



PRINCIPAL REAL ESTATE

Institutional ownership of single-family rentals (SFR): Investor FAQ

We are receiving many questions from investors regarding recent policy developments related to institutional ownership of single-family rentals. After consulting with our Government Relations colleagues, we are providing this FAQ.

On Tuesday, 20 January 2026, the White House released an [Executive Order](#) related to institutional ownership of single-family rental (SFR) homes. It is high level and tasks several agencies with definitions that will ultimately shape the scope of the substance.

Key points include:

1. Within 30 days, Treasury Secretary Scott Bessent will define "large institutional investors"
2. Within 60 days, FHA/VA/GSEs (Federal Housing Administration, Veterans Affairs, Government-Sponsored Enterprises) won't be allowed to approve, insure, guarantee, or securitize SFH purchases by "large institutional investors"
3. There will be a "narrowly tailored exceptions for build-to-rent"
4. Heading forward, the Attorney General and the chairman of the Federal Trade Commission "shall review substantial acquisitions, including series of acquisitions, by large institutional investors of single-family homes in local single-family housing markets for anti-competitive effects and prioritize enforcement of the antitrust laws, as appropriate, against coordinated vacancy and pricing strategies by large institutional investors in local single-family home rental markets."
5. Given limited executive authority to impose changes in this space, the White House is preparing a legislative recommendation to prohibit large institutional investors from acquiring single-family homes that could otherwise be purchased by families.

Both the House Financial Services and Senate Banking Committees will convene a slate of housing focused hearings in the coming weeks and plan to work on a legislative package focused on housing availability and affordability – more detail on potential impacts to the industry will become clear as the parameters of that package are defined. Despite the increased focus on housing policy and affordability generally, we believe legislation on this topic will be extremely challenging to pass through both chambers given narrow margins and competing priorities. However, it is possible that certain provisions could be codified in a compromise bill and there is increasing focus at a local level.

As a result, we wanted to provide some facts on institutional involvement in the SFR market.

1. Institutional investors own a small percentage (2-5%) of SFR homes and an even smaller percentage of housing.
2. While institutional investors own higher percentages in some markets, many of these markets are now seeing falling housing prices.
3. The SFR REITs and many other institutional investors have been net sellers of homes over the past several years as housing prices increased.
4. Institutional investors are not usually buying from the Multiple Listing Service (MLS) in recent years and therefore are not directly competing with individual homeowners.
 - a. Rather, they are building themselves or partnering with homebuilders. This is increasing the supply of homes not reducing it, which is in line with the Administration's stated goals on this topic.



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