

Resolution No. 3

Date: 10/27/2022

City: Kansas City, MO

NAHB Resolution

Title: Single Family Built for Rent
Sponsor: Federal Government Affairs Committee
Submitted by: Mark Konter

WHEREAS, the National Association of Home Builders (NAHB) estimates the U.S. has a housing supply shortfall of approximately 1 million homes, and other estimates are even higher;

WHEREAS, the shortage of housing supply has contributed to a significant increase in home prices and rents, leading to a corresponding decrease in housing affordability;

WHEREAS, the decrease in housing affordability has been compounded by inflationary factors, including rising mortgage rates and building materials supply shortages;

WHEREAS, the housing market requires a mix of for-sale and rental housing to meet the diverse needs of households, which include the varying preferences of households to live in single-family detached houses, single-family attached houses, and multifamily apartment buildings;

WHEREAS, the tight housing supply and increased home prices in the for-sale market have contributed to a growing number of households in the rental market and, notably, the number of higher-income households seeking to rent has increased;

WHEREAS, single-family rental properties always have been a component of the rental market and currently about 40 percent of renters live in single-family homes, including single-family detached houses, townhouses, duplexes and quadruplexes;

WHEREAS, a growing subset of the overall single-family rental market is single-family homes that are built specifically to be used as long-term rental properties and many are located in communities specifically developed as rental housing communities;

WHEREAS, NAHB analysis shows that the market share of single-family built for rent (SFBFR) homes has been trending higher in the years after the Great Recession. In 2021, 51,000 such homes began construction, which is a 15.9 percent gain compared to the 44,000 estimated SFBFR starts in 2020;

WHEREAS, SFBFR homes may be built on individual platted lots with enough lots to create an entire community of rental homes or the SFBFR homes are built on a single platted lot like an apartment building project, sometimes referred to as “horizontal multifamily”;

WHEREAS, financing options for SFBFR communities and, in particular, financing for “horizontal multifamily” communities, is less accessible for home builders and developers; and,

WHEREAS, while NAHB is committed to advocate the value of homeownership, SFBFR homes and communities will contribute to the housing supply and alleviate affordability concerns in the purchase and rental markets,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) work with housing stakeholders and federal, state and local policy makers to explore the development of new funding options for all types of single-family built for rent (SFBFR) communities.

BE IT FURTHER RESOLVED that NAHB support public policy that balances SFBFR development along with providing opportunity for homeownership through the construction of for-sale housing to meet market demand and unique, local needs at all price points.

BE IT FURTHER RESOLVED that NAHB oppose government-imposed limitations on SFBFR, such as rent control, inclusionary zoning regulations or tax penalties, and local zoning regulations that restrict new SFBFR.

Leadership Council Action:

Resolutions Committee Action:

Housing Finance Committee Action:

Land Development Committee Action:

State and Local Government Affairs Committee Action:

Federal Government Affairs Committee Action:

Single Family Builders Committee Action:

Multifamily Council Board of Directors Action: