

August 20, 2021

The Honorable John Kennedy  
U.S. Senator  
416 Russell Senate Building  
Washington, DC 20510

Dear Sen. Kennedy,

The undersigned organizations would like to thank you for your leadership in authoring and offering a successful amendment to the Senate budget resolution to preserve the current law tax treatment of real estate like-kind exchanges.

Over the last 100 years, like-kind exchanges have contributed to the Nation's economic well-being. Section 1031 of the tax code supports job growth, the health of U.S. commercial real estate, and the preservation of family-owned businesses, including farms, ranches, and forestland. Like-kind exchanges also increase the supply of affordable rental housing by filling gaps in housing supply not covered by other incentives. Communities and environmental organizations use like-kind exchanges to conserve land for the benefit of the public and future generations. Gains reinvested in new property through an exchange create a ladder of economic opportunity for small and minority-owned businesses and entrepreneurs, and generate much-needed tax revenue for States and localities. For many Americans, like-kind exchanges are a principal tool for retirement security.

A partial and limited survey of transactions in the State of Louisiana identified 1,019 like-kind exchanges between 2015 and 2019 with an aggregate value of more than \$1.6 billion. Louisiana is not an outlier. Similar data can be found in all 50 States. During periods of economic stress, exchanges stimulate commerce and facilitate needed price discovery. Thus, not surprisingly, like-kind exchanges helped stabilize property values and real estate markets when economic activity slowed at the height of the pandemic. In the post-pandemic economy, section 1031 will help with the repurposing of real estate assets and accelerate the jobs recovery.

Again, we greatly appreciate and applaud your leadership on a tax issue critical to our industries and the broader economy, and we hope to work closely with you on this matter in the months ahead.

Sincerely,

The Real Estate Roundtable  
American Farm Bureau Federation  
Asian American Hotel Owners Association  
Associated Builders and Contractors  
ADISA—Alternative and Direct Investment Securities Association  
American Hotel & Lodging Association  
American Land Title Association  
American Resort Development Association

American Society of Farm Managers and Rural Appraisers.  
CCIM Institute  
CRE Finance Council  
Federation of Exchange Accommodators  
Forest Landowners Association  
ICSC  
Institute for Portfolio Alternatives  
Institute of Real Estate Management  
Land Trust Alliance  
Leading Builders of America  
Mortgage Bankers Association  
Manufactured Housing Institute  
NAIOP, Commercial Real Estate Development Association  
Nareit  
National Alliance of Forest Owners  
National Apartment Association  
National Association of Home Builders  
NATIONAL ASSOCIATION OF REALTORS®  
National Cattlemen's Beef Association  
National Corn Growers Association  
National Multifamily Housing Council  
The Conservation Fund  
The Nature Conservancy