Real Estate Investors Back in the Game: Property Types They Want Most

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Investor activity had been waning since the pandemic started, but according to the latest data, that's starting to turn around. According to [a new report](https://www.redfin.com/news/investor-home-purchases-q1-2021/) from real estate brokerage Redfin, [investor](https://www.millionacres.com/real-estate-investing/real-estate-investing-guide/) home purchases were up nearly 3% over the year in Q1 -- the first quarterly incline since the [pandemic](https://www.millionacres.com/real-estate-market/coronavirus-resources/) began. During the previous three quarters, investor purchases had dropped as much as 45%.

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It's true: About 1 in every 7 houses is bought by some type of investor these days. Investors now make up about 15% of the total market share.

Redfin senior economist Sheharyar Bokhari said:

*Investors are likely starting to feel more comfortable because the economy is in recovery mode. They also may be jumping back in because they see the intensifying shortage of homes for sale as an opportunity. With so few houses on the market, many families are resorting to rentals. Flush with cash, investors are able to snap up the homes that are available, and then turn around and rent them out to folks who can't find a home or are priced out of homeownership.*

What are investors into?

The most attractive buy for investors these days is the [single-family property](https://www.millionacres.com/real-estate-investing/rental-properties/single-family-vs-multifamily-investing-good-bad-and-different/). According to Redfin's data, single-home purchases by investors are up almost 5% over the year for Q1.

That's quite the surge compared to other property types. Condo purchases rose a mere 0.9% for the quarter, while investor purchases for townhomes and multifamily properties actually fell.

Why the penchant for single-family homes? Redfin's Lily Katz says the pandemic has a lot to do with it, writing, "This is likely because Americans have been prioritizing space and privacy during the pandemic, turning single-family homes into a hotter commodity than crowded apartment buildings in the city."

Despite the leaning toward single-family, multifamily properties are still in high demand. Investors purchased more than a quarter of all multifamily properties available in the first quarter of the year. (Their purchases accounted for just 15% of all single-family homes.)

Higher-tier properties are also high on investors' lists, according to Redfin's data. Purchases of high-priced properties (top third in the area) were up 20% in Q1, while midpriced homes were up 12.7%. Lower-priced properties -- those on the lower third of the spectrum -- actually fell 9.2%.

Finally, investors are flocking toward hot [tertiary markets](https://www.millionacres.com/real-estate-basics/real-estate-terms/what-are-tertiary-markets/) -- smaller metros with warm weather and strong job markets. [Miami](https://www.millionacres.com/market/florida/miami/), for example, has the highest share of investor purchases in the first quarter, with nearly 24% of all homes going to investors. Rounding out the top five for investor purchases were [Atlanta](https://www.millionacres.com/market/georgia/atlanta/); [Jacksonville](https://www.millionacres.com/market/florida/jacksonville/), Florida; [Charlotte](https://www.millionacres.com/market/north-carolina/charlotte/), North Carolina; [Las Vegas](https://www.millionacres.com/market/nevada/las-vegas/); and [Phoenix](https://www.millionacres.com/market/arizona/phoenix/).