

Check out the houses owned by Palm Beach County's largest landlord

Updated: 4:52 p.m. Monday, July 13, 2015 | Posted: 2:47 p.m. Monday, July 13, 2015

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Talk about a buying binge. From January 2013 through last month, Invitation Homes snapped up 1,296 properties from Jupiter to Boca at a cost of \$324.2 million.

That's according to an analysis by the Palm Beach County Property Appraiser for the Palm Beach Post.

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The sheer volume of the shopping spree was underscored last week when Invitation Homes took a \$51 million mortgage on 175 of its properties in Palm Beach County as part of a move to transform some 7,000 houses into mortgage-backed securities. Invitation Homes, a division of Blackstone Group (NYSE: BX), is the biggest of the new breed of Wall Street firms betting that consumers want to live in suburban houses without owning them.

"They're changing the landscape," said Michael Ross, president of Financial Connection, a wealth management firm in Boca Raton. "The rental market historically has been a mom-and-pop business."

After investing \$9 billion over the past few years, Invitation Homes owns some 45,000 houses nationwide, most of them three-bedroom houses that offer renters an alternative to apartments.

"I would say we're professionalizing the industry, a lot like the multi-family industry was professionalized 30 years ago," said Denise Dunckel, spokeswoman for Dallas-based Invitation Homes.

In Palm Beach County, the company typically pays \$250,000 for a house, then invests in renovations.

"They do a great job rehabbing them, from what I've seen," said Lou Ann Barrette, president of Keystone Realty Group in West Palm Beach.

Invitation Homes typically collects monthly rents of \$1,600, from which it must pay property taxes, insurance and maintenance. Considering those costs, some longtime real estate players are skeptical that the landlord has found a profitable business model.

"I can't see how it makes sense," said David Dweck, president of the Boca Real Estate Investment Club.

One potential money-maker: The company charges prospective tenants a non-refundable application fee of \$50.

Because its strategy is so new, Invitation Homes has engaged in a perhaps-inevitable shift in focus. The landlord said Monday that it plans to sell about 1,300 Atlanta-area homes.

"It's that stage in our lives where we're now in a position of looking at dispositions as an active part of portfolio balance," Chief Executive John Bartling told Bloomberg News.

Still, Invitation Homes says it's bullish on Florida, and it keeps buying in Palm Beach County.

A data dive into the county's (and nation's) largest owner of single-family homes:

Average price paid by Invitation Homes in Palm Beach County: \$250,117. The median is \$250,000.

Cheapest property: \$67,000, for a townhouse on Monks Court west of West Palm Beach.

Priciest property: \$465,000 each for two properties Wellington, one in Binks Forest, the other a mini-chateau at Versailles.

Favorite city: Wellington – but just barely. Invitation Homes has dropped \$54.3 million in Wellington, followed by \$53.8 million in Boca Raton and \$53.5 million in West Palm Beach.

First deal: Jan. 2, 2013.

Most recent deal: June 18, 2015. This might be the biggest surprise: Invitation Homes is still loading up even after Palm Beach County home prices have bounced back.

"They are still accumulating properties if the price is right and the yield is right," said Becky Cao, managing director of residential mortgage backed securities at Morningstar Credit Ratings in Chicago.

One challenge for Invitation Homes, aside from rising home prices: Some homeowner associations are keeping out investors by requiring owners to possess a property for a year or two before they can rent the house.