

APARTMENT WIRE

WAYS & MEANS ADVANCES TAX PROVISIONS IMPACTING MULTIFAMILY

On Wednesday, the House Ways and Means Committee completed consideration of tax provisions to potentially pay for some of the proposed \$3.5 trillion reconciliation bill designed to address “human infrastructure.”

The legislation as passed by the committee includes significant tax increases that would affect the multifamily industry. Specifically, it would raise ordinary income, capital gains and carried interest tax rates. It is important to remember that these proposals are just one step in a long process and subject to further change.

In a win for the industry, the measure did not include provisions to restrict the use of Section 1031 like-kind exchanges or to eliminate “stepped up basis,” which would have taxed unrealized capital gains at death. Both of those proposals were endorsed by the Biden Administration.

It also includes expansions of the Low-Income Housing Tax Credit (LIHTC), as well as the rehabilitation tax credit. Modifications are also proposed to energy efficiency tax incentives utilized by the multifamily industry.

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THE FUTURE OF WORK

EXECUTIVE ROUNDTABLE

A PROGRAM PARTNERSHIP OF



Amid uncertainty around COVID variants and vaccine rollouts, multifamily executives are facing a host of questions and decisions on the future of work that may have a lasting impact on their corporate operations and culture, including employee productivity, engagement, recruitment and retention.

WATCH NOW

Multifamily Markup

NMHC LEADS COALITION OPPOSING EVICTION MORATORIUM PROVISION IN PROPOSED ERAP LEGISLATION

Following [industry testimony](#) and months of advocacy efforts, the Committee on House Financial Services passed [H.R. 5196, the “Expediting Assistance to Renters and Landlords Act of 2021,”](#) which aims to address a number of Emergency Rental Assistance Program (ERAP) inefficiencies. NMHC is appreciative of the Committee’s focus on reforming this critical program – and supports a number of included provisions that aim to streamline the program – but continues to oppose the bill’s inclusion of a four-month eviction moratorium contingency. For this reason, NMHC led a coalition of real estate organizations in [sending a letter](#) on September 14 urging policymakers to oppose the eviction moratorium provisions and instead focus on breaking down barriers to participation.

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TREASURY AND FHFA ANNOUNCE SUSPENSION OF PORTIONS OF 2021 PREFERRED STOCK PURCHASE AGREEMENTS

This week, Treasury and the Federal Housing Finance Agency (FHFA) [announced](#) the suspension of certain portions of the 2021 amended Preferred Stock Purchase Agreements ([PSPA](#)). The PSPA imposed an annual \$80 billion multifamily mortgage purchase limit on each Enterprise (Fannie Mae and Freddie Mac) subject to annual adjustments of a published index. Prior to this announcement, NMHC and other trade groups expressed concerns about the inclusion of the purchase caps in the PSPA as it could limit FHFA's ability to adequately react to changes in market conditions.

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JOIN US IN THE NATION'S CAPITAL NEXT WEEK FOR THE 2021 NMHC FALL MEETING

There's still time to join us in person at the 2021 NMHC Fall Meeting in Washington, D.C., from September 22–24. This meeting serves as a platform for NMHC members to engage in constructive conversations with the very people who shape the politics and policies that directly affect our industry.

Registration is complimentary and open to all NMHC members.

[REGISTER TODAY](#)



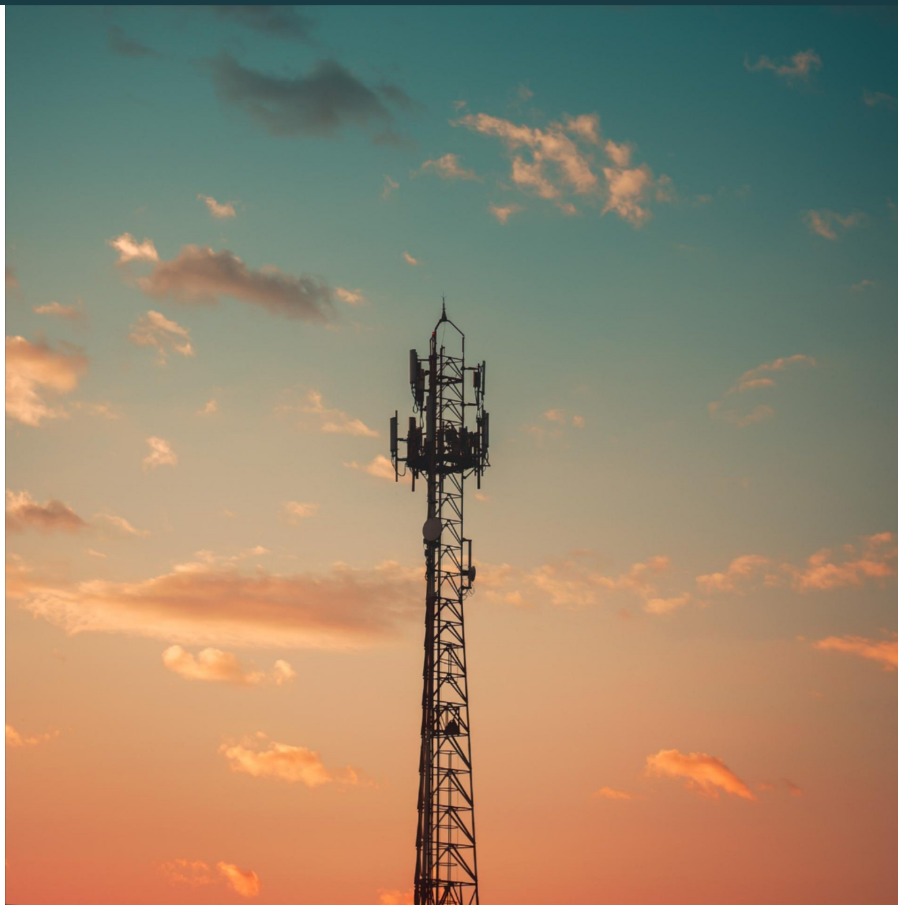
2021 NMHC FALL MEETING

SEPTEMBER 22–24, 2021
WASHINGTON, D.C.

FHFA ISSUES PROPOSED RULE MAKING TO AMEND ENTERPRISE CAPITAL RULE

The Federal Housing Finance Agency (FHFA) [issued](#) a notice of proposed rulemaking (NPR) yesterday to amend the Enterprise (Fannie Mae and Freddie Mac) capital rules that were issued in December 2020. The new proposal would reduce the total retained capital held by the Enterprises to approximately three percent from four percent that is in the current rule. The result would reduce the combined capital held by the Enterprises from \$294 billion to \$220 billion. Importantly, the proposal also recognizes the value and importance in credit risk transfer and provides greater capital relief by removing the effectiveness adjustment to CRT exposures.

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FCC UNVEILS NEW REVIEW OF MULTIFAMILY BROADBAND MARKET

Last week, the Federal Communications Commission (FCC) [released a new proceeding](#) aimed at refreshing the record on broadband competition and access in the multifamily and commercial real estate sectors. This follows up on a 2019 review where [NMHC led a coalition of real estate stakeholders](#) in providing industry data to show that renters, by and large, are well served by the multifamily broadband market, which is centered on partnership and collaboration between housing and broadband providers.

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CENSUS UPDATES HOUSEHOLD PULSE SURVEY WITH NEW QUESTIONS ON PAYMENTS, RENTAL ASSISTANCE

The latest release of the Household Pulse Survey, which asks respondents about topics such as employment status, education, health and food and housing security, features new content. New to the survey are questions related to sexual orientation and gender identity, rent assistance, energy expenditures and assistance, children's summer school activities and Child Tax Credit payments.

Notably, the survey now asks about their household application status for emergency rental assistance and how many months they're behind on rent payments. The share of renter respondents reporting they are not current on rent has hovered around 15 percent since February, including the most recent survey.

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SEPTEMBER RENT PAYMENTS BEGIN TO IMPROVE

Rent collections at the country's professionally managed apartments got off to a weak start in September, following the Labor Day holiday and several disaster events, including Hurricane Ida. According to the [NMHC Rent Payment Tracker](#), 72.0 percent of apartment households made a full or partial payment by Sept. 6. This was a 4.4 percentage point decrease from the share who paid rent during the same period in 2020.

In light of these unique circumstances, RealPage released updated payment numbers this week for its portfolio. Results showed that payment levels rebounded strongly in the second week, suggesting payments had just been delayed. However, the research team noted, "Results still were not quite back to normal, however, due to difficulties in markets hit hard by Hurricane Ida."

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NMHC  **S T U D E N T**
H O U S I N G 
CONFERENCE

OCTOBER 4–6, 2021

HUNTINGTON BEACH, CA

TIME IS RUNNING OUT TO REGISTER FOR 2021 NMHC STUDENT HOUSING CONFERENCE

Register today to join us for the 19th annual NMHC Student Housing Conference October 4–6, 2021, in Huntington Beach, Calif. We will be delivering the knowledge, tools and NMHC’s exclusive networking that have made this conference the premier event for student housing executives. Most importantly, we will convene in person as the new school year begins to look back at the lease-up season and look ahead to coming challenges and opportunities.

REGISTER TODAY

2021 APARTMENT STRATEGIES OUTLOOK WEBINAR UPDATE

It's that time of year for NMHC's mid-year Apartment Strategies Outlook Webinar Update. The webinar will be taking place on Monday, September 27, 2021, 1–2pm ET, exploring market factors affecting near-term multifamily investment and asset management strategies. The webinar will also dig into economic recovery trends and housing market conditions, where a panel of experts will discuss and share what opportunities or challenges they see signs of and how these issues have an impact on their long-term outlook and business strategy.

Note: This webinar is available for NMHC members only. If you are not an NMHC member, learn more about joining the council.

[RESERVE YOUR SPOT](#)



NEW! NMHC PAC MONTHLY UPDATE

This month's NMHC PAC Monthly newsletter highlights August PAC happenings and a preview of the upcoming NMHC Fall Meeting PAC events. Click through to read the full rundown of this month's NMHC PAC activities.

Note: The NMHC PAC Monthly newsletter is only open to NMHC members and is sent to all prior approved members on a monthly basis. Contact NMHC's Lisa Costello or Kevin Cameron to learn more about how to subscribe.

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NEWS



[ANALYSIS: IS 'GO BIG' HOUSING PLAN ENOUGH?](#)

The Biden Administration's bold plan to address the nation's growing housing affordability problem is a mixed blessing for the industry: It contains both unprecedented support and funding for housing programs along with potential tax increases on real estate firms that might reduce investment.



THE RAPID INCREASE IN RENTS

Over the last several months there has been a pickup in rents, especially for single family homes.

There are three key questions: What is happening with rents? Why are rents increasing rapidly? What will happen?



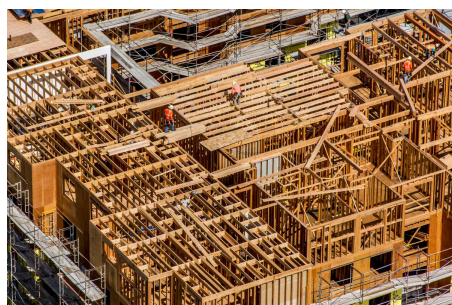
ARE EVICTIONS SPIKING AS EXPECTED?

The U.S. Supreme Court ended the federal moratorium on rental housing evictions in late August and now filings are piling up faster than deputies can serve them in some, but not all places.



YOU CAN'T STOP EVICTIONS IF YOU DON'T PAY PEOPLE'S RENT

On August 26, the Supreme Court struck down the federal eviction moratorium. That policy, enacted by the Centers for Disease Control and Prevention nearly a year prior, protected renters around the country from the threat of losing their homes in the midst of the pandemic. At least 1.55 million fewer eviction cases than normal were filed while the moratorium was in place, despite economic turmoil that has left more renters than ever behind on payments.



APARTMENTS BUILT ON AN ASSEMBLY LINE

What if housing were built more like cars — on an assembly line in a factory? Rick Holliday thinks it should be. The longtime Bay Area developer turned a former Naval submarine factory into one that has been doing exactly that. Workers at Factory OS construct apartment building components on Mare Island in Vallejo, Calif., about 40 miles from San Francisco, then transport them on flatbed trucks to their final location. “By the end of the process it goes out the door and it’s a fully formed apartment that you put together like Legos to form a completed building.”



BERLIN'S RENTERS WANT TO SHOW LANDLORDS THE DOOR

Berlin’s tenants are trying to evict large landlords. It is an extreme situation, but investors buying up homes in the U.S. should still keep a close eye on what happens. On Sept. 26, voters in Germany’s capital will decide whether to expropriate any landlord that owns more than 3,000 properties in the city. A clause in the German constitution allows for the move, but it hasn’t been tested before.

JOIN NMHC AT THE BROADBAND COMMUNITIES SUMMIT

NMHC has once again officially partnered with Broadband Communities for this year’s [Summit](#) and is slated to present the Multifamily Track in partnership with BBC. The conference, which is being held [September 27–30 in Houston](#), is one of the leading multifamily events of the year covering technology, telecom and connectivity. NMHC is excited about our continued partnership with BBC and looks forward to the upcoming summit.

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