

2020-3-12

# Less regulation, not more, will lower housing prices

Gen RE

Unlike the legislation's ban on institutional investors buying existing homes, the new rules for build-to-rent homes are a direct attack on new home construction. The federal government already has too many barriers to new construction.

The Denver Gazette · 12 Mar 2026 · WASHINGTON EXAMINER

Partly because of the mass deportation of, and self-deportation by, illegal immigrants, rents are falling in most markets across the country. This is a good thing, but most people don't dream of renting; they dream of owning a home. It has never been more difficult for young people to buy their first home and get on the ladder. The House recently passed legislation that helps address this problem, but the Senate version of the bill, released last week, adds just as much red tape to the housing market as it takes away, potentially making the problem worse.

The median age of first-time home buyers reached a record high of 40 years in 2025. The median age 25 years ago was 32 years old, not too far above the median of 29 in 1980. Only 1 in 5 of all home buyers were first-time buyers in 2025, down from around 2 in 5 in 2007. The reason for high home prices is no mystery: there simply aren't enough to go around. The United States is between 3 million and 8 million homes short of what is needed for a normal and affordable housing market.

Last week's Senate 21st Century ROAD to Housing Act acknowledges that the housing crisis is due to too little construction, and it takes steps toward acknowledging that government regulation is the reason too few homes are being built. The legislation would streamline manufactured housing regulations that had mandated expensive components for moving homes after construction. But since only 5% of manufactured homes are moved after construction, this regulation has needlessly raised costs. The legislation also streamlines Department of Housing and Urban Development compliance with the National Environmental Policy Act by excluding more HUD-financed projects, such as small new builds, home repairs, rehab of existing buildings, or adding homes in already developed neighborhoods, from NEPA's costly environmental review process. It also lets state and local governments handle some reviews instead of the federal government. These are steps in the right direction, but they are baby steps, especially when compared to the House's SPEED Act, which rewrote NEPA significantly and narrowed what federal actions triggered NEPA regulations for all agency actions. The SPEED Act also set strict time and page limits on environmental impact reports and added protections against lawsuits that delay projects. It is what real regulatory reform looks like, and the 21st Century ROAD to Housing Act falls far short.

On the plus side, the 21st Century ROAD to Housing Act abandons last year's effort to create national topdown zoning standards for counties that use Community Development Block Grant funding. In its place is an incentive program that rewards counties that build more homes than the national average

Note

Note

and punishes those counties that build fewer. This is also a step in the right direction, although many loopholes allow counties that fail to build new homes to collect federal tax dollars without any reform. If the legislation stopped with the modular housing deregulation, the NEPA deregulation, and the CDBG block grant reforms, it might be worth doing, although it would still be much less than desirable. Unfortunately, the legislation also includes new mandates forcing builders who rent homes to sell them after seven years. Unlike the legislation's ban on institutional investors buying existing homes, the new rules for build-to-rent homes are a direct attack on new home construction. The federal government already has too many barriers to new construction. We do not need more.

America will not build its way out of a housing shortage by punishing builders, micromanaging investors, and layering new regulations on top of old ones. If Congress wants cheaper homes and younger first-time buyers, it must do more than nibble at the edges of reform. It must clear the path to build.