



2026 GLOBAL CONFERENCE

LEADING IN A NEW ERA



PART 2: HOUSING AS AN INCOME PLATFORM: CAPITAL, SUPPLY, AND SCALED OWNERSHIP

Announcer 00:12

Thank you for joining us. Please welcome the panel to the stage.

Carol Massar 00:12

Hi, everybody. Same people? Welcome back. I'm glad you stayed around. We're going to continue this conversation. We've been looking at the asset-based economy, and I think we got a really good—with the first panel—just kind of this whole concept of consumer credit. And, I want to dig right in. We had some new housing data today. US new home sales rose in March by more than forecast. Median selling price led to a more than four-year low, and builders offered incentives. Our Bloomberg intelligence team noting the February, March rebound in new home sales comes after activity early in the year was depressed by wintry weather. Overall housing market conditions remain stagnant. New residential construction will likely contribute little to GDP growth this year. White House—recently out—a bunch of economists. US has a shortage of at least 10 million single-family homes. There's a lot of different estimates out there. A few years ago, Freddie Mac said about 3.7 million. That was back in November of 2024. National Association of Realtors, going back to 2021, said about five and a half million. So, we could debate the numbers. I want to get right into it because we've got three great voices to speak to the capital flows, the operating platforms, and financing structures that are impacting it. Right next to me—Stuart Miller. He's the CEO of Lennar, a publicly traded home builder. It's one that's been building homes since 1954. A long time. You've seen a few cycles, your company.

Stuart Miller 01:43

We've seen a few.

Carol Massar 01:45

Built over one million new homes across the US, first-time move-up buyers, luxury, multigenerational, active adult. They've seen a lot. Also, in the middle, Margaret Anadu. She is an investor and business leader known for building scaled high-performance investment platforms, helping to find affordable in workforce housing as an institutional asset class. She's invested over \$10 billion across hundreds of transactions throughout the US, expanding access to capital across underserved communities. It's something that we've been talking about a long time at Bloomberg. We're still working on it, but we're making progress. So she's been working on that. She spent nearly two decades at Goldman Sachs. Read the rest of her bio. She's pretty impressive. And this one, he's so quiet. Don Mullen.

Don Mullen 02:45

We didn't even get started, you made a joke about me. I mean, come on.

Carol Massar 02:49

Founder and CEO of Pretium. I've done a few panels with him over the years at Milken. Alternative investment manager, \$62 billion in AUM. More than 45 offices globally. A big bulk of that AUM is real estate equity, but he does invest in debt, residential credit, and more. Also, affordable housing. And he builds to rent, multifamily, single family. We're going to get into a lot. So, let's get to it. And I wanted to start with the big picture with you, Stuart. Tell me about housing. Bloomberg put a story out and says we're going to have a lost year. Are we? Sorry. I'm not known for coming in soft.

Stuart Miller 03:23

Well, a lost year—so, a lost year is a big notion, and I think—

Carol Massar 03:32

—The war, higher costs, there's a lot of things going on.

Stuart Miller 03:35

There's a lot of things going on. But if you want to think about a lost year, you'd have to go back to 2008, '09, '10, '11, '12. These were lost years where the entirety of housing production was sub 800,000. You're looking at a print in March that was about 1,500,000. It's not that high. That's kind of anomalous, but we're at least 1,300,000, 1,400,000, somewhere in there. Look, affordability is the issue. If you look at 2020 when inflation spiked, interest rates spiked two months later. Interest rates doubled. That means double the cost of housing, measured by monthly payment. And this was in the context of a housing market that had already accelerated in terms of pricing. So, affordability's the issue, and I do want to say we have Mayor Andre from Atlanta sitting among us, and he's a warrior for affordability. And there are precious few of those at the local level that are really focused on the affordability picture, what can make a difference, and how do we bring people into the housing market. With that said, the housing market is not

in last year territory. We are producing. We are finding affordability for the builders. We are reducing margin in order to make affordable homes affordable. And so, I think that we're in a quieter time, but it's certainly not a lost year.

Carol Massar 05:16

So, let's just jump in, in terms of affordability. It's an issue we've talked about for a long time. Margaret, come on in—the work that you guys have done, and why is it still such an issue? Why does it feel like it gets worse, rather than better?

Margaret Anadu 05:27

You know what's interesting? Because I feel like with affordability, there's the facts, and then there's the conversation around it. And I think that the number one thing is we've been in an affordability crisis for some time. I think when you focus on affordability for who, we could've been talking about 2007, 2012, pick your year, and we would've had segments of our population and demographics where there was not affordable housing, even before we had these rapid increases in cost, even before we had the rapid rise in interest rates. And so, I think we need to have a more nuanced conversation about how the affordability crisis has gotten worse, certainly. It was just a few years ago where we crossed over 50 percent in terms of the number of American individuals and families who are rent-burdened. That is a horrific stat by any stretch. And so I think it is getting worse. But I also think I—and I'm just a natural optimist at heart—there are local policies that are getting stronger and better and more resilient to address this. We're obviously having a very interesting federal policy conversation, which I know that Don's going to lean in on. So I think the facts are that we've been in an affordability crisis, it is getting worse, and it is just now more of a conversation that more folks are involved in.

Carol Massar 06:48

So, Don, come on in.

Don Mullen 06:53

I'll just emphasize one thing that you implied. Home prices have been accelerating for 50 years faster than incomes. It's not because Stuart's making a lot more money. That's not the issue. The reality of it is, it's been harder over these 50 years—and you could disagree—to build. It's been increasingly difficult to develop land. We've been in a position that labor force shrunk during that period of time, so labor costs went up, certainly since the global financial crisis. So this is a phenomenon that's been going on a long time. In addition to that, you compounded it with a demographic wave. Right? We had a huge millennial class working our way through the system, and that occurred almost concurrent with the GFC. And so as a result, you ended up increasing demand and decreasing supply on top of decades of income growing slower than house prices. So this should not surprise anyone. This was just math. It was out there. We shouldn't be surprised on where we're going.

Margaret Anadu 08:00

And just to Don's point on math, just picking up on something that Stewart said, we talked about how at the depths of the crisis, we were below 800,000 units, and now we're 1.3, 1.4, 1.5. Remember, pre-crisis, we were at two million. So we're still not even where we were in terms of production relative to where we were at that point in time, and even that, I would argue, was not sufficient.

Carol Massar 08:23

Help me understand—and we've had a lot of conversations about this, I feel like, at Milken—how did we get from two million oversupply, people talking about blowing up homes after the GFC to try and help right the market, to having a shortage? Help me understand that.

Stuart Miller 08:40

So the production actually got closer to 2.2 million. Normal is around a million and a half, or that's what is articulated. We actually got down as low as 400,000 in a year. So if you think about the math in the wake of the GFC, you're looking at an oversupply that pretty much corrected in a couple of years to equilibrium, and then a deficit in production. And that was driven by a lack of demand. There wasn't demand because the administration basically cut back on the mortgage market that had been abused, and so the pendulum swung all the way to the other side, disenfranchised the reserve buyer—i.e., the individual, by making the mortgage market so difficult to access. And so for years, literally a decade, we drastically undersupplied what was needed. And that's where the deficit comes from. We're more at equilibrium right now with a chronic deficit in the background.

Margaret Anadu 09:50

Again, just oversupply for who? Because I think even in those years that we might have called it an oversupply, ask a minimum wage earner in New York City. Certainly, they didn't feel an oversupply during those times. So I think as we think about affordability, I think it's important to talk about every part of the spectrum in the US, and there are different situations for different families and different geographies. So I think there's just a bigger picture there.

Carol Massar 10:19

Well, Don, where's capital flowing when it comes to housing right now? Is it multifamily? Where is it moving into?

Don Mullen 10:25

It's waiting to see what bill gets passed.

Carol Massar 10:28

I'm trying to give you an opening.

Don Mullen 10:30

I know you are. Well, certainly capital—and again, Stuart can add to this comment—at least I see from my clients, BTR projects. I was with an insurance company who loves that. And the head of the real estate group has his stamp out, and every time one comes in his desk, he goes, "No. I'm not putting money in BTR, period, full stop, until this is sorted out."

Carol Massar 11:06

This has to do with institutional ownership, right?

Don Mullen 11:09

Yes. BTR projects are always institutional ownership of rental communities, subdivisions, usually designed specifically for renting out to folks around 100 to 120 percent area median income, who aspire to live in a single-family home. Often, they're placed in attractive school districts, low-crime rate areas that are very aspirational areas to raise your family in. Right now, the construction of that has cratered. It was already on its way down because we had a near-term oversupply, but in addition to that, the proposal of the 21st Century Road to Housing has a provision in it that limits institutional ownership of single-family homes, grandfathers the existing universe in. But on a go-forward basis, there's certain criteria you need to meet. There's a real debate about many of those criteria, but the seven-year sale component that was slipped in at the end that many people call the poison pill of the bill, that has killed capital formation, absolutely crushed it. And so as a result, people are not interested in investing in new projects currently.

Margaret Anadu 12:16

But I mean, it's not surprising. If you think about real estate as one of the largest—actually *the* largest segment within privates and multifamily within that, one of the most liquid and robust places for investors, they want predictability. They want to understand what they're getting into. And I think this conversation at the federal level, specifically around SFR, has, not surprisingly, put people on the sidelines. No one is going to put capital into something where they think they're going to have to sell it, or it's not something they're going to be able to maintain. And I think it actually mirrors a broader issue around not just federal policy, but also what we can be doing around state and local policy so that investors are comfortable understanding that this is a highly regulated asset class, it always has been. But that piece around predictability is important, and it's not there right now, and it's harmful.

Carol Massar 13:11

Well, when it comes to rules and regulations, and Mr. Mayor, maybe you could come in on this. I mean, I do feel like for anybody—

Margaret Anadu 13:19

—Well, but before he comes in, I should talk about all the great things that are happening in Atlanta right now, because that's some good local policy!

Carol Massar 13:25

Well, let's go there, because I think when you talk about anybody who's doing any kind of building, they talk about the local regulations. There's just so many, and I think coming up on the planning call, we talked a little bit about it'd be nice to have a set of rules that maybe were more standardized. I mean, Stuart, do you have some thoughts on that in terms of building? Like—

Stuart Miller 13:44

—Do I have some thoughts? I live it every day.

Carol Massar 13:47

But is that never—I mean, how can that even happen?

Stuart Miller 13:50

Look, as you go across the country, the rules, regulations, the political landscape in every community is different. And you play by the rules of the local community. That's why I single out the mayor. I happen to know that in Atlanta, we have very constructive politicians and thought processes, but that's not true across the country. And look, I'll be a little controversial, and that is—

Carol Massar 14:25

—We like controversy.

Stuart Miller 14:26

So capital is widely available. Capital wants to see a return, and affordability is restricting engagement. So you have two pieces of the puzzle. Capital needs to see a landscape where it can have some elements of certainty. Capital expects a risk, but it doesn't expect a risk from left field, and therefore, capital will shut down. It's not that it's not available. It'll shut down if it doesn't feel that there are elements of certainty and

predictability within it. On the other side, demand is very strong for housing. The problem is it's not actionable. Affordability is your constraining element. And when Don suggested and said that costs have been going up, a lot of those costs derive from land and restrictive legal structures at local levels that are driving the cost of land as a residual of the cost of housing, cost of land up at very dramatic levels. And that increase in land has, in itself, driven the affordability gap that we see. Now, at the same time, you do have interest rates that have doubled, okay? And so you layer these things on, one on top of the other. And it's access that is problematic. It's not supply. We can fix supply if demand is actionable in there. And it's not capital, because capital is really available right now, and I see this even in the land market.

Don Mullen 16:10

Subject to legislation.

Stuart Miller 16:11

Yes. Subject to legislation. Yes, exactly.

Don Mullen 16:14

There's a lot of data that basically suggests then that home builders, because of the cost, as you implied, really need to build a house that's \$400,000 or more in most markets. Americans really need houses to be built around 250 to 300. And that's the gap we're really dealing with, for the average middle American family. Not talking about 30 percent AMI or 60 percent.

Carol Massar 16:38

You're ready to build those \$250,000 homes.

Stuart Miller 16:43

No, think about this. Over the past few years, since 2022, when interest rates spiked, the margin of the average builder has gone down anywhere from 800 basis points to 1,500 basis points. Okay? That is a significant drop in profitability, all in favor of helping customers afford, reducing profitability to build supply, and to meet demand at affordability by the builders. So the builders do stand ready to build, but we can't go forward and lose money on every home and expect that we're going to stay in business. So there is a point at which you just have to curtail. Now, I will say that BTR—build-to-rent—and the scattered SFR programs, these are a part of that ecosystem of driving production, driving supply, so that we have adequate supply, not just for the people that can afford it, but even—and especially, for the people that are challenged in finding affordability—and that is what the builders fight for, is how do we make sure that we're building for everybody?

Margaret Anadu 18:09

In some ways, I feel like part of this conversation is just impossible because we're talking about the country and policy like it's one thing, where we are 50 states, a bajillion counties. And so this idea that affordability is the challenge. In a lot of ways, and you said it, investors want a return; they want predictability. In a lot of ways, when you can actually productively create some of these public-private structures and create affordability or mixed-income projects, you actually are not just providing returns to your investors, but more predictable returns. It's super straightforward. Supply and demand. When you can offer your product to a broader group of folks because it is more affordable, it is less volatile. And so how do you do that? We have this picture now that "regulation is bad." There's a residual cost in land value. We keep talking about Mayor Dickens. If you're in Atlanta, you can buy a multifamily housing development below replacement cost and work with the city to get not just your value decreased, but incentives that allow you to help make it affordable. We're talking about this one picture—and you have to because it's 30 minutes, and it's a whole country—but there are policies that actually help affordability, that actually make more durable returns for investors. But that's just not everywhere all the time. But there's a lot going on.

Stuart Miller 19:30

But just remember, to build a homeless-level home, here in California—in order to build that, you're looking at \$600,000 or \$700,000 a print. Okay? And so the politics really matters, as you go from place to place. And that's what's so important.

Margaret Anadu 19:49

That's why I brought up another constructive solution of how we can be taking assets from all this oversupply, where you can actually get them below cost. So there's building, there's converting, there's preserving, there's just a whole wider set of solutions. But this conversation on home building is just narrow.

Don Mullen 20:05

We've said it, I don't think it can be emphasized enough that because of the nature, not of our politics, but our laws—we are a federal republic, as you said. When we allocate dollars, we allocate them to states, who allocate them to counties, who allocate them to housing authorities and local zoning. And so you brought that up as a topic of complexity and concern. We operate in the UK, for example. In the UK, it's completely different. Their national government has allocated—that we're zoning this area. We're going to put multifamily, affordable housing, single-family rentals, and new homes in, and take huge blocks of land and master plan them from a zoning perspective to alleviate their housing crisis. Nevertheless, they still have one, right? Because they went through the same cycle we did. So their problem, though, isn't zoning. They have the same immigration challenge that we confronted concurrent with that. Did not plan ahead, like democracies tend not to, which is great. And so as a result, they're running as fast as they can to catch up. For us, the reason why institutions as large as Stuart's or mine are able to master the complexity is you need a lot of people, a lot of data, and a lot of technology to go execute in any scale and create margin with all this complexity. It's like derivatives trades I did at Goldman Sachs are simpler than dealing with housing authorities in—sorry, sir—just your MSA.

Carol Massar 21:40

That's perspective. Well, but it sounds to me that it's so complex that you'll have pockets where there's success. But that seems sad because you're going to have a lot of Americans who are not going to be able to live where they want to or live where they work. So do we just come back in a year or two years or five years and have the same conversation?

Don Mullen 22:04

We've been doing it for five years already. This is not like a new panel. It's just different faces on the panel. But it's the same problem. Year in, year out. Listen, the 21st Century Road to Housing Act, if you take Section 901 out, which—

Carol Massar 22:19

—You said it'll be good for housing—

Don Mullen 22:19

—It's good because it attempts to make it easier for us to build.

Carol Massar 22:22

Margaret, do you agree?

Don Mullen 22:24

I'm not saying it does. It attempts to make it possible. Over what timeframe?

Stuart Miller 22:27

It's not a tomorrow thing. It's a phased process. But some of the help could be immediate.

Margaret Anadu 22:34

But some of the help can be immediate. So, actually, in a volunteer capacity, I actually chair the board of New York City Economic Development Corporation, and we sort of absorb federal policy. And then there's still all of the layers of things that you have to do on top of it. So it's like, what is happening in the federal picture? And then what are the zoning bonuses we can do? What are the local tax structures we can act? So I think there can be local pockets of success. I think there are local pockets of success. But will we be talking about this next year where there'll still be a 3–7 million unit glut, depending on what data you use?

Yes. 100 percent, yes.

Don Mullen 23:06

Well, I would characterize that, and this is a very typical problem that we have, isn't it? That we have more than a handful of tactical victories and almost no strategic victories. We have not put a dent in this problem, in a large way, for quite some time.

Stuart Miller 23:26

When we talk about the current legislation, we need big, bold ideas, and this is at the margin. Take away the provision—it is so at the margin. It will have very little impact in the short run. We'll be talking about it for the next two, three, and five years.

Margaret Anadu 23:47

I think, but importantly, sorry, because I agree with Stuart—and don't take this the wrong way—but, one way or the other, the amount of mind share that this SFR discussion has occupied, for what is a few hundred thousand units total across the country in a seven-million-unit deficit. That's the number I use because I care a lot about affordability. It's really important, but there's so much more to tackle.

Carol Massar 24:15

So I think the solution—wait, because we only have two and a half minutes. Is it Trump Homes? Because you guys are involved in this, and I'm just curious if there's any update. This, of course, is the president working to develop these Trump Homes to address affordability.

Stuart Miller 24:36

Why are you looking at me? I'm not a proxy for the administration. I just want you to know, I'm not a Republican, I'm not a Democrat, I'm a home builder—okay, so we're working every day on big, bold solutions, but—

Carol Massar 24:53

Is it progressing? Is it happening? Is it going to help?

Stuart Miller 24:57

Let me go back to one thing real quick and say—if you start with institutional owners of homes for SFR and taking it away from the average consumer, you can go back 20, 25, 30 years ago, Ivy Zelman was writing about the fact that about 15 percent to 20 percent of all homes built in America were being owned by

mom and pop owners who were renting them out. This has been a part of the home ecosystem for decades and decades. The only thing that's really changed is instead of individuals owning homes and renting them out, it's gone to institutions who are professionalizing and making it more efficient and more effective for the underserved. As far as build-to-rent, as far as what you describe as Trump Homes or whatever—

Carol Massar 25:59

—Hey, I didn't describe it. He called them that.

Stuart Miller 26:02

—But whatever those programs are, I'm in favor of big, bold solutions. They're not just programs. They are roadways or stepping stones to getting to homeownership and using mechanisms of affordability to help people achieve an ownership program, which I think positions them well for their future and their family's future, and the stability that they need to get there.

Margaret Anadu 26:36

I love everything he said, plus people being able to rent in a stable way that provides all of that as well. Everything cannot be about homeownership. There's so much value there. There's so much that's good for families in that. That is just not going to be the path for everyone. And so we also need to make sure that we can have long-term, stable, high-quality, affordable rental for people in neighborhoods with opportunity as well.

Stuart Miller 27:02

And I agree with that, too.

Don Mullen 27:04

I 100 percent agree with that.

Carol Massar 27:05

Final thought. It sounds to me like we will just be talking about this for a long, long time. If you could change one thing?

Don Mullen 27:20

I would say one thing. I think Margaret brings up an incredibly good point, which is this bill, with all its flaws, shortcomings, misinformation, just a load of—quite frankly, crap—has actually brought the issue to

the front. Made people really focused on what's broken, that the people we thought were the devils aren't the devils. Stuart and I are good guys, right? The reality of it is, we have a complex—you too, Margaret. You've always been the good person—you're helping people, right? You're really helping people. At the end of the day, the fact that it's been brought to the consciousness of everyone gives us a chance to actually come together to solve the problem.

Carol Massar 28:27

I have to say, I have a large family, and it's really sad to me when I have nieces or nephews, and they're in their early 30s, mid-30s, and they're like, "I just can't afford a house." And the great educations, and it's really, really troubling to me.

Don Mullen 28:38

First-time homebuyers, 40.

Margaret Anadu 28:44

I actually, I'm going to steal that. That alone, I think is so powerful. I think the average first-time homebuyer, I think, used to be 21, 22. It's now 40. That's wild.

Carol Massar 28:56

My parents, I'm one of seven, bought a house in the '50s. It was probably like \$16,000 in Northern New Jersey. Bought it for cash. And that was a lot of money even then, but it's just, could do it. It could do it. You just can't do these things anymore.

Stuart Miller 29:24

Look, my one thought is if everybody would just focus on affordability. There are big, bold ideas that can work financially, and I think it comes down to politics being set aside and everybody focusing on together how do we get to financial affordability for more people? And I'm going to end where I started off, and that is: Mayor Andre—more people in the political sphere that are holding hands with people in the private sector and in the public sector to say, "Come on, we can fix these problems. Let's brush politics aside, and let's get focused and make something happen."

Carol Massar 30:04

I'm going to leave it on that note. Oh my god. How incredible were these guys? Thank you. Thank you, guys, so much.

Disclaimer: This transcript was reviewed by individuals for accuracy and serves as a reference. However, it may still contain errors or omissions. Please verify any critical information independently.