

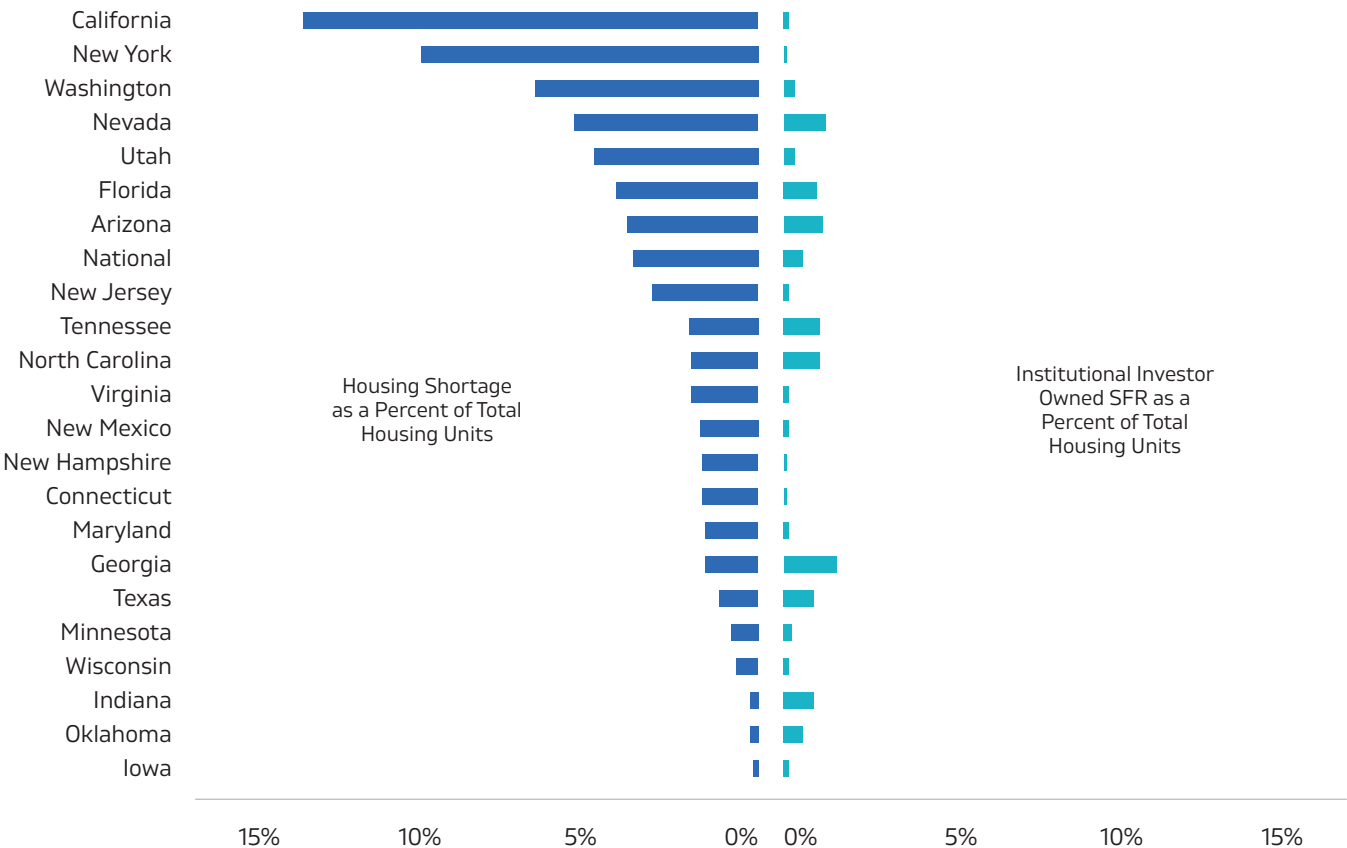
Infrastructure, Housing & Cities

RER was active in several key housing policy debates over the past year, as lawmakers weighed both bipartisan supply-side reforms and proposals that would restrict institutional capital in the single-family housing market and force certain investors to dispose of build-to-rent properties after seven years. In response, RER concentrated on advancing policies geared toward expanding housing supply, revitalizing cities, and improving affordability, while pushing back on measures that would reduce rental options and capital flows into new development.

Opposing Restrictions on Institutional Investment in Residential Housing

A major flashpoint in housing policy this year has been Section 901 of the Senate-passed *21st Century ROAD to Housing Act*, which included provisions that would restrict “large institutional investors” (owning 350+ single-family homes) from purchasing new single-family homes and require them to sell certain existing units after seven years. The inclusion of Section 901 was an attempt to codify a similar proposal that President Trump issued in a January Executive Order. RER argued that these measures would chill build-to-rent (BTR) development, reduce rental options, do little to improve affordability, and undercut the very supply agenda lawmakers say they want to advance.

Housing Shortage vs. Institutional Investor Presence¹⁴



Source: Parcl Labs and AEI Housing Center



RER's Actions:

Issued a series of letters and statements in January, February, March, April, and May 2026, opposing restrictions on institutional investment in the single-family housing market.

Collaborated extensively with a coalition of real estate and housing organizations to urge policymakers to eliminate or amend Section 901 while keeping other provisions that would boost capital formation and new housing production.

Amplified research showing that the housing affordability crisis is driven by chronic supply shortages, construction costs, and mortgage rates—not institutional ownership levels—and that restricting institutional capital would only make it harder to meet the nation's growing housing needs.

Released a white paper authored by Paul Clement—Partner at Clement & Murphy, PLLC and former U.S. Solicitor General—arguing that Section 901's forced-sale requirement raises serious constitutional concerns under the Takings Clause, and also raises equal protection and federalism concerns.

Urged Congress, through a coalition letter and statement in May, to quickly pass the revised bipartisan package after the House released amended text removing the unconstitutional forced-disposition requirement.

Issued public statements commending House leaders for advancing a strengthened bipartisan housing package that improves affordability, removes regulatory barriers, and preserves the capital investment needed to build more homes.



RER's Impact:

In April 2026, a bipartisan group of 76 House lawmakers urged congressional leaders to remove or revise Section 901, echoing RER's position that the provision would undermine the housing package's affordability goals.

In May 2026, the House passed a revised bipartisan version of the *21st Century ROAD to Housing Act* by a vote of 396–13 after House leadership and Trump administration officials negotiated changes to the Senate-passed bill.

The House's updated package eliminated the unconstitutional seven-year forced-sale requirement for build-to-rent housing that had been included in the Senate version of the legislation—a major victory for RER and the broader real estate industry.

The final bill preserved several pro-supply housing provisions supported by RER, including measures to streamline housing development, reduce regulatory barriers, improve affordability, and accelerate new construction.

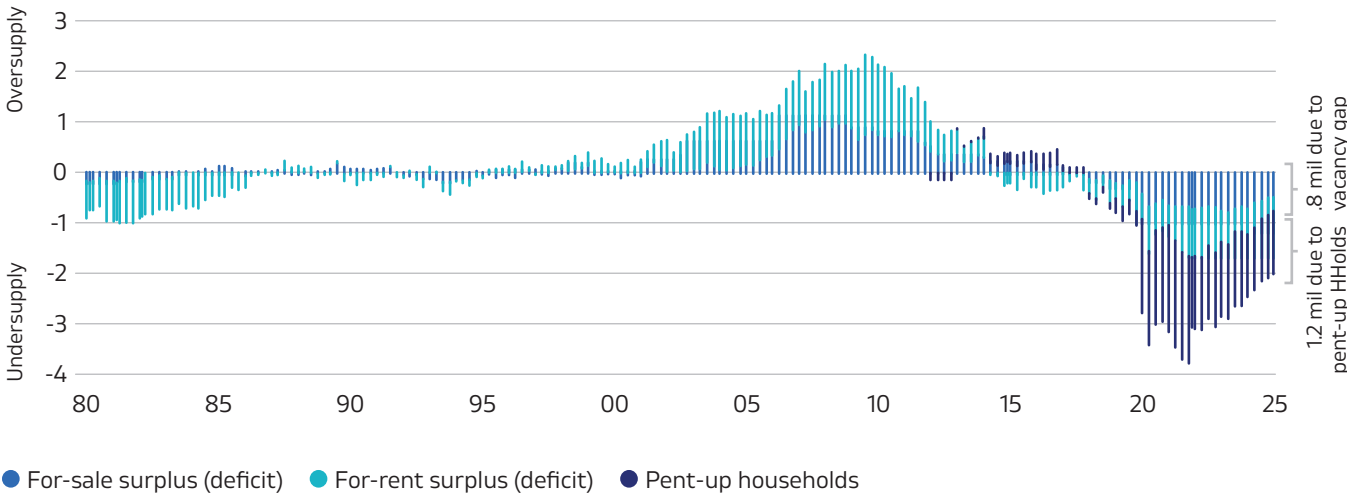
Rep. French Hill (R-AR) (Chair, House Financial Services Committee; Permanent Select Committee on Intelligence) joined RER members throughout the year to provide updates on the 21st Century ROAD to Housing Act and highlight efforts to expand housing supply, reduce regulatory barriers, and improve affordability.



Support for Supply-Focused and Affordability-Driven Housing Measures

While opposing harmful restrictions on investment and unconstitutional forced-sale provisions, RER also doubled down on championing policies that focus on increasing housing production. RER supported bipartisan measures in both chambers of Congress that would lower barriers to new development, improve financing tools, and grow the supply of affordable and workforce housing. Such policies are vital to addressing the U.S.’s housing shortfall, which the White House has estimated stands at a deficit of 10 million single-family homes as of 2026.

Over/undersupply of housing units, mil¹⁵



Source: Urban Institute, Census Bureau, Moody’s Analytics



RER’s Actions:

Endorsed the House’s original version of the *Housing for the 21st Century Act*, commending the bill for advancing practical, solutions-oriented housing policy.

Backed key provisions in the Senate’s *ROAD to Housing Act* that would expand supply by streamlining reviews, raising Federal Housing Administration (FHA) multifamily loan limits, and stimulating new development.

Applauded the House’s revised bipartisan version of the *21st Century ROAD to Housing Act* after negotiators strengthened the package’s supply-focused provisions, preserved incentives for new housing development, and advanced reforms to reduce regulatory barriers, modernize housing programs, and improve affordability.

Welcomed elements of Sen. Ruben Gallego’s (D-AZ) housing affordability plan, such as ideas to expand the Low-Income Housing Tax Credit (LIHTC), encourage conversions of obsolete buildings into housing, and reward jurisdictions that streamline land use and zoning rules.

Supported Sen. Bill Hagerty’s (R-TN) *Freedom to Build Act*, which would create a Department of Housing and Urban Development (HUD) “Freedom to Build” certification for localities adopting pro-supply policies such as faster approvals, regulatory updates, and other measures to expand housing construction.



RER's Impact:

In October 2025, the Senate passed the original version of its landmark *ROAD to Housing Act*, which did not include restrictions on institutional investment in residential real estate at the time.

In February 2026, the House passed its supply-focused *Housing for the 21st Century Act*.

In May 2026, the House passed an amended version of the ROAD to Housing Act package that included broad housing supply and affordability reforms to reduce barriers to new construction, support manufactured housing innovation, streamline environmental reviews, and modernize HUD programs.

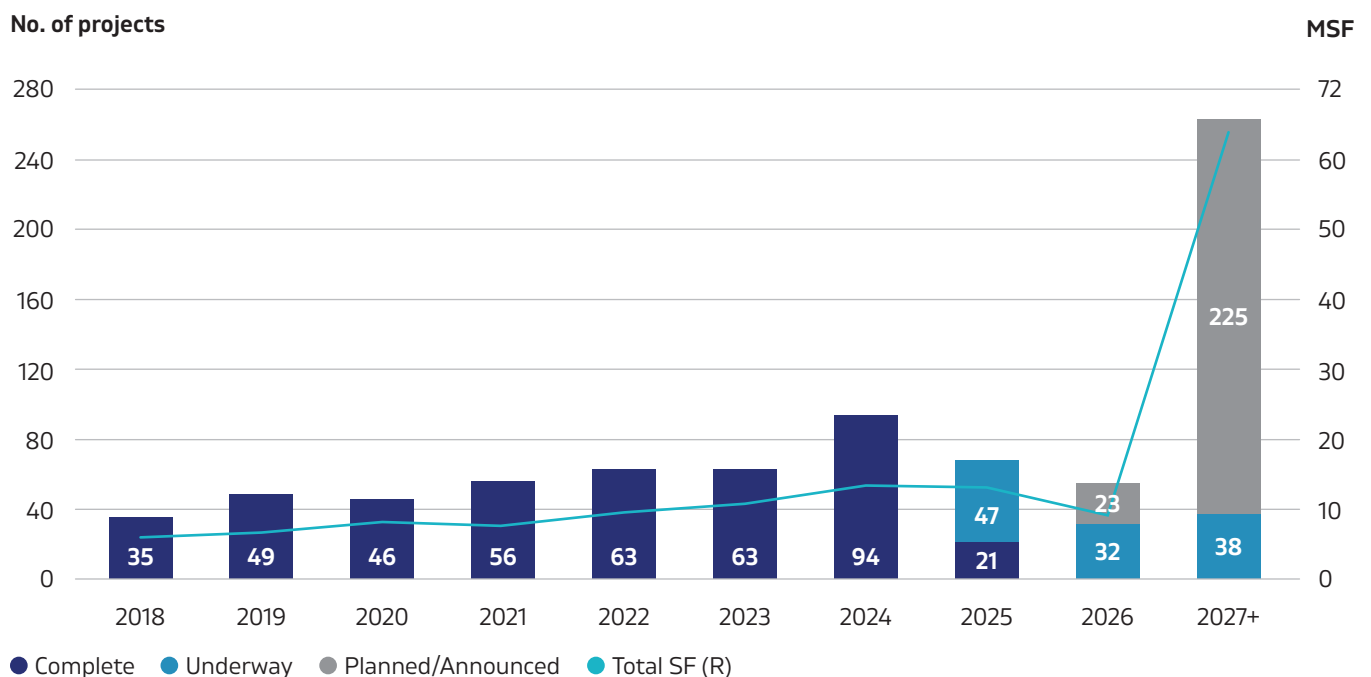
The House's bipartisan package also creates grant programs for converting abandoned buildings into housing, expands community lending and strengthens tools to encourage local zoning and pro-housing policies.

The amended package passed the Senate by a vote of 85-5 and the House by 358-32 in late June. RER continues to advocate for supply-focused measures that expand affordability while preserving investment needed to support future housing development.

Property Conversions

With older office buildings and other obsolete assets still weighing on downtowns, RER continued to promote adaptive reuse as a practical strategy to create new housing, strengthen local tax bases, and support post-pandemic urban revitalization. RER has framed property conversions as an important tool for addressing both housing shortages and the long-term health of America's cities.

Office Conversions by Construction Status & Estimated Year of Completion¹⁶



Source: CBRE



RER's Actions:

Backed the bipartisan *Revitalizing Downtowns and Main Streets Act of 2025*, which would create a market-based tax incentive for converting underutilized commercial buildings to residential and other productive uses.

Supported related redevelopment tax reforms and other policy changes to make it easier to repurpose or replace vacant and underperforming properties.

Asserted that the inherent risks and elevated costs associated with property conversions, combined with the social and economic benefits of conversions that flow into the broader community, justify proactive policies that incentivize owners to adapt existing properties to new uses.



RER's Impact:

Helped keep property conversions on the bipartisan housing agenda as a scalable supply-boosting strategy.

Reinforced the case for market-based incentives that produce housing, generate jobs, and revive struggling business districts.

TIFIA/RRIF Programs and Transit-Oriented Development

RER has worked to ensure that federal infrastructure finance tools better support transit-oriented housing development, particularly in communities where transportation, land use, and redevelopment goals intersect. In this area, RER has focused on making federal loan programs more workable for mixed-use redevelopment and commercial-to-residential conversion projects near transit.



RER's Actions:

Engaged House and Senate policymakers on ways to improve the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation & Improvement Financing (RRIF) programs to better support transit-oriented development and commercial-to-residential conversion projects.

Advocated for federal loan policies that are more flexible and practical for adaptive reuse and mixed-use redevelopment in transit-connected areas.

Supported the *Build HUBS Act* introduced in January 2026, which would expand TIFIA and RRIF's low-interest loan programs to finance housing in transit-oriented development.



RER's Impact:

Set the stage for TIFIA and RRIF reforms to be included in negotiations around an expected transportation bill in fall 2026.

Elevated the need for federal credit tools that are flexible enough to support conversions, transit-oriented development, and mixed-use revitalization.

Positioned infrastructure finance as an important part of a broader strategy to connect housing growth, mobility, and stronger urban cores.

Reforming New York’s “Scaffold Law”

The State of New York’s “Scaffold Law” imposes an absolute-liability standard for gravity-related construction injuries, as opposed to the typical “comparative negligence” standard used by every other state in the nation. This means that a real estate owner, developer, or construction general contractor may be liable for worker injuries for a fall, such as from a “scaffold,” even if the employer has no role in causing an unsafe workplace and no relationship with an indirect employee who may be injured by the fall. In 2025, representatives from New York introduced the *Infrastructure Expansion Act of 2025*, which would preempt that standard on covered federally assisted projects and replace it with comparative negligence, while leaving state workers’ compensation laws intact.



RER’s Actions:

Joined the Build More New York coalition, a broad statewide group of business, construction, housing, insurance, and civic organizations, in working to incorporate the *Infrastructure Expansion Act* into the upcoming surface transportation reauthorization bill expected in September 2026.

Submitted a coalition letter in support of the bill in May 2026.

Asserted that the reform would help lower insurance and construction costs and stretch federal dollars further for housing, transit, and other infrastructure.

Emphasized that New York’s absolute-liability regime is a drag on affordability and project delivery because it inflates liability exposure, shrinks insurance competition, and raises the cost of building housing, schools, roads, bridges, tunnels, and other federally assisted projects.



What’s Next:

RER is coordinating with coalition partners on amendment strategies after the Scaffold Law preemption language was not included in the initial text of the House Transportation and Infrastructure Committee’s bipartisan *BUILD America 250 Act* released in May 2026.



The Honorable Edward Forst (Administrator, General Services Administration; Acting Archivist, The National Archives) outlined GSA’s efforts to consolidate and modernize the federal real estate footprint.

Looking Ahead

Alongside the issues discussed above, RER continues to track developments involving Fannie Mae and Freddie Mac and supports effective reforms to the government-sponsored enterprises that preserve market liquidity, protect access to affordable mortgages, ensure market stability, and sustain multifamily finance. More broadly, RER remains committed to advancing the full scope of tools available to bridge the nation’s underbuilding gap and help the pace of production and new development catch up with the growing need for safe, affordable housing.