New research shows private equity firms make billions through Trump Opportunity Zone tax cut program

Program has been widely criticized for failing to fulfill stated mission of supporting poor communities

WASHINGTON, DC, UNITED STATES, June 4, 2025 /EINPresswire.com/ -- The Private Equity Stakeholder Project has released new research analyzing how private equity firms and other developers have raised billions of dollars through the Opportunity Zone initiative, a program established by the 2017 Trump tax plan that is set to expand via the Trump administration's One, Big, Beautiful Bill Act. "Golden Opportunity: How private equity profits from the federal Opportunity Zone tax incentive" examines how the program, which promotes investment in historically underdeveloped areas, functions as a handout to the rich at the cost of U.S. taxpayers.

The Opportunity Zone tax incentive allows investors to roll over capital gains into specially designated funds called Qualified Opportunity Funds (QOFs). Private equity firms benefit from the program by both investing in and managing qualified opportunity funds, raking in billions of dollars in reduced capital gains taxes and fund management fees each year. PESP has identified $16.2 billion dollars raised for Qualified Opportunity Funds by about 200 private investment firms. The top 5 Qualified Opportunity Fund investors were Bridge Investment Group Holdings ($3.7 billion), CIM Group ($2.3 billion), Griffin Capital Company ($1.63 billion), Cantor Fitzgerald in partnership with Silverstein Properties ($1.1 billion), and Argosy Real Estate Partners ($376 million), all of which are private equity firms. Bridge and Griffin are now owned by an even larger private equity firm, Apollo Global Management.

While the Trump administration touts Opportunity Zones as a core component of its plan to address housing affordability, the initiative carries no housing affordability requirements and the list of permissible projects includes a wide range of non-housing redevelopment projects like self-storage and hotels. Crucially, the program lacks transparency as a result of scant reporting requirements: no federal agency has the responsibility and authority to collect data, evaluate, and report on Opportunity Zone project outcomes.

"Let's call Opportunity Zones what they really are: another handout to private equity billionaires at the expense of the working class," said Sam Garin, a spokesperson for the Private Equity Stakeholder Project. "The Trump administration's austerity agenda is gutting housing affordability programs proven to work and relied on by millions. Meanwhile, this opaque and relatively untested initiative is enriching the already-wealthy even further and potentially promoting the displacement of the low income communities it purports to serve. Preventing displacement, minimizing the exploitation of tenants, and maintaining housing affordability is best accomplished through tenant protection policies and social safety net expansion, not tax cuts for billionaires."

"Golden Opportunity" also features case studies of the private equity firms making billions through the Opportunity Zone initiative, including CIM Group, a major beneficiary of the Opportunity Zone program with a combined Qualified Opportunity Fund amount totalling at least $2.3 billion (as of December of 2024). In Los Angeles, CIM Group sold its own properties to its Opportunity Zone fund, earning a tax windfall for its already-planned projects. At each property, the firm scored entitlements — and in some cases even finished development — and then sold them to the fund at a healthy premium. These deals allowed the sites to qualify as new investments, making them eligible for Opportunity Zone tax benefits.

Sam Garin
Private Equity Stakeholder Project
+1 248-303-7020
email us here
