

Data Talks, Supply Shortage Remains

Newsletter Read Time: 5 minutes, 41 seconds

From the shuttering of Silicon Valley Bank to the President's release of the FY24 proposed budget, a lot happened in March that will impact our industry's ability to operate this month—and for many months to come.

Let's level set with what the data tell us. NMHC produced two new research products this month that provide additional insight into current market happenings. While our next quarterly data of apartment markets will be available shortly, here's a high-level rundown of where things stand.

1. From everything we have seen so far, we expect rents to cool nationally as the delayed supply pipeline continues to come online. But as financing continues to get more costly, we continue to track development trends.
2. The latest [Research Notes](#) focuses on the costs associated with renting vs. buying. The supply shortage is translating to higher housing costs for everyone. Notably, an inflationary environment and lack of supply have resulted in rising rent *and* homeownership costs—with homeownership increases actually outpacing rent increases. We need to build more housing to help address affordability constraints, but it's getting increasingly difficult to do so.
3. This quarter's [NMHC Survey of Apartment Construction and Development Activity](#) indicates that many material costs are up. Construction delays remain common, although for different reasons—a significant number of respondents cited project infeasibility or economic uncertainty as the reason for a delay in starts, in contrast with during the pandemic, when logistical issues such as delays in local government offices were the primary reason for delays.

4. Join us for our [quarterly state of the market webinar update](#) to hear expert insights from **Greg Willett**, First Vice President of Research Services at Institutional Property Advisors (IPA), on what these data—and other market indicators—mean for the current and future state of our industry.

As we all know, policymakers who have the power to regulate and incentivize the real estate market also play a key role in the industry’s ability to deliver the needed supply of housing. Read on to the “Topic Updates” section for a deeper dive into the latest actions from Capitol Hill. But here’s an overview of a few overarching issues on the table:

1. On March 9, the [President released his FY 2024 budget](#) setting off the congressional appropriation’s process. While the budget aims to make historic investments in housing, it also includes a number of concerning real estate tax proposals—many of which [NMHC President Sharon Wilson Géno discussed](#) during last month’s Senate Finance Committee hearing.
2. While President Biden’s budget is largely a messaging document, it provides good insight into the Administration’s priorities for the year ahead. As Congress debates what makes the final cut, NMHC will remain engaged to ensure the industry’s perspective is taken into account. To that end, NMHC and NAA recently released our joint [policy priorities](#) outlining the critical issues facing the industry. Housing affordability and the regulatory landscape will guide much of our work in the year ahead.

Stay tuned for updates on these issues, and more via our social media channels and website. And, of course, we’ll see you here next month—same time, same place.



Industry Topic Updates:



White House Resident-Centered Initiatives Update

A handful of Federal agencies took action last month to implement pieces of the White House's Blueprint for a Renter Bill of Rights. [released an open letter to the industry regarding the regulation of fees](#) and the [CFPB and FTC announced they are seeking information on the resident screening process](#). In addition, NMHC is making progress toward carrying out our response to the [White House's Resident-Centered Management Practices Challenge](#).

[BONUS: Watch Q1's NMHC Government Affairs quarterly update webinar to learn more about this initiative.](#)



Finance & Capital Markets Updates

Three actions impactful to our industry have come out of this space throughout the month. First, [FinCEN published its first set of guidance materials](#) to help businesses understand the reporting requirements of the upcoming beneficial ownership information (BOI) framework. Second, NMHC joined in a coalition of real estate trade associations in [asking Congress to take action to raise the statutory debt limit](#). Third, we submitted a comment letter to the Federal Housing Finance Agency (FHFA) on the future of the Federal Home Loan Bank (FHLB) system. And lastly, [we weighed in with the IRS](#) opposing the Foreign Investment in Real Property Tax Act (FIRPTA) rule.



Department of Housing and Urban Development (HUD) Updates

Three key updates have come out of HUD in March that will have far-reaching impacts on the industry:

- [HUD restored its 2013 Disparate Impact Rule](#), which focuses on unintentional discrimination in housing.
- [HUD released a new high-speed internet guide](#) that seeks to support multifamily owners and operators understand the broadband funding that is available to them.
- As part of an ongoing effort to update the agency's physical inspection model, HUD released a proposed NSPIRE Scoring Model and has [opened a comment period](#). Comments are due April 27.



Supply Chain Updates

NMHC recently weighed in on two issues related to supply chain challenges—one regarding the President's "[Buy America, Build America](#)" legislation and the other on the [availability and affordability of consumer appliances](#).



Don't wait for the newsletter to stay in the loop on topic updates. NMHC posts regular updates to our website on a number of critical advocacy and research topics. [Click here to explore additional topics and bookmark the pages that are of interest to you.](#)



April is Fair Housing Month! Each year, HUD commemorates the Fair Housing Act by declaring April Fair Housing Month. NMHC has long-supported the goals of the Fair Housing Act and are committed to creating diverse, inclusive and accessible communities.

Wait... There's More to Explore!

CODE 53

/ THE APARTMENT PODCAST

New! Multifamily Expert Insights: An Interview With RailField Partners

RailField's Managing Partner **Kenneth Bacon** and Chief Investment Officer **Jon Siegel** join host **Alison Johnson** to discuss their time at Fannie Mae and how it guides the affordable housing business model today.

[Listen](#)



ICYMI: Latest Rent Control Actions

Login to your member profile to [check out where rent control proposals stand](#) in communities across the country.

In addition, [click here for an exclusive member update on important rent control actions](#) from NMHC.



Broadband Communities 2023 Summit (May 1-4)

NMHC has partnered with Broadband Communities to present the Multifamily Track at the 2023 Broadband Communities Summit. [Register](#)

NMHC EVENTS

[NMHC Women in Multifamily Networking Series: Member Advocacy in Action - Washington, DC](#)

APRIL 5

Washington, DC

[2023 NMHC Research Forum](#)

APRIL 20 - 21

Miami, FL

[2023 NMHC Leadership Forum on DEI](#)

MAY 8

Chicago, IL

[2023 NMHC Spring Board of Directors Meeting](#)

MAY 8 - 10

Chicago, IL

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