February 10, 2026

The Honorable French Hill
Chairman
House Financial Services Committee

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee

The Honorable Mike Flood
Chairman
Subcommittee on Housing and Insurance
House Financial Services Committee

The Honorable Emanuel Cleaver II
Ranking Member
Subcommittee on Housing and Insurance
House Financial Services Committee

Re: ***Priced Out of the American Dream: Understanding the Policies Behind Rising Costs of Housing and Borrowing Hearing*** – Tuesday, February 10, 2026

Ladies and Gentlemen:

The undersigned national real estate and housing organizations represent a broad coalition of housing providers, lenders, investors, and advocates committed to working collaboratively with Congress, the Administration, and regulators to address America's housing affordability crisis. In that spirit, we appreciate your leadership on the bipartisan *Housing for the 21st Century Act* and the Committee's continued efforts to advance practical, solutions-oriented housing policy.

Safe and affordable housing is essential to the well-being of America's families, communities, and businesses. Addressing the nation's persistent housing crisis requires policies that increase housing supply, support job growth, and modernize critical infrastructure.

We are concerned, however, about proposals to restrict institutional investment in the American housing sector, including several measures noticed at this hearing related to single-family rental (SFR) assets. These comments are intended to help the Committee better understand the SFR industry, the role of institutional investors in housing markets, and the urgent need to expand housing supply across all product types and income levels.

Single-family rentals—now part of an institutionally supported asset class—play an important role in the nation's housing landscape. They add balance to the housing market by expanding supply and providing flexible, high-quality housing options at lower price points than homeownership. Small enterprise operators remain the largest class of landlords in the sector, and SFR homes represent approximately 32 percent of all rental housing nationally, consistent with historical averages since 1970. Even in the top 20 SFR markets, SFR homes as a share of all occupied single-family housing have increased by only 3–4 percent since 1970.

Institutional real estate investors—including pension funds, endowments, foundations, and sovereign wealth funds—own less than 0.5 percent of all single-family homes in the United States. Research from BofA Global Research estimates that large institutional investors own just 3 percent of single-family rental housing, a figure that drops to approximately 1.5 percent when townhomes, duplexes, and apartments are included. Notably, three of the largest institutional owners were net sellers of existing single-family homes in 2024.

Approximately one-third of American households are renters, a share that has remained remarkably stable for six decades.[1] Since 1965, homeownership rates have ranged between 63 and 69 percent, peaking in 2006 prior to the housing recession driven by overextended homeownership. In the third quarter of 2025, the homeownership rate stood at 65.3 percent—above the 60-year average.

Given its small market share, institutional ownership of single-family rental housing is being significantly overemphasized. Focusing on institutional investors diverts attention from the structural causes of the housing affordability crisis—chief among them, a chronic underproduction of housing.

There is no evidence that institutional investors are crowding out prospective homebuyers. According to John Burns Research and Consulting, institutional investors accounted for just 0.3 percent of the $2 trillion in single-family home purchases over the past year—meaning 99.7 percent of purchases were made by non-institutional buyers. Moreover, institutional purchasing activity declined by approximately 90 percent over the past two years, confirming that elevated housing costs cannot be attributed to their participation.

Institutional investors deploy capital across a wide range of real estate assets, including multifamily, affordable and workforce housing, office, retail, hospitality, and emerging sectors such as student housing, data centers, life sciences, and single-family rentals. They are a critical source of financing for developers, operators, asset managers, investment funds, and real estate trusts.

Through this capital, institutional investors help expand rental housing stock, improve property quality, and stabilize communities. Their investments support innovation and best practices in property management, housing safety, customer service, and technology—delivering improved outcomes for residents. Build-to-rent communities and other supply-expanding investments should be viewed as benefits to the housing system. Indeed, institutional capital has helped double single-family rental home construction since 2022.

As HUD Secretary Turner has stated, “We have a housing crisis in our country, where American people and families are struggling every day… We’re not building enough housing. We need millions more homes of all kinds—single-family homes, apartments, condos, duplexes, manufactured housing—so individuals and families can have a roof over their heads and a place to call home.”

Housing production in the United States remains well below what is needed to meet demand. Despite a population nearly twice as large, there are fewer housing starts today than in the 1960s. A Congressional Research Service study[2] estimates that the nation’s housing shortage

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[1] U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, December 11, 2025.
[2] Congressional Research Service, Estimates of a “Housing Shortage”, December 15, 2025.

has ranged from 3.7 million to 5.5 million homes in recent years—a key driver of housing unaffordability.

This persistent undersupply undermines economic growth and strains households nationwide. Housing markets function best when they offer a balanced mix of owner-occupied and rental options. As elevated mortgage rates push more households toward renting, expanding rental supply—particularly near jobs and high-performing schools—is essential.

Single-family rental housing plays a vital role in meeting this need. Today, it is approximately 44 percent more expensive nationally to purchase a starter home than to rent a comparable single-family home. Institutional SFR investment expands rental supply in markets where it was previously limited, increases access to high-opportunity neighborhoods, and benefits households with lower incomes, wealth, and savings. SFR tenants are more likely to be younger, lower-income, and members of minority communities, helping reduce housing inequities and neighborhood-level segregation. And according to a recent study, 72 percent of renters said they would prefer to live in single family homes.[3]

To meaningfully address the housing affordability crisis, policymakers should prioritize measures—such as the *Housing for the 21st Century Act*—that catalyze a comprehensive transformation in housing policy and unlock a new wave of housing construction nationwide.

Thank you for your attention to this important issue.

Sincerely,

Commercial Real Estate Finance Council

National Association of Home Builders

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The Real Estate Roundtable

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[3] RCLCO Real Estate Consulting data, "August Update for Real Estate Capital Markets & Build-to-Rent Single Family Takeaways, as of August 2023.