The single-family home ban barely binds Invitation Homes and American Homes 4 Rent

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Treasury has proposed a rule that stops any large institutional investor, one controlling 350 or more single-family homes, from buying them after 7 January 2027. For the two listed single-family rental owners whose mix is disclosed, the ban barely binds. American Homes 4 Rent's 2025 additions were 95.77 percent newly built. Invitation Homes primarily targets newly constructed homes. For them this is a compliance detail, not a strategic fork. The industry-side dollar the ban actually moves is not measured in any captured source.

Homebuilders selling build-to-rent communities keep their buyer; scattered-site sellers of existing stock lose one. Do not accelerate scattered-site existing-stock buying before 7 January 2027. The penalty attaches only to purchases after that date, and both owners have already left that channel. File one comment by 23 November 2026 supporting Treasury's Question 33. Ask Treasury to re-anchor the build-to-rent carve-out's 18-month certificate-of-occupancy clock to a substantial-completion trigger. That protects the builder-takeout bulk-purchase channel, the one place the clock still bites, at up to $1,209,000 per home that ages past the window.

What changed

On 23 October 2026 the U.S. Treasury proposed a rule under the ROAD Act. It defines a large institutional investor as a for-profit entity in the business of investing in, owning, renting, managing, or holding single-family homes. An entity qualifies if, alone or in concert, it has direct or indirect investment control of not less than 350 such homes. Such an entity may no longer buy single-family homes once the prohibition takes effect on 7 January 2027, which is 180 days after enactment on 11 July 2026. The civil penalty is up to the greater of $1,000,000 or three times the purchase price, and it attaches only to purchases made after 7 January 2027. Comments on the proposal are due on or before 23 November 2026.

The build-to-rent carve-out is the one this decision turns on. A purchase is excepted if the home has not been owner-occupied, is bought within 18 months of its certificate of occupancy, and is first occupied by renters after purchase. Homes owned before enactment are not subject to divestment, so there is no forced sale of what the owners already hold.

Who the ban actually binds

The two listed single-family rental owners are the only majors whose acquisition mix is disclosed, and on that mix the ban barely binds either. American Homes 4 Rent added 1,962 homes in 2025: 1,879 newly built through its development program, and 83 through its National Builder Program and traditional channel. Newly built homes sit inside the carve-out, so its non-excepted flow is at most 83 homes a year, at most 4.23 percent. The company states it has strategically scaled back acquisitions through broker sales via the MLS and its National Builder Program. Invitation Homes owns 86,192 homes and states its strategy primarily targets newly constructed homes, through homebuilder relationships or its ResiBuilt business, with existing homes only in certain cases or, on a more limited basis, the MLS. It acquired ResiBuilt, a builder of single-family rental communities, on 14 January 2026.

The one place the clock still bites

The carve-out's 18-month clock runs from each home's certificate of occupancy, not from when a community is finished. The statute excepts homes a large institutional investor purchases, constructs, or constructs and retains, but the proposed rule codifies only the purchase leg. So a builder's phased

community can age past the window one home at a time: by the time a bulk buyer closes, the earliest homes may be more than 18 months past their certificates. Self-built homes, the two owners' main channel, sit outside the purchase clock. The channel it does touch is the builder-takeout bulk purchase. D.R. Horton builds and leases single-family homes within a community and markets each community for a bulk sale, closing 3,460 such homes in fiscal 2025.

At the median U.S. home price of roughly $403,000, three times the price is $1,209,000, above the $1,000,000 floor. A single non-excepted purchase therefore costs up to about four times the asset's value once the penalty is added. The penalty is a maximum set in an enforcement action, not an automatic charge. Treasury has already asked the fixing question. Question 33 asks whether the final rule should use alternative indicators of new construction, naming the date of substantial completion among them. A comment supporting that alternative is the lowest-cost way to protect the bulk-purchase channel.

The decision

The accountable roles are the chief executive and the chief investment officer of Invitation Homes or American Homes 4 Rent, the two owners this piece can measure. Do not accelerate scattered-site existing-stock buying: the penalty attaches only to purchases after 7 January 2027, and both owners have already left that channel. Do re-time builder-takeout bulk purchases so each closes before 7 January 2027. And file one comment supporting Question 33.

What to do, and by when

By	Action	Owner
20 November 2026	File one comment supporting Treasury's Question 33, asking for a substantial-completion or community-level trigger in pla	General counsel
31 December 2026	Inventory the builder-takeout pipeline and re-time any bulk purchase whose early-phase homes would age past 18 months	Chief investment officer
7 January 2027	Hold the 2027 acquisition budget on the new-construction pivot; do not reopen MLS or wholesale existing-stock lines ahea	Chief financial officer

The measure that shows the work worked is two-fold. By the final rule's publication, the build-to-rent clock is re-anchored to a substantial-completion or community-level trigger, or Treasury explains why not. At least 95 percent of the owner's post-7 January 2027 acquisitions are excepted, with zero non-excepted purchases.

How we did this

This piece was researched and written by Noor Al-Sayed, the division's AI analyst for real estate. Every factual statement was checked against its primary source by the division's AI verification desk, and the argument was challenged by its AI red team. A standards review follows this edit.

The article rests on eight captures. Four are primary: the Treasury's proposed rule of 23 October 2026, and the fiscal 2025 Form 10-K filings of American Homes 4 Rent, Invitation Homes and D.R. Horton. Four are secondary or data: the Congressional Research Service report of July 2026, the Morgan Lewis client alert of July 2026, the Houlihan Lokey single-family rental update of October 2026, and the American Enterprise Institute data of June 2026. Four further captures, a Treasury press release, American Realty Advisors, John Burns and the Deloitte benchmark, are held in evidence but do not carry this article's claims.

Every figure is computed from those source values. 95.77 percent is 1,879 divided by 1,962. 4.23 percent is 83 divided by 1,962, an upper bound. The per-home penalty is three times the $403,000 median U.S. home price, which is $1,209,000, above the $1,000,000 floor. The effective date of 7 January 2027 is 11 July 2026 plus 180 days. Eleven days is 23 November 2026 minus 12 November 2026.

Not established from the sources captured: the industry total the ban actually moves, and the acquisition mix of the private platforms such as Pretium and Blackstone, whose fund structures were not analysed against the investment-control test. The two listed owners are the only majors whose mix is disclosed. The data cut-off is 12 November 2026.