

JOINT ARCH & MSRED Clinic - Private Equity & Housing Scarcity

Course #:PLANA6853, Call #:10973, Time: Thursdays from 4:30pm - 6:30pm

The 2008 financial crisis threw as many as 16 million homes into foreclosure proceedings, and more than six million were foreclosed. As the crisis ebbed, hundreds of thousands of single-family homes were purchased by financial institutions as a part of a new investment strategy known as the Single-Family Rental (SFR). More homes were foreclosed over just a few years during the Great Recession than were ever realized during the entire 75 years of federally assisted public and affordable housing programs.

There are not many reliable estimates of how many single-family homes are institutionally owned, however, there are regions of the country where more than 50% of recent sales were to institutional investors. This joint clinic will seek to evaluate the scale of the SFR thesis and whether this strategy has contributed to our current housing crisis and to the longer term question of housing scarcity. There is also an increasing skepticism that private equity firms are growing too big to fail. With investment holdings in the trillions of dollars, a large portion of which are public pension funds, we will seek to determine if these firms are still doing right by investors or if they are just chasing the next best idea in their tireless pursuit to raise more and more money.

GSAPP Clinics - This course is offered as a GSAPP Clinic. The course will merge with an MArch design studio led by Michael Bell, Professor of Architecture, in a collaborative project that builds on expertise from both programs. The studio segment will meet on Monday and Thursday between 1:30 pm and 6:30 pm. On Thursdays the course and studio meet between 4:30 pm and 6:30 pm. Research and Design proposals will be developed within each program but also in collaboration. Expectations include analyzing the current and projected scope of SFR; its potential evolution including in the realm of energy and embodied energy; its physical or architectural transformation; and its potential disaggregation in a future scenario.