



Federal Housing Finance Agency  
Office of Budget and Financial Management  
400 7<sup>th</sup> St. SW  
Washington, DC 20219

October 27<sup>th</sup>, 2017

Re: Request for Input: FHFA's Strategic Plan: Fiscal Years 2018-2022

Submitted via Electronic Delivery to: [fhfa.gov](http://fhfa.gov)

Dear Sir or Madam,

We thank you for the opportunity to submit comments to FHFA regarding *FHFA's Strategic Plan: Fiscal Years 2018-2022*. The National Rental Home Council (NRHC) is the non-profit, non-partisan trade association of the single-family rental home industry. Since 2014, NRHC has advocated on behalf of this vital and growing segment of the housing market that offers millions of American families access to a quality housing choice.

NRHC represents the owner-operators of these professionally managed homes, as well as the vendors and service providers who support the industry. NRHC supports the industry's efforts to strengthen neighborhoods by filling an important need in today's growing rental housing market.

As FHFA develops its strategic plan for the coming years, it is important that the Agency recognize the existing and growing demand for rental housing, including single-family rental housing. Green Street Advisory Group estimates there will be 3.9 million new renter households between 2016 and 2020, resulting in demand for 1.5 million new single-family rental homes.<sup>1</sup>

Further, more Americans today say that renting better fits their needs. According to an August 2017 study conducted by Freddie Mac,<sup>2</sup> 58 percent of survey respondents said that renting fits their current lifestyle. In addition, 69 percent of single-family home renters said that renting is more affordable than owning.

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<sup>1</sup> Green Street Advisors: Single-Family Rental Primer <http://www.rentalhomecouncil.org/media/Green-Street-Advisors-Single-Family-Rental-Primer.pdf>

<sup>2</sup> Freddie Mac Research: Profile of Today's Renter, Multifamily Renter Research - [http://www.freddiemac.com/multifamily/pdf/profile\\_of\\_renter.pdf](http://www.freddiemac.com/multifamily/pdf/profile_of_renter.pdf)



While our sector may be growing, institutional ownership is still a very small percentage of the market – just 0.2 percent of single-family rental units in the U.S. Similarly, these properties comprise about 1 percent of the single-family rental home market, which consists of approximately 16 million homes.

Instead, as more Americans choose to rent for a variety of reasons, our members are providing them high-quality single-family homes for lease in desirable, safe communities, and offering access to neighborhoods and schools that might otherwise be out of reach. While FHFA has highlighted in its draft strategic plan that it will support multifamily housing needs, NRHC urges FHFA to include in its final plan that it supports Fannie Mae and Freddie Mac (together, the Enterprises) activities that support the single-family rental market.

Further, we believe that FHFA should address the needs of the single-family rental market as a distinct third category – separate from multi-family and single-family housing. Our industry is growing each year, and our estimates place the single-family rental market as housing roughly 20 percent of American households.<sup>3</sup> A forward-looking plan to address the reliability, stability and liquidity of the housing finance market shouldn't leave out the needs of a growing segment of American households.

It is also important to note that the professional single-family rental industry has made a positive economic contribution to local communities across the country, particularly by stabilizing many housing markets following the 2008 crisis. As FHFA notes in its strategic plan, the agency would like to responsibly reduce the number of severely-aged delinquent loans and real estate owned REO properties. NRHC recommends that FHFA and the Enterprises also include professional single-family rental operators as they seek to achieve these goals, as our members bring experience and expertise in handling large-scale dispositions.

Currently, our members are not actively purchasing a significant amount of homes. However, when investing in acquired properties, institutional single-family rental owners spend an average of \$20,000 to rehab the homes they purchase—investment that supports local suppliers, vendors and other businesses, and often times transforms vacant or blighted properties into the nicest homes in a neighborhood. Furthermore, rehabilitated single-family rental homes can increase the values of surrounding properties, making entire communities more attractive to new buyers. To date, NRHC companies have spent \$3.69 billion rehabilitating homes in communities across the country, resulting in \$3.10 billion in local income, \$261 million in local taxes and revenue, and over 40,000 jobs supported across the country.

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<sup>3</sup> U.S. Census Bureau: Quarterly Residential Vacancies and Homeownership, Second Quarter 2017 <https://www.census.gov/housing/hvs/files/currenthvspress.pdf> & Urban Institute: GSE Financing of Single-Family Rentals [https://www.urban.org/sites/default/files/publication/90226/gse\\_financing\\_of-single-family\\_rentals.pdf](https://www.urban.org/sites/default/files/publication/90226/gse_financing_of-single-family_rentals.pdf)



Our members also provide workforce housing to residents of all income levels. The majority of our members' homes are affordable to residents earning between 60 – 120 percent of area median income (AMI).<sup>4</sup> We believe that FHFA needs to recognize and encourage the industry's contribution to workforce housing through its goals and initiatives.

Finally, NRHC was extremely excited about the Fannie Mae/Invitation Homes pilot program that provided financing and liquidity to the professionalized single-family rental market, which has helped expand access to quality rental homes nationwide. We believe similar innovative programs would be greatly beneficial to the wider housing market and Americans in search of alternative housing options.

Again, we thank FHFA for the opportunity to comment on its 2018-22 strategic plan, and we look forward to working with the Agency to identify and advance new policies that support the U.S. housing market. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Diane Tomb".

Diane Tomb  
Executive Director  
National Rental Home Council  
[dtomb@rentalhomecouncil.org](mailto:dtomb@rentalhomecouncil.org)

cc: The Honorable Mel L. Watt, Director

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<sup>4</sup> Urban Institute: GSE Financing of Single-Family Rentals  
[https://www.urban.org/sites/default/files/publication/90226/gse\\_financing\\_of-single-family\\_rentals.pdf](https://www.urban.org/sites/default/files/publication/90226/gse_financing_of-single-family_rentals.pdf)