levels, might put housing formerly accessible to someone with a voucher out of reach of the voucher program's rent price caps. Other corporate investors might deliberately market their properties to voucher holders, particularly in areas with lower incomes, to generate their desired rate of return.
- Fourth, what are the effects on neighborhood conditions? Some corporate investors, particularly in lower-cost markets, may not be as likely to invest in and adequately maintain their properties.
- Fifth, what is the impact of increased corporate owner purchases in communities of color especially in areas that had historically been racially segregated?

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