

# United States Senate

WASHINGTON, DC 20510

May 1, 2025

Mr. Donald J. Trump  
President  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear President Trump:

We write today amidst reports that your disastrous trade policies will raise housing costs for Americans. We demand that you immediately reverse course and refocus your attention on policies that will address our nation’s housing crisis—not exacerbate it.

America is in the midst of a nationwide housing shortage. By some estimates we need 5 million units to fill the gap.<sup>1</sup> Housing costs have skyrocketed over the past few decades, outpacing families’ incomes and pushing homeownership out of reach for millions.<sup>2</sup> Across the country, renters and would-be buyers struggle to afford housing—leaving households cost-burdened and unable to invest in the future.

During your campaign, you promised to address America’s housing crisis and on day one of your Administration you signed an executive order to pursue “appropriate actions to...lower the cost of housing and expand housing supply.”<sup>3</sup> Yet your reckless trade policies will only make the crisis worse. Your recent announcement of sweeping tariffs—and the subsequent, ongoing responses of our trading partners and your repeated waffling on your plans for tariff implementation—have created significant confusion in the housing sector. What is clear, however, is that your tariffs on aluminum, steel, appliances, and other materials will “undoubtedly” raise the cost of constructing new homes —<sup>4</sup> by at least \$7,500 to \$10,000, according to the National Association of Home Builders.<sup>5</sup> Analysts also predict that your tariffs will drive up home insurance premiums by “making repairs more expensive,” harming renters and homeowners alike.<sup>6</sup>

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<sup>1</sup> Brookings, “Make it count: Measuring our housing supply shortage,” Elena Patel, Aastha Rajan, and Natalie Tomeh, November 26, 2024, <https://www.brookings.edu/articles/make-it-count-measuring-our-housing-supply-shortage/>.

<sup>2</sup> U.S. Department of Treasury, “Rent, House Prices, and Demographics,” Laura Feiveson, Arik Levinson, Sydney Schreiner Wertz, June 24, 2024, <https://home.treasury.gov/news/featured-stories/rent-house-prices-and-demographics>.

<sup>3</sup> President Donald J. Trump, “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis,” January 20, 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/>.

<sup>4</sup> Newsweek, “Why China Tariffs Are Bad News for US Housing Market,” Giulia Carbonaro, April 8, 2025, <https://www.newsweek.com/why-china-tariffs-bad-news-us-housing-market-2056647>.

<sup>5</sup> CNBC, “Tariffs to add as much as \$10,000 to the cost of the average new home, trade association says,” Alex Harring, March 13, 2025, <https://www.cnbc.com/2025/03/13/tariffs-to-add-as-much-as-10000-to-average-cost-of-new-home-trade-group-says.html>.


<sup>6</sup> Bloomberg, “Trump’s Tariffs Likely to Make Home Insurance Even More Costly,” Linda Poon, April 9, 2025, <https://www.bloomberg.com/news/newsletters/2025-04-09/trump-s-tariffs-to-further-raise-us-home-insurance-rates>.


Your tariffs and the economic uncertainty they are creating are also putting pressure on interest rates, which will increase the cost of home building even more while raising mortgage rates for families looking to buy a home. In early April, mortgage rates surged to their highest level in more than a month amid your various tariff announcements.<sup>7</sup> If China retaliates against your tariffs by selling off U.S. Treasury bonds or U.S. mortgage-backed securities, that could also result in higher costs.<sup>8</sup>


Furthermore, your tariffs are increasing the likelihood of a recession,<sup>9</sup> which would only further exacerbate Americans' ability to afford their rent, pay their mortgages, and invest in homeownership.


When used strategically and effectively, tariffs are a valuable economic tool to combat unfair trade practices and ensure a level playing field for American industry and workers. Your tariffs are neither strategic nor effective: instead, they are sowing global chaos at Americans' expense and making the housing crisis even worse. We demand that you reverse course and refocus your attention on economic policies that will truly benefit the American public, including efforts to address our housing crisis.

Sincerely,

  
Jeffrey A. Merkley  
United States Senator

  
Lisa Blunt Rochester  
United States Senator

  
Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs

  
Chris Van Hollen  
United States Senator

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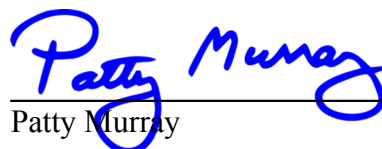
<sup>7</sup> CNBC, "Mortgage rates slingshot higher as tariff uncertainty roils markets," Diana Olick, April 8, 2025, <https://www.cnbc.com/2025/04/08/mortgage-rates-higher-tariff-uncertainty.html>.

<sup>8</sup> CNBC, "Here's how China could crush the U.S. housing market," Diana Olick, April 9, 2025, <https://www.cnbc.com/2025/04/09/how-china-could-crush-the-us-housing-market.html>.

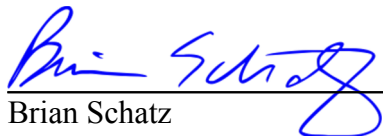
<sup>9</sup> CBS News, "Trump tariffs raise odds of U.S. recession, Wall Street economists say," Megan Cerullo, April 7, 2025, <https://www.cbsnews.com/news/recession-risk-2025-goldman-sachs-jp-morgan-trump-tariffs/>.



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