



How Congress Can Lower Housing Costs



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housing hurdles.

2026 Legislative Priorities



Supply-Side Constraints are Limiting Housing Production

Rising home prices, apartment rents and construction costs represent real risks to housing affordability for prospective buyers and renters. With a nationwide shortage of roughly 1.2 million homes, the best way to ease the nation's housing affordability crisis is to remove obstacles that are preventing builders from constructing more homes and apartments.

These obstacles include:



Excessive regulations at the local, state and federal levels of government that account for more than 25% of the cost of a single-family home and over 40% of the cost of a typical apartment development



An acute shortage of construction workers — due in part to tighter restrictions on immigrant workers — that is driving up home building costs and home prices



Permitting roadblocks that are delaying housing projects and raising construction costs



Restrictive, costly energy codes that drive up the price of housing and offer little energy savings for consumers



Rising material costs — exacerbated by tariffs — that are up 46.1% since February 2020, which is far higher than the rate of inflation (24.7%) over the same time frame

Given the outsized role that housing plays in the economy, it is imperative that Congress support policies that will increase the production of quality, attainable housing to meet market demand and keep the economy strong. Reducing damaging regulatory burdens at all levels of government and tackling these other supply-side constraints will expand housing supply and improve housing affordability for all Americans.

Government regulation accounts for **26.4%**, or **\$131,734**, of the average final new house price (\$499,500).



Percentages represent the percent of the final sales price of an average new home

4 Steps Congress Can Take to Let Builders Build

Congress can unleash the housing market by helping builders to construct more attainable, affordable housing the nation sorely needs.

- 1 LANDMARK HOUSING LEGISLATION:** House and Senate leaders are considering a once-in-a-generation housing package that will significantly increase housing production by encouraging land use and zoning reforms, streamlining environmental reviews and instituting regulatory reforms.

The Senate should:

- **Assure the final bill includes two key changes approved by the House:**
 - 1) removes the single-family rental sale mandate and 2) raises and indexes multifamily loan limits. Forcing sales could cut single-family rental production by 40,000 to 70,000 units per year according to estimates by NAHB and the Urban Institute. The multifamily provision aligns with real construction costs and helps stimulate new apartment development.

- 2 WORKFORCE DEVELOPMENT AND IMMIGRATION:** There is a shortage of more than 200,000 construction workers, and more than 25% of the existing workforce is foreign-born. Home builders will need to add 2.2 million new workers over the next three years to keep up with demand and an aging workforce.

Congress should:

- **Pass the CONSTRUCTS Act (H.R. 1055/S. 189)**, bipartisan House and Senate legislation that will help prepare young adults for rewarding careers in the construction trades.
- **Pass the DIGNITY Act (H.R. 4393)**, legislation that would secure the border and create a new pathway to permanent work authorization for undocumented workers that meet clear and stringent criteria.

- 3 PERMITTING OBSTACLES:** Permitting delays at all levels of government put housing projects on hold and raise construction costs. Obtaining a federal Clean Water Act Section 404 permit — essential for many housing projects to move forward — takes upwards of one year.

The Senate should:

- **Reform the Clean Water Act** to expedite the permitting process by providing clarity and predictability while respecting environmental safeguards.

- 4 NATURAL GAS BANS:** Localities across the nation are banning builders from installing gas appliances, limiting consumer choice and increasing costs on new homes. The U.S. Energy Information Administration recently forecast that American households using natural gas spent about 42% less on heating this winter compared to those using electricity.

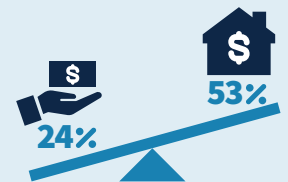
Congress should:

- **Pass the Energy Choice Act (H.R. 3699/S. 1945)**, legislation that would prevent state and local governments from banning the use of natural gas in new homes.

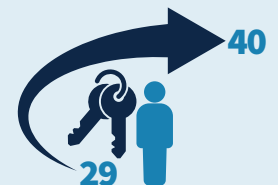
AFFORDABILITY BY THE NUMBERS



88 million households (65%) cannot afford a median-priced home of \$414,000



Home prices are up 53% since 2019 while median household income has risen only 24%



The median age of first-time buyers reached a record high of 40 in 2025, up from 29 in 1981



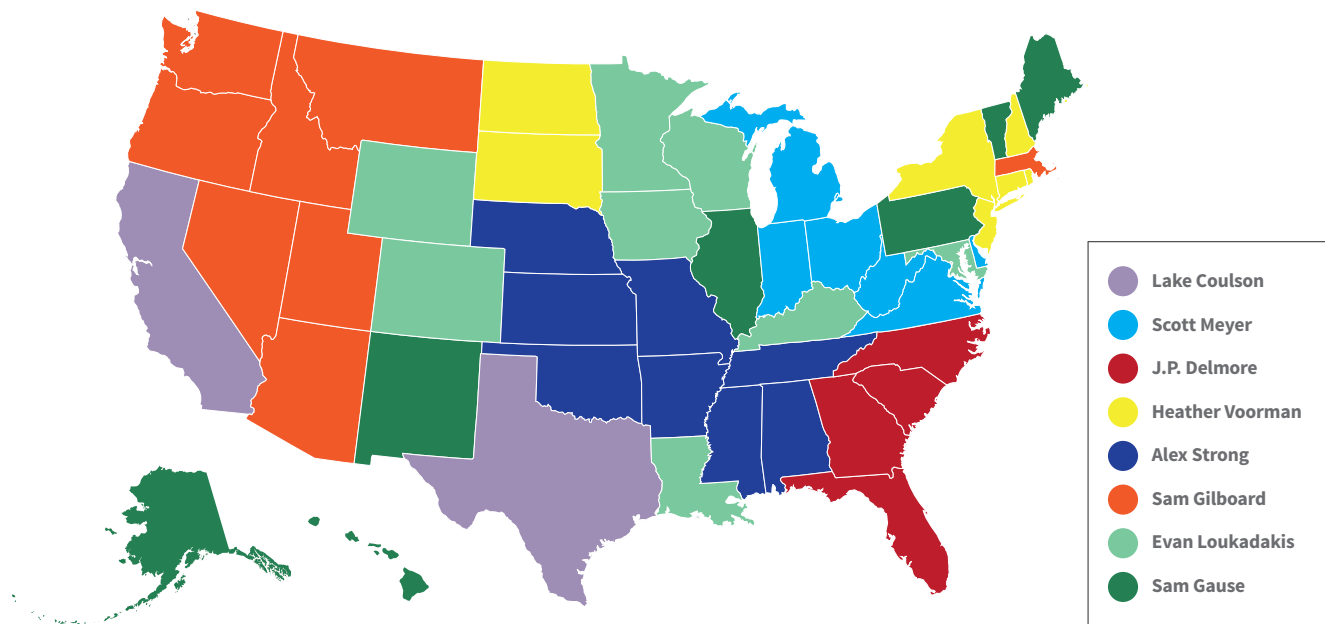
Every \$1,000 home price increase prevents 156,405 more households from buying a home

About the National Association of Home Builders

The National Association of Home Builders (NAHB) strives to protect the American Dream of housing opportunities for all, while working to achieve professional success for its members who build communities, create jobs and strengthen our economy.

Each year, NAHB's members construct about 80% of the new homes built in the United States, both single family and multifamily.

A federation of 700 state and local builders associations, NAHB represents more than 140,000 members who work to provide homeownership and rental housing opportunities for all Americans in every congressional district across the nation.



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