

# What They're Saying: Experts and Industry Leaders Voice Serious Concerns about BTR Provision in 21st Century ROAD to Housing Act

The Senate's bipartisan 21<sup>st</sup> Century Road to Housing Act was initially set to boost housing supply and address the nation's worsening affordability crisis. But a last-minute provision would decimate the pipeline of Build-to-Rent (BTR) communities, hurting the very Americans they aim to help by halting the construction of new rental communities.

In recent weeks, a broad range of economists, housing experts and industry leaders from across the political spectrum have expressed concerns, arguing that the provision will, in fact, reduce the development of new supply and deter investment in build-to-rent housing from key groups. The following are a small sample of the research and opposition:



Watch the full video [here](#)

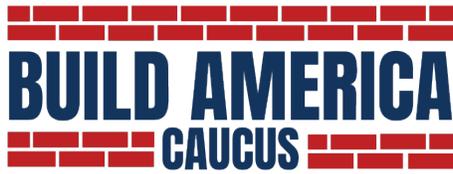
“There’s literally no reason for this,” Schatz said. “They wrote it wrong.”

“Anyone who wants to build housing and then provide it for rent is going to be forced to sell after seven years. ... They will not have made their money back.”

Pew Research Center 

*Pew's letter explains how the current language of Section 901 (Build-to-Rent) risks sharply reducing the construction of much-needed rental housing and could lead to a decline in new single-family housing construction starts of 100,000 or more homes annually. That large of a reduction in new housing leads to higher rents, according to Pew's research. Pew's letter urges the Senate to revisit Section 901 so it does not raise rents for American families by curtailing BTR housing.*

- [Pew Research Center](#)



“The U.S. House and Senate must come together to further enhance this legislation and pass a deal that responsibly addresses institutional investment while fixing a provision that could cut tens of thousands of affordable housing units from build-to-rent projects every single year.”  
 - [Build America Caucus](#)



“Congress could ultimately decrease the number of rental units built each year by at least 72,000, meaning its package to expand the supply of housing has included a measure that would actually reduce housing development.”  
 - [Urban Institute](#)

“It doesn’t prohibit it, but it greatly discourages build-to-rent activities... These projects take years to get through the development process, the zoning process, the funding process. Requiring any private business or citizen to sell any kind of asset in a certain time is highly unusual, and I think a lot of people would say it’s unconstitutional.” –Jeffrey DeBoer, CEO The Real Estate Roundtable, [Bisnow](#)

“While the legislation appears to provide safe harbors for the industry, this is illusory because the bill is riddled with poison pills... This bill makes these assets anything but safe for long-horizon real estate investors, and it is already chilling investment in SFR housing.” – Edward J. Pinto, Senior Fellow and Codirector, [American Enterprise Institute Housing Center](#)

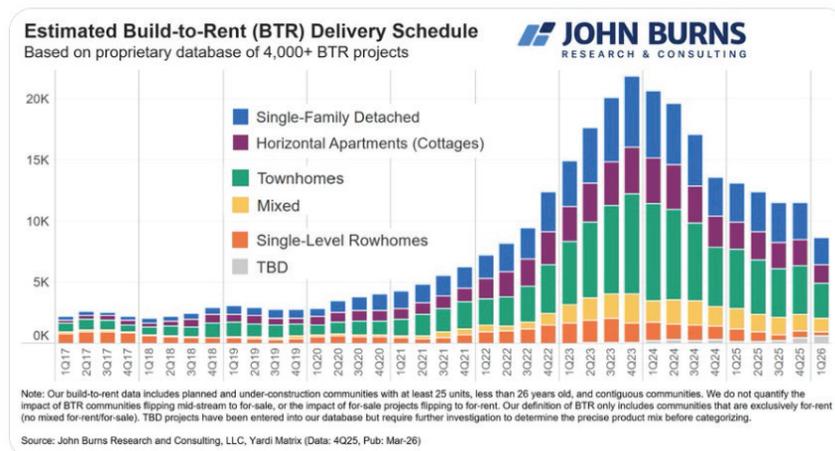
“[Institutional investors have contributed] billions in renovating tens of thousands of homes in need of repair and tens of billions more to construct hundreds of thousands of new homes built specifically to rent, all of which was done without government subsidy. Consequently, this bill will lead to fewer, not more one- and two-unit homes being built and repaired, and [it] will raise rents... We need more single-family homes, both owner-occupied and rental, not legislation that fails to add to the stock of homes, and may well reduce the number.” – Chris Nebenzahl, Rick Palacios, Jr., Danielle Nguyen, John Burns, [John Burns Research and Consulting](#)



The proposed “21st Century ROAD to Housing Act” will suppress future housing supply and worsen affordability.

A harsher stance on build-to-rent (BTR) is most concerning, and we fear much of the housing supply seen in our chart below is now in jeopardy.

[jbrec.com/insights/21st-....](http://jbrec.com/insights/21st-...)



[Rick Palacios, Jr.](#), Director of Research, John Burns Research and Consulting

“BTR residential development is helping to alleviate the nation’s housing shortage.”

– [CBRE Build-to-Rent Residential Market Overview](#)

“Build-to-rent is a win-win all around.” – Laurie Goodman, founder of the Housing Finance Policy Center at the Urban Institute, [NPR](#)

“No one will invest” in build-to-rent housing with such a restriction in place, said Sharon Wilson Géno, president of the National Multifamily Housing Council. The move could ultimately limit supply by restricting financing, she said. - [Bloomberg](#)

“Evidence suggests that institutional investors are in a strong position to increase housing supply through their build-to-rent activities, thereby easing strains on both homeowner and renter budgets.” – Laurie Goodman, founder of the Housing Finance Policy Center, [Urban Institute](#)



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'ROAD To Housing Act' language bans large investors from buying homes, but also forces investors who finance construction of single-family homes, duplexes, or townhouses to sell within 7 years.

That could cripple the build-to-rent market, which produces ~70k-90k homes annually.



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*“This provision is harmful because it reduces investment for political gain and sets a dangerous precedent by giving federal officials authority to direct people’s investment choices. Overall, it is difficult to see how the policies in this new bill will improve housing markets.” – Norbert Michel, [CATO Institute](#)*

*“America’s housing challenge is fundamentally one of supply...This policy doesn’t expand ownership, it simply favors one family over another, privileging owners over renters and pushing hard working Americans out to make room for the preferred few.” – Sean Dobson, Chairman, CEO and CIO, Amherst, [Fortune](#)*



**Jay Parsons** ✓  
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Digging into the Senate's ROAD to Housing bill more, the new amendments are NIMBY-friendly supply killers.

It effectively kills build-to-rent construction, which delivered 250k new homes over past 5 years. And don't assume all those homes would have been built anyway as for-sale homes b/c purpose-built BTR is financed very differently.

How does it kill BTR? Few things:

- 1) It requires BTR owners sell the homes to individual buyers after 7 years. Who is going to invest in a construction project that has a forced sale in 7 years, even if the buyer market is weak?
- 2) The forced sale requirement does not exclude BTR communities, which are usually platted on a single parcel and therefore couldn't be sold off as individual homes without converting to a condo structure -- which is messy and adds enormous uncertainty. Few (if any) BTR investors will want to take that risk.
- 3) It creates a complex federal regulatory regime over the broader SFR market, with carve-outs and exceptions open to interpretation. And if your interpretation differs from the regulators, you could be fined 3x the value of the rental home. That's going to push BTR/SFR capital into other sectors.

Bottom line: The ROAD to Housing Act marks the end of the road for build-to-rent construction ... and with it, reduced rental supply for families unable to buy homes.

“It doesn’t do anything for the renters who don’t qualify for a mortgage, don’t have cash for a down payment and can’t afford to pay the additional \$1,000 a month it costs to be a homeowner versus a renter.” – Jay Parsons, rental housing economist, *Atlanta Business Chronicle*

“[The 21st Century ROAD to Housing Act] also includes one notably bad idea: restrictions on institutional investors buying homes... There is no correlation between an area’s proportion of investor-owned homes and housing shortages.” – *The Washington Post Editorial Board*

“The real answer here is streamlining the building process and figuring out ways to incentivize builders to build smaller houses. I just don’t see how banning institutional investors solves the problem that it’s setting out to solve.” – Ryan Ward, broker at Premier Atlanta Real Estate, [CNBC](#)



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News: A long list of housing group has banded together on a letter, shared with me, “strongly urg[ing] the Senate to amend Section 901 to fully exempt Build-to-Rent housing” from its housing bill.

“The Administration committed to exempt the important subset of BTR housing. Yet, as written, the language would have a chilling effect on the entire BTR supply chain.”

March 5, 2026

<p>The Honorable John Thune Majority Leader United States Senate Washington, DC 20510</p> <p>The Honorable Tim Scott Chairman Committee on Banking, Housing and Urban Affairs United States Senate Washington, DC 20510</p> <p>Dear Leaders Thune and Schumer, Chairman Scott and Ranking Member Warren:</p> <p>The organizations below write to express gratitude for the Senate’s work on landmark legislation to address our nation’s housing affordability crisis. As strong supporters of the ROAD to Housing Act, we appreciate the leadership of Senate Banking Committee Chairman Tim Scott and Ranking Member Elizabeth Warren. However, we are deeply concerned that language in Section 901 of the 21st Century ROAD to Housing Act, now pending before the Senate, would effectively eliminate the production of Build-to-Rent (BTR) housing.</p> <p>Rental housing remains a critical part of our national housing needs. BTR homes meet families where they are and play a key role in expanding supply, lowering costs, and broadening opportunity. In 2025 alone, nearly 47,000 BTR units were delivered, according to Yardi Matrix data that tracks BTR construction of at least 50 units. We respectfully request that Section 901 be amended to fully exempt BTR so we can maximize new housing production nationwide.</p> <p>The bill includes new language addressing concerns expressed by President Trump and others about institutional investors in single-family rentals. The Administration committed to exempt the important subset of BTR housing. Yet, as written, the language would have a chilling effect on the entire BTR supply chain by requiring firms owning more than 150 units to dispose of them after seven years. Because BTR development requires large-scale investment and benefits from economies of scale, most firms operate beyond that threshold. They cannot invest under the risk of forced sales and potential losses driven by arbitrary deadlines.</p> <p>According to the National Housing Conference’s Psychick to Psychick database, nearly half (47%) of the 150 occupations tracked in 390 metropolitan statistical areas (MSAs) cannot afford a two-bedroom apartment—up from 38% in 2019. Over this five-year period, 86 MSAs require a 50% increase in salary or higher to afford a one-bedroom apartment. Moreover, 62 MSAs saw an increase of 50% or more salary needed to afford a two-bedroom apartment. This is a national crisis. America needs millions of additional homes to meet this crisis; it should not matter whether rental units are built vertically or side by side.</p> <p>Our organizations strongly support legislation that expands housing supply and affordability, and we thank the Senate for its leadership on this critical issue. We stand ready to work with you to ensure the final bill advances this goal. We strongly urge the Senate to amend Section 901 to fully exempt Build-to-Rent housing so its production can continue to meet families’ needs nationwide.</p> <p>Sincerely,</p> <p>The National Housing Conference Atlanta Neighborhood Development Partnership, Inc. Institute of Real Estate Management Mortgage Bankers Association</p>	<p>The Honorable Charles Schumer Minority Leader United States Senate Washington, DC 20510</p> <p>The Honorable Elizabeth Warren Ranking Member Committee on Banking, Housing and Urban Affairs United States Senate Washington, DC 20510</p> <p>National Apartment Association National Multifamily Housing Council National Rental Home Council Novogradac &amp; Company LLP The Real Estate Roundtable Up for Growth YIMBY Action YIMBY Law</p> <p>15-Minute Frederickburg Abundant Housing Atlanta Abundant Housing Illinois Adequacy for All Adhans Urbanists Central Oregon YIMBY Clobertians Club Dallas Neighbors for Housing DC YIMBYs East Bay YIMBY Gainesville is for People Grow The Richmond Hawaii YIMBY Housing Now Nashville Legion YIMBY Madison is for People More Homes Means Mountain View YIMBY Napa-Solano for Everyone NEighborhood Northern Neighbors Oshkosh YIMBY Palmetto YIMBY PennState for Everyone Pro-Housing Litchfield Valley Pro-Housing Philly Pro-Housing Pittsburgh Providence Urbanist Network Resilient Area YIMBY RVA YIMBY Salon YIMBY San Francisco YIMBY San Jose YIMBY</p> <p>Sun Matts Forward Sons Cray YIMBY Sons Rose YIMBY Souris YIMBY SLOCo YIMBY South Bay YIMBY Tucson for Everyone Twin Cities YIMBY Ventura County YIMBY Walworth County YIMBY Yes In Redwood City Yes In My Triangle YIMBY Arvada YIMBY Delaware YIMBY Denver YIMBY Fort Collins YIMBY Hampton Roads YIMBY Los Angeles YIMBY Louisville YIMBY Marietta YIMBY Maryland YIMBY Monterey Peninsula YIMBY North Metro YIMBY Oakland County YIMBY Oceanside YIMBY Oklahoma City YIMBY Plymouth YIMBY Plano, William County YIMBY South Central CT YIMBY Tampa YIMBY Wichita YIMBY Ypsilanti YIMBY Yuba</p>
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