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## Quality Control Standards for Automated Valuation Models

In order to detect systemic issues of private capital buying up affordable housing subsidized with public funds, undermining public policy and expropriating public funding, measuring relative value through affordability indexes and HPA attribution given mortgage rates, household formation, migration, economic growth, etc.

During the [pandemic](#), a rash of private equity and asset management firms integrated \$1.8 trillion of cash proceeds into global real estate for rental income...

pushing up home price appreciation ([HPA](#)) 40% in the US between 2020-21,

followed by predatory rent increases at 2-3x inflation,

which has been the primary driver of post-pandemic core inflation.

The [National Association of REALTORS®](#) May 2022 Research

"Impact of Institutional Buyers on Home Sales and Single Family-Rentals" provides granularity.

Institutions used instant buyers(e.g., [Zillow](#), etc.) and automated valuation models ([AVMs](#)) to make price insensitive concentrated purchases in specific zip codes, counties, and states in the US and globally.

In markets with low-float, they were price setters and cash buyers targeting affordable housing, millennials, minorities, and college-educated people in the south.

The also acquired "Mom and Pop" rentals which offered lower rents in restraint of trade.

In Texas, a peak of 28% of all real estate transactions were by institutions, and much higher in cities like Austin, Dallas, and Houston.

These purchases were followed by predatory rent increases and automated evictions on a mass scale.

State and localities receive HOME fund from [HUD](#) each year for affordable housing, to spend on things such as rental assistance, assistance to homebuyers, new construction, rehabilitation, and improvements.

Private equity and asset management firms expropriated the value of federal grants, and subverted the social policy purpose of federal support for affordable housing.

Checklist:

-source of investor funds ([AML](#), [KYC](#), laundered [inflated crypto](#))

-misappropriation and diversion of public funds

-violations of fair housing act

-antitrust (predatory rent increases, collusion, restraint of trade)

-[REIT](#)-backed [token](#) of newly acquired global real estate and [stablecoin](#) issuance for interoperable blockchains enabling anonymous transactions to return [sanctioned](#) investor funds

-[voting](#) infringement mechanism with disparate impact of evictions and displacement by race, age, and other demographics to alter election outcomes

[The Texas Tribune](#) June 8, 2023 - ([Lucy Tompkins](#)):

Houston has seen eviction rates soar since pandemic protections for renters lapsed [and rents have skyrocketed.]

[The Life Properties](#) at Jackson Square... is where Houston's affordable housing and eviction crises collide...

...the complex, owned by New York investment company [Olive Tree Holdings](#), is the site of more [evictions](#) than any other in Harris County.

The company uses [evictions](#) not as a last resort... but as an [automated](#) and efficient [tool](#) for enforcing rent collection by threatening [displacement](#).

The [Houston](#) metro area has seen 42% more [eviction](#) filings in the last year than a typical year before the [pandemic](#)... according to [Eviction Lab](#).

The crush of eviction filings throws renters into a system that all but guarantees they will lose their homes and carry a permanent mark on their rental record.

"We hate to go through this eviction process," President [Jamin Harkness, CAM, CAPS](#) said.

After the third of the month, tenants who have missed the rent due date are [locked](#) out of the online payment portal, after which they can expect a notice on their door giving them three days to leave, Harkness said.

...filing eviction suits en masse costs \$129 for one filing and \$75 for each additional defendant in Harris County.

"Not only are they going to end up collecting rent, they're going to get late fees, they're going to get the filing fee... paid off by the tenant, and then the tenant will be less able to move..." Peter Hepburn said.

"This is the business model."

The ease of this process has enabled Houston's eviction filing rate to rise to... one eviction for every 10 renter households in the past year...

with Life Properties at more than 1 in 3 of its units — or a filing rate of about 37%.

Fewer than 2% of tenants in Harris County had [[legal](#)] representation last year, according to [January Advisors](#), leaving...

In Texas, tenants can't withhold rent if a landlord won't make repairs...

**The hammer of eviction does not fall equally: About a quarter of all renters in Houston are Black, yet they made up 48% of defendants in eviction court over the past year, according to [Eviction Lab](#).**

**Best regards,**

**Tony S. Hamer**

