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## Wealthy investors keep buying metro Phoenix homes to rent



Home for sale.

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The Republic | [azcentral.com](http://azcentral.com)

Fri Mar 8, 2013 12:23 PM

Billion-dollar investors backed by Wall Street continue to buy metro Phoenix houses with plans to turn them into rentals.

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New York-based Blackstone Real Estate, buying through a Tempe partnership called Treehouse, has spent several million dollars on houses in the region over just the past few weeks. At the end of 2012, almost 25 percent of all the region's homes were owned by investors, according to an *Arizona Republic* analysis.

Recently, a couple of former New York fund managers and a real estate investor partnered to create a new Phoenix-based group that not only is buying rental homes but also building them. Blank Berger has bought 45 single-family houses in the past year and has plans to build as many as 185 new homes to be bought or rented in Gilbert.

The group is made up of Darryl Berger Jr., real estate investor and Ben Quayle's brother-in-law; Matt Blank, a co-founder of hedge fund Longpond Capital; and Sam Blank, a former executive with real estate private equity fund RCG Longview.

The Blanks' father, Robert Blank, was a longtime board member of the publicly-traded home builder Toll Brothers.

Berger said he and his partners formed the investment and construction firm "to take advantage of Arizona's exploding housing recovery."

He believes their group is one of only a few building single-family houses to rent instead of to sell.

Since 2009, investors have snapped up tens of thousands of houses in all-cash deals, helping to stanch the bleeding in metro Phoenix's real-estate market. Their purchases have driven up the region's median home price 35 percent in the past year and significantly cut the supply of houses for sale.

During the past year, hedge funds and real estate investment trusts have been buying metro Phoenix homes from other investors, who purchased them only two to three years ago.

What investors ultimately plan to do with the more than 300,000 homes they own in metro Phoenix is the multibillion-dollar question. For now, the majority of investors are renovating and renting out the properties.

### Foreclosure milestone

The number of metro Phoenix homes taken back by lenders through foreclosure fell below 1,000 last month, the lowest level since 2007.

In February, there were 989 foreclosures, according to Information Market.

Foreclosure starts, or notice of trustee sales, fell to 1,681 in February from 2,245 in January.

Tom Ruff, real estate analyst with the Information Market, which is now owned by the Arizona Regional Multiple Listing Service, doesn't expect foreclosures to climb significantly in the near future.