

Unified Industry Position on Build to Rent in the 21st Century ROAD to Housing Act

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.

The 7-year disposition requirement will effectively shut down BTR development, leading to less supply and fewer options for renters. This provision, in concert with a technical oversight on the impacts to horizontal multifamily housing, would take hundreds of thousands of housing units off the market over the next decade, many of which would serve lower- and middle-income households. Even if it were possible to build these units, which it is not, it would lead to the forced displacement of thousands of renters each year as their housing providers are forced to sell. It also threatens to negate the other pro-supply elements of the larger bipartisan housing package.

BTR is underwritten, financed and constructed as multifamily housing. It is not possible to sell individual units as single family homes, which is what the Senate proposal would require. Selling off BTR homes would require the entire loan to be paid off at the same time.

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 to ensure the final bill advances this goal. To ensure the final bill does not reduce the number of multifamily rentals built each year, the undersigned groups support a clean exemption of BTR from the SFR title.

On page 288, insert before line 1:

“(L) Purchased as a community of five or more contiguous rental units.”

On page 293, line 18, strike the following:

“(A), (B), or”

On page 294, lines 5–6, strike the following:

“(A), (B),”

Affordable Housing Tax Credit Coalition
Institute of Real Estate Management
Leading Builders of America
Mortgage Bankers Association
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders
National Housing Conference
National Leased Housing Association
National Multifamily Housing Council
National Rental Home Council
The Real Estate Roundtable