Prodigal single-family rentals are staying put — for now

During the aftershock of the housing bust eight years ago, flipping or fixing up and renting ex-foreclosures was almost as easy as minting money. Four to six million foreclosures -- about as many homes as are sold nationally every year -- became rentals and contributed to today's inventory drought. Now that defaults have nearly disappeared and acquisition prices are through the roof, home values are soaring, and the three-year drought has turned most of the nation's markets into sellers' paradises. Some observers (including me) have speculated that this could be the year that many wayward rentals would return to homeownership. Most of them are the smaller, more affordable properties that are appreciating double-digit rates. There's some early evidence that most of the nation's 14 million or so mom-and-pop investors are staying put; high acquisition prices and tight supplies are taking a toll on new investor purchases. New purchases by investors have declined Ne...

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