



RESEARCH — SEPTEMBER 2026

The ROAD Act and the next wave of capital into build-to-rent.

A federal law enacted this year closed the largest institutional landlords' main deployment channel and left build-to-rent as one of the few doors still open. Here's what the data says about who's moving through it, and where.

A door closed for scattered-site landlords, and one left open for build-to-rent.

H.R. 6644, the 21st Century Renewing Opportunity in the American Dream (ROAD) to Housing Act, was enacted June 23, 2026. It bars any "large institutional investor" — defined as a for-profit company owning at least 350 homes — from purchasing or contracting to purchase a single-family home. Build-to-rent development is explicitly exempted, along with rent-to-renovate programs.

The immediate effect is visible in listing data: the large institutional single-family landlords are now net sellers of their existing scattered-site portfolios.

9,447

INSTITUTIONAL HOME LISTINGS, UP FROM ~4,600 IN FEBRUARY

\$3.1B

COMBINED VALUE OF THOSE LISTINGS

Invitation Homes has acquired a homebuilder specifically to pursue build-to-rent. Progress Residential's parent company is redirecting activity toward build-to-rent, rent-to-renovate, and homeownership-boost programs. VineBrook is among the firms now selling down its scattered-site book.

THE READ

The largest pools of institutional single-family-adjacent capital in the country just had their main deployment channel closed by statute, and build-to-rent is one of the few doors left open. That's a real tailwind for anyone already holding build-to-rent inventory — and a signal that competition for build-to-rent land and build-to-rent-ready distressed portfolios will intensify over the next 12 to 24 months, not ease.

WHO ELSE IS MOVING

A market getting more crowded, not less.

NexMetro just launched Direct Access Fund 2026, built to develop and stabilize its Avilla Homes build-to-rent brand, open to accredited investors and Registered Investment Advisors. Its target markets: Phoenix, Dallas, Denver, Atlanta, Austin, and Tampa — six large Sunbelt metros that already dominate every "hot market" list published this year. That's a market list built around scale and name recognition, which is a legitimate strategy, and also the opposite of ours: we look for the population growth, job growth, and migration signal in metros before they're on that kind of list, not after.

A useful adjacent model, in a different product type: Graceada Partners applies closely related logic to multifamily and industrial across 85 secondary and tertiary Western U.S. metros (population 500,000 to 4 million), explicitly because smaller deal sizes and less institutional competition create room larger funds structurally can't access. They frame secondary and tertiary real estate as following the same institutionalization curve self-storage and manufactured housing already went through — attractive before mainstream capital notices a category exists, less attractive after. It's a useful historical analogy for why "arrive before institutional capital does" is a repeatable pattern rather than a story specific to any one firm.

THE BROADER DISTRESSED-CAPITAL PICTURE

Less competition for distress than the headlines suggest.

It's worth knowing that broad distressed and opportunistic real estate fundraising has contracted sharply over the past two years, not grown. Opportunity-fund fundraising fell from roughly \$70 billion in 2022 to about \$31 billion annualized by late 2024; distress-specific funds nearly disappeared, raising only \$240 million across two funds in 2024 against a \$6 billion run rate from 2021 through 2024. The reason: the wave of

forced commercial real estate sales the market widely expected never fully arrived, because lenders largely chose to modify and extend loans rather than foreclose, leaving an estimated \$400 billion in maturities extended rather than resolved.

The practical read: there is measurably less capital chasing distressed real estate broadly right now than there was two years ago, even as a specific, narrower category — build-to-rent, and the bankruptcy-driven land and entitlement situations that produce it — is about to see the opposite: a wave of newly-redirected institutional capital with nowhere else to go. Those two trends running in opposite directions, in the same asset class, at the same time, is the setup worth paying attention to.

WHAT LPS ARE REWARDING RIGHT NOW

Strategy over pedigree, but pedigree still opens doors.

Roughly 90% of the capital that went to emerging real estate managers in 2025 landed in opportunistic, value-add, and debt strategies. Separately, this year's most-watched emerging managers tend to be founded by people with backgrounds at large, established institutions — a fact worth being clear-eyed about rather than glossing over, since it means the credibility case for a newer platform has to be built on demonstrated, disclosed track record and transparent underwriting rather than institutional-name association alone.

Family offices, in particular, are shown this year to move faster than institutional allocators, spread commitments across strategies rather than concentrating in one, and source new managers largely through peer referral networks. We think that combination — speed, breadth, and trust built through direct relationships — is the natural fit for a platform at our stage, more than it is for a large institutional check-writer optimized for scale.

CLOSING

Why this matters to us specifically.

We hold three shovel-ready build-to-rent communities today, acquired out of a prior developer's bankruptcy before this law existed. Nothing above changes our underwriting discipline on any future acquisition. What it does change is the competitive backdrop: the product type we already have inventory in just became one of the only paths left for a large pool of institutional capital that used to have several. We'd rather be early to that shift than read about it after the fact, which is the same logic behind everything else we publish here.

SOURCES

- H.R. 6644, 21st Century Renewing Opportunity in the American Dream (ROAD) to Housing Act, enacted June 23, 2026.
- Reporting on post-enactment institutional single-family listing volumes and divestment activity by VineBrook, Invitation Homes, and Progress Residential, 2026.
- NexMetro Communities, Direct Access Fund 2026 (DAF 26) offering announcement, 2026.
- Graceada Partners, published investment thesis for secondary and tertiary Western U.S. markets.
- Industry reporting on opportunistic and distressed real estate fundraising volumes, 2022–2026, and Federal Reserve estimates of extended commercial real estate loan maturities.
- Industry research on 2025 emerging real estate manager capital allocation by strategy, and family-office limited-partner behavior, 2026.

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