



Renters by Choice: The Truth about Single-Family Built-for-Rent Housing

February 2023



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Renters by Choice

Single-Family Built-for-Rent (SFBFR) housing is not new to the marketplace. In fact, NAHB has statistics on this market dating back to 1990. While the market share of SFBFR homes is small, it has been trending higher in recent years as more households seek affordable single-family residences in lower density neighborhoods.

NAHB members who engage in SFBFR development say the folks they house are renters by choice. Many residents who choose to live in SFBFR neighborhoods have the means to purchase but choose to rent. SFBFR serves those who want to rent a second home to live closer to grandchildren, young couples who want a detached home and a yard, but not the responsibility of homeownership, families who want the flexibility to move more easily if needed, or a potential homeowner who wants to live in a single family-home while saving money to purchase his or her first home.

SFBFR homes frequently are larger than traditional apartments and often offer amenities that traditional apartments do not, including private yards, full-size appliances, in-unit washers and dryers, and sharing less wall space with neighbors. SFBFR neighborhoods may be comprised of a mix of detached single-family detached homes, duplexes, multiplexes and attached townhomes.

Rethinking the American Starter Home

In many areas of the country, there is a lack of housing units between large multifamily apartment buildings and expensive, detached single-family dwellings. This is referred to as the “missing middle” and generally includes duplexes, townhomes, bungalow courts, carriage houses, smaller multifamily buildings, etc. that allow more units on less land than traditional single-family detached homes.

The SFBFR market can respond to this lack of options between large multifamily apartment living and high-cost single-family homes as an affordable steppingstone between renting an apartment and purchasing a single-family home for a first-time homebuyer looking for a traditional starter home. Similarly, home builders that are not large-scale production builders may find developing SFBFR can offer opportunities to build smaller, single-family homes in markets where lot prices and state and local regulations have made it difficult to build entry-level housing affordable to first-time home buyers.

Building More Housing to Respond to Market Needs of Availability and Affordability

Single-Family Built-For-Rent is one option to address the current housing crisis by increasing the availability and affordability of housing. SFBFR can add housing units where builders may not be able to build single-family homes for sale at a price point affordable to members of the community. SFBFR is not advocating renting over homeownership, but simply offering an option to meet the diverse housing needs of families and individuals.

Benefit for Homebuilders and Communities

Single-Family Built-For-Rent may allow homebuilders to benefit from faster construction times and economies of scale when developing large projects.

SFBFR creates the economic benefits to local communities including increased job opportunities for construction workers, increased state and local taxes, and an increased population to support local businesses.



SFBFR Unit, Photo Courtesy of Sustainable Construction