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APARTMENT WIRE
NEWSLETTER

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Opportunity Zones Could Tap \$6 Trillion for Underserved Neighborhoods

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Last December's tax reform legislation contained a little-discussed—but potentially game-changing—provision to direct some portion of the [\\$6 trillion in unrealized capital gains](#) at the end of 2017 into low-income communities, including in much-needed workforce and affordable housing.

Under the law, investors can defer tax on capital gains invested into [Opportunity Funds](#) and avoid tax altogether on profits from Fund investments held at least 10 years.

Some predict that Opportunity Funds, which invest in Opportunity Zones, could become a new—and sizeable—asset class, but they also warn that fund managers don't have a track record of low-income community investing, so it will take a few years to build that capacity with investors.

NMHC is [working with the Treasury Department](#) to ensure that apartments are a qualified investment for Opportunity Funds and that multifamily properties that already have tax incentives attached to them (e.g., LIHTCs or New Markets Tax Credits) are also qualified.

And LOCUS has created an [Opportunity Zone Navigator](#) tool that allows users to learn more about the economic, environmental, demographic, housing and infrastructure of designated Opportunity

Zone census tracts.

Learn more about [Opportunity Zones](#).

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Top News



DEVELOPMENT

Solving Housing Affordability Crisis With 'Housing Development As a Service' Model

Seattle-based Blokable is rolling out a new model, which includes elements of a modular housing builder, a design-build firm and a fee developer that builds for others, with the goal of dramatically reducing the costs to build housing.



DESIGN

Student Housing Amenities Change from Luxury to Health and Wellness

Some companies that provide student housing say they have seen a shift away from over-the-top amenities that were popular with off-campus renters a few years back. NMHC's 2017 ["Disruption" report](#) and interactive website anticipated this move.



MARKETS

America's Housing Crisis Is A Ticking Time Bomb

A new report reveals rising rents and surging inequality — and it's only going to get worse. By nearly every measure, the American housing sector is broken, according to Harvard's Joint Center for Housing Studies' annual State of the Nation's Housing report.



POLICY

Trump Administration's GSE Reform Plan Won't Happen for Two Years

The Trump administration's plan to reorganize the federal government includes a provision that would end the GSEs' conservatorship and privatize them. S&P says it won't happen anytime soon. Separately, Treasury Secretary Mnuchin confirmed it won't happen in 2018.

ENERGY & SUSTAINABILITY

California Raises the Bar for Solar



California recently became the first state to require rooftop solar panels on new homes. Paula Cino, NMHC's vice president of Construction, Development and Land Use Policy, comments on the concerns and challenges builders now face as a product of implementing this new standard.



CONSTRUCTION

Can Silicon Valley Disrupt How We Build?

The way that most large buildings get built hasn't changed much from 50 years ago. Add volatile material prices and a skilled labor shortage, and you have, in the now-familiar parlance of Silicon Valley, an industry waiting to be disrupted.



DIVERSITY & INCLUSION

REIT Industry Hits Diversity Record (paywall)

Of the 94 REIT directors newly elected during the spring proxy season, 49—or 52%—are women. It is the first time men comprise less than the majority of the new directors. REITs with more than the average percentage of women on its boards (15.5%) achieved higher average price and total returns between 2006-2017.

In Case You Missed It

A hand-selected collection of noteworthy articles on a wide variety of issues of interest to apartment executives.

[MBA, NMHC, and Others Call for Change to HMDA Multifamily Lending Rules](#)

[Are Americans Fleeing Cities for Suburbs? Not So Fast](#)

[Prudential Just Made Its Biggest Multifamily Purchase on the West Coast \(paywall\)](#)

[For Apartment Sector, Uncertainty in Washington Threatens Policy Priorities](#)

[What's in Store for the Apartment Industry](#)

[Education Realty Trust Confirms Its Sale to Greystar Real Estate Affiliate \(paywall\)](#)

[Experts Predict Hot Real Estate Markets to Cool in 2020](#)

[City Shares Creative Housing Ideas With Mayors Nationwide](#)

[How Much Are Government Regulations Costing Multifamily Developers](#)

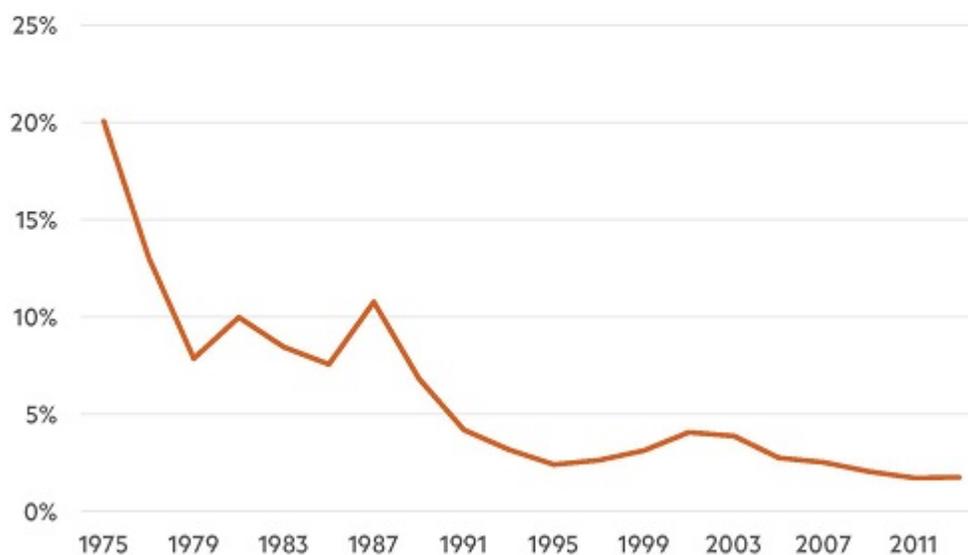
[Demand Rises for Furnished Rental Apartments](#) (paywall)

Multifamily Market Dashboard

Did We Ever Build Apartments for the Middle Market?

Low levels of income growth over the years have exacerbated the housing crunch for the nation's median-income households, according to NMHC's June 27 Research Notes. By delving into the national data available, the shortage of middle-market apartments appears to be a problem that has been building.

FIGURE 4
New Apartment Share of All Apartments Affordable to Median-Income Households



Source: AHS; NMHC

The share of apartments affordable to median-income households and no more than five years old ranged from about 10 percent to 20 percent throughout the 1970s and 1980s. It dipped to an average of 3.1 percent in the 1990s and 2000s and then declined even further to only 1.8 percent in the current decade through 2013.

Read the full article [here](#).

Upcoming Meetings

[2018 NMHC Fall Meeting, September 12 - 14, 2018 in Washington, D.C.](#)

[2018 NMHC Emerging Leaders Speaker Series Seattle, September 19, 2018 in Seattle, WA](#)

[2018 NMHC Student Housing Conference & Exposition, October 3 - 5, 2018 in Huntington Beach, CA](#)

[2018 NMHC Emerging Leaders Speaker Series Houston, October 17, 2018 in Houston, TX](#)

[2018 NMHC OPTECH Conference & Exposition, November 14 - 16, 2018 in Orlando, FL](#)

About Apartment Wire

A must-read for top apartment industry professionals, Apartment Wire is a timely review of emerging trends in apartment finance, development, management and technology and more, featuring both exclusive content from NMHC's staff of experts and provocative articles from across the web.

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1775 Eye Street, N.W., Suite 1100,
Washington, D.C. 20006
202 974 2300 Office
news@nmhc.org

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