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GMS Flash Alert

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United States – New Single-Family Home Purchase Restrictions Could Affect Relocation Management Companies

On October 22, 2026, the U.S. Department of the Treasury issued proposed regulations under the 21st Century ROAD to Housing Act that restricts purchases of single-family homes by large institutional investors, subject to certain exceptions.[1]

WHY THIS MATTERS

While the proposed regulations would restrict certain purchases by large institutional investors, typical relocation management company (RMC) transactions undertaken to facilitate employee relocations appear to satisfy a proposed exclusion. However, because the proposed exclusion depends on the facts and circumstances, RMCs should confirm that their home-sale programs satisfy the proposed requirements.

Global mobility programs should evaluate how their RMCs intend to apply the proposed rules and whether resulting compliance changes could increase fees, narrow available home-sale benefits, or create additional approval requirements that affect mobility budgets and the relocating employee's experience.

Background

On July 11, 2026, the 21st Century ROAD to Housing Act (the "Act") was enacted. Section 1001 of the Act generally prohibits a "large institutional investor" from purchasing a single-family home, unless the transaction qualifies for a statutory exception. The purchase prohibition and related enforcement provisions take effect on January 7, 2027, 180 days after enactment.

A "large institutional investor" generally includes a for-profit entity that is engaged, in whole or in part, in the business of investing in, owning, renting, managing, or holding single-family homes and that, alone or together with other entities, has direct or indirect investment control of at least 350 single-family homes. The Act provides exceptions for certain purchases of single-family homes.

Potential application to relocation management companies

The statutory language raised questions for RMCs that acquire or manage employees' homes through employer-sponsored relocation programs. In a typical home-sale program, an RMC may temporarily take title

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to a relocating employee's home, hold or manage the property while it is marketed, and dispose of it through a subsequent sale. Although these activities involve acquiring or holding single-family homes, the purpose of these activities generally differs from that of an institutional investor that is building or managing a residential investment portfolio.

Proposed regulations provide that an entity would not be engaged in the relevant single-family-home business if it undertakes those activities:

- solely on a temporary and incidental basis in furtherance of a different bona fide business;
- only to the extent reasonably necessary to conduct that other business; and
- not as a regular or continuing investment strategy or portfolio-management activity.

This proposed exclusion appears broad enough to accommodate the ordinary activities of an RMC that acquires or manages homes temporarily to facilitate employee relocations. However, whether an RMC's activities qualify for the proposed exclusion would depend on the facts and circumstances.

KPMG INSIGHTS

If the regulations are finalized as proposed, the rules would provide clarification for RMCs and employers offering home-sale assistance. RMC purchases made to support employee relocations appear distinguishable from the investment activity targeted by the new law, particularly when the RMC takes title only as an interim step and follows an established process for promptly marketing and reselling the property.

ENDNOTES:

1 Pub. L. 119-101 (Jul. 11, 2026); 31 C.F.R. 36, RIN 1505-AC96.

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