# QuickTake BY NORTHMARQ

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# Build-to-Rent Exemption
# Opens the Door for Institutional Capital

New federal policy draws a clear line between scattered-site rentals and purpose-built communities, creating major tailwinds for build-to-rent.

**#1**

## A Defining **Policy Distinction**

New federal housing policy aims to curb institutional ownership of for-sale homes, but purpose-built rental communities are explicitly exempt.

**Why It Matters:**

- Scattered-site portfolios face headwinds
- Purpose-built BTR communities get a green light
- Institutional strategies are already shifting to new construction

**#2**

## Capital is Pivoting. **Fast.**

The exemption makes BTR the clearest path for institutional investment. Institutions can pivot to BTR very easily, and many already have.

**Market Impacts:**

- Heightened demand for BTR-appropriate land
- Accelerating development of townhomes, bungalows and SFR communities
- Suburban parcels become increasingly competitive

**#3**

## Supply Stays the **Central Challenge**

Regulatory barriers continue to restrict new housing supply, but the BTR exemption protects the developers actually adding units.

**What to Watch:**

- Long-term legislative impacts
- Potential unintended consequences for SFR markets
- Municipal responses as BTR absorbs more institutional activity

### THE TAKEAWAY

Build-to-rent now sits at the center of the national housing strategy. With institutions redirecting capital toward new rental communities, developers and landowners are positioned for significant momentum.

*BTR isn't just insulated — it's favored.*

*"This is great for the build-to-rent segment… This legislation could make institutions hyper focused on BTR."*

**Trevor Koskovich**

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