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## **U.S. Investor Home Purchases Fell 6% in the Second Quarter, the Biggest Decline Since 2023**

*Redfin reports investor purchases of U.S. homes fell to their lowest springtime level since 2020*

SEATTLE — Sept. 4, 2025 — U.S. real estate investors purchased roughly 52,000 homes in the second quarter, the lowest level for that time of year since 2020, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. That's down 6% from a year earlier, the biggest drop since the fourth quarter of 2023.

The report is based on a Redfin analysis of county-level home purchase records across 39 of the most populous U.S. metropolitan areas going back through 2000. Redfin defines an investor as any institution or business that purchases residential real estate, meaning its report covers both institutional and mom-and-pop investors.

Real estate investors are pulling back for similar reasons individual homebuyers are pulling back: high borrowing costs, elevated home prices and economic uncertainty.

It's more expensive for investors to finance their purchases than it has been in the past. Even though most investors pay in cash and don't take out mortgages to buy homes, they often take on other loans to fund things like renovations, and interest rates are much higher than they were during the pandemic. Additionally, home prices remain [near record highs](#).

Asking rents have also [declined from their peak](#) in much of the country. Additionally, the short-term rental market has [cooled](#) in some areas amid tightened regulations. That's a turn-off for investors who buy properties to rent them out.

### **Profit Growth Is Shrinking, Turning Off Some Investors**

The typical investor earned \$195,934 in capital gains via selling a home in the second quarter, up 1.7% year over year. For comparison, at the start of 2021, investor capital gains were up more than 30% year over year as investors snapped up properties and quickly sold them for a big profit during a time of booming homebuying demand. It's also worth noting that the share of homes investors sell at a *loss* rose slightly in the second quarter. Just under 7% of homes investors sold in the second quarter brought in less than it was bought for, up from 5% a year earlier.

“For real estate investors, the numbers just don't pencil out the way they did a few years ago, whether they're looking to flip a home or rent it out,” said Redfin Senior Economist [Sheharyar Bokhari](#). “It costs a lot to buy a home, and potential returns are simultaneously softening. That doesn't mean investors are disappearing—they're still buying nearly one in five homes in the country—but they're being choosier about their home purchases, just like individual homebuyers.”

Still, many investors are likely taking advantage of the buyer's market and getting homes for under their asking price and/or successfully getting concessions from sellers. In a market in which there are hundreds of thousands [more](#) home sellers than buyers, investors—just like regular buyers—have a chance to get a deal on certain homes.

### **Investor Purchases of Condos Drop 13% Year Over Year**

The decline in investor purchases is especially big for condos. Investors bought roughly 9,500 condos nationwide in the second quarter, the lowest level for that time of year since 2013, aside from the onset of the pandemic in 2020, when the housing market ground to a halt.

That's down 13% year over year, the biggest drop in nearly two years. It's also at least triple the decline for any other property type: Investor purchases of single-family homes and townhouses fell 4%, and purchases of multi-family properties fell 2%.

Investor purchases of condos are falling for many of the same reasons why individual purchases of condos are [falling](#). Many condo buildings come with high HOA fees and special assessments for maintenance, which exacerbate already-high sale prices and mortgage rates. Condos are viewed as an increasingly risky investment because those costs have been rising, so a lot of individuals and investors are shying away, nervous that the value of their condo will go down in the future.

For investors, there are additional factors making condos less attractive than they used to be. Many investors buy condos specifically to rent them out as apartment-style homes, but slowing rent growth and rising vacancies in certain cities is making that investment strategy less attractive. Condos also typically rise in value more slowly than single-family homes—and in some places, they're falling in value—which makes them less attractive to investors who buy properties to hold onto them and sell them later. While investors typically try to buy low and sell high, many believe condo prices will fall and are trying to time the bottom of the market.

“The condo market is the slowest I've seen in at least a decade,” said [John Tomlinson](#), a [Redfin Premier](#) agent in Fort Lauderdale, FL. “Buyers are wary of putting offers on condos—and many are cancelling contracts after they've made offers—because costs have increased so much and they're nervous that they'll continue rising in the future. HOA fees are high, a lot of insurance companies won't cover condo buildings on the coast, and some mortgage lenders are quoting higher rates for condos. If you're an investor, you can't count on making money from a condo right now.”

### **Investors Purchase Nearly 1 in 5 Homes, Flat From a Year Ago**

Real estate investors purchased 17% of U.S. homes that sold in the second quarter, unchanged from a year earlier.

Zooming in on condos, investors purchased 17% of condos that sold in the second quarter. That's down just marginally from 18% a year earlier.

Investors purchased 16% of single-family homes that sold in the second quarter, flat from a year earlier, and 15% of townhouses, also flat. They purchased 33% of multi-family properties, unchanged year over year.

Investor market share overall and for condos is essentially unchanged year over year while investor *purchases* are falling. That illustrates that the decline in investor activity mirrors the decline in overall homebuying activity.

### **Investors Are Pulling Back From Florida Fastest**

In Orlando, FL, investor purchases fell 25% year over year in the second quarter—the biggest decline among the metros in Redfin’s analysis. It’s followed by Fort Lauderdale, where investor purchases fell 21%.

Investor purchases also fell in several other Florida metros. They declined 16% in Jacksonville, 15% in West Palm Beach, 13% in Tampa, and 12% in Miami.

In Florida, investors have been backing off for years because buying a home to rent it out or flip is not nearly as appealing as it once was. Home prices are dropping, inventory is high, and HOA fees and insurance costs are soaring amid the increasing frequency of natural disasters.

On the other side of the coin, investor purchases rose most on the West Coast, led by Seattle, where they increased 51% year over year. Next come San Francisco (24%) and Portland, OR (14%).

To view the full report, including charts, additional metro-level data, and full methodology details, please visit: <https://www.redfin.com/news/investor-home-purchases-q2-2025>

### **About Redfin**

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin’s clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at [Redfin.com/news](https://www.redfin.com/news). For more information about Rocket Companies, visit [RocketCompanies.com](https://www.rocketcompanies.com).

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