21st Century ROAD to Housing Act Talking Points

ROAD TO HOUSING

JULY 30, 2026

LANDMARK HOUSING BILL SIGNED INTO LAW

- In a major victory for NAHB and the housing industry, Congress passed landmark legislation to increase housing supply, expand homeownership and rental options, and help lower housing costs.
- The 21st Century ROAD to Housing Act — which became law on July 11, 2026 — includes more than 50 provisions addressing housing supply, financing, disaster recovery and other key priorities.
- While the new law tackles long-standing structural challenges in the housing market and is intended to reduce costs over time, many provisions could take months — or even years — to implement.
- NAHB helped secure key provisions to increase single-family and multifamily production and encourage more remodeling activity.

NAHB HELPS REMOVE BUILD-TO-RENT SALES MANDATE FROM FINAL BILL

- The law is also important for what is NOT in the bill. NAHB worked with lawmakers to keep a burdensome build-to-rent (BTR) sales mandate out of the final package.
- The mandate would have forced institutional investors to sell BTR single-family homes within seven years.
- NAHB and Urban Institute estimates found the mandate could have reduced single-family rental investment and cut production by 40,000 to 72,000 homes each year.
- BTR housing accounts for 10% to 12% of single-family construction starts and serves an important need for renters.

MOVING FORWARD

- While the newly enacted housing law is an important step toward making housing easier to build and buy, it is not a cure-all for the nation's estimated 1.2 million-home shortage.
- Housing solutions also often take years to deliver the benefits that communities can feel.
- NAHB will continue advocating for additional housing reforms that reduce regulatory barriers, address the construction labor shortage and remove obstacles that prevent builders from producing the attainable, affordable housing the nation urgently needs.

NAHB

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KEY SINGLE-FAMILY PROVISIONS

LAND USE AND ZONING

- The housing law incentivizes state and local governments to overhaul restrictive zoning and land-use policies that constrain housing construction. Local governments that institute zoning reforms that increase density and provide more flexibility for developers are eligible to use more HUD funds to build more housing.
- In our community, this provides a great opportunity to work with officials to change local zoning rules that limit home construction and raise housing costs.
- Examples include reducing minimum lot sizes, allowing more accessory dwelling units, and encouraging missing middle housing, such as townhomes and duplexes.
- The law also changes the formula for allocating block grants to reward high-cost cities that initiate changes that add to the housing supply, like allowing denser housing and faster permitting.

ENVIRONMENTAL REVIEWS

- Streamlining the National Environmental Policy Act review process for small and infill housing projects will help them move to construction faster and with lower cost.

COMMUNITY BANKS

- The majority of homes built in the U.S. are built by small builders. Community banks play a major role in financing. By strengthening community banks, the law expands access to housing credit for builders.

KEY MULTIFAMILY PROVISIONS

- The law also will help multifamily developers to increase the supply of apartments.
- The 21st Century ROAD to Housing Act raises FHA-insured multifamily loan limits which have not changed for more than 20 years – and indexes them to inflation. This better aligns financing with construction costs and supports new apartment development.
- The law also reforms the HOME Investment Partnerships Program to facilitate the construction of more affordable rental housing.

KEY REMODELING PROVISIONS

- The law recognizes that remodeling will play a major role in the housing sector over the next decade and provides incentives to modernize the nation's aging housing stock.
- There is a provision that authorizes a pilot program to provide grants and loans for home repairs and health-hazard mitigation in older homes.
- Roughly 90% of the nation's housing stock – 130 million homes – was built before 2010. Improving the structure and infrastructure of older homes built before national model codes will improve energy efficiency and resiliency in older homes.

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