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Midwest BTR Markets Pull Ahead as Congress Protects New Rental Supply

New Cavan Research highlights widening performance gap between Midwest and oversupplied Sun Belt markets.

CAVAN COMPANIES

PHOENIX, AZ, UNITED STATES, May 28, 2026 /EINPresswire.com/ -- As the U.S. House of Representatives moves toward a floor vote on a revised amendment to the 21st Century ROAD to Housing Act; one that would fully protect purpose-built rental communities by eliminating the Senate's forced-disposition provisions, new research from Cavan Research shows the policy distinction is already visible in market performance.

Midwest build-to-rent markets continued posting positive rent growth through 2025 while several high-delivery Sun Belt submarkets faced elevated concessions and absorption pressure tied to supply. National BTR occupancy remained in the mid-90% range despite near-flat advertised rent growth nationally.

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> *Norm Miller, Chief Executive Officer, Cavan Companies*

“The national headlines are flattening a much more nuanced story underneath,” said Norm Miller, CEO of Cavan Companies. “Some markets are still absorbing peak-cycle supply. Others never overbuilt in the first place. We’re seeing very different operating conditions depending on where you are positioned.”

Key findings from Build-to-Rent 2026: The Durable Thesis include:

• The Midwest represented approximately 13% of national BTR units under construction as of early 2026, while Phoenix alone held a pipeline roughly equivalent to the entire Midwest.

• 36% of BTR residents identify as renters by choice, reflecting a long-term behavioral shift (John Burns Research & Consulting, 2024).
• Family offices allocate approximately 13% of portfolio assets to real estate, one of their top three asset classes (BNY Wealth, 2025).
• Purpose-built BTR communities command 15–20% rent premiums over comparable multifamily in select markets, driven by lower turnover, private yards, and resident retention (RSM US, 2026).

The paper examines low-density operating economics, tax advantages for new-construction assets, and the growing regulatory distinction between purpose-built BTR and scattered-site single-family rentals.

Cavan Companies is an active developer and operator of purpose-built BTR communities and ranked among the five largest BTR developers nationally by units under construction as of late 2025 (RealPage Market Analytics).

The executive summary is available at https://cavancompanies.com/the-durable-btr-thesis/. Members of the media may request the full report directly from Cavan Companies.

About Cavan Companies Founded more than 50 years ago, Cavan Companies is a vertically integrated developer and operator of purpose-built build-to-rent communities under its flagship brand, The Bungalows.

About Cavan Research Cavan Research publishes data-driven analysis on the build-to-rent sector, housing trends, and institutional real estate strategy.
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