



IREM® From the Front Lines Podcast

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Bonus Episode

11/12/24 Release

The Impact of the Elections on Real Estate Management

Todd:

Welcome to another edition of From the Front Lines, where we discuss both the day-to-day, and one-of-a-kind issues facing real estate managers. In this episode, Ted Thurn and Hillary Vrba from the IREM Advocacy team recap the election and its impacts on the real estate management industry. Welcome to the podcast, Ted and Hillary.

Ted:

Thanks for having us. Todd.

Hillary:

Thank you.

Todd:

First, can you give us a rundown of the election results and where we stand on November 12th?

Hillary:

Yeah, I'll go ahead and explain that. So even though we are almost one week post-election, there are still a handful of undecided races, since votes are still being counted in a few states. However, one thing that is for certain is that Donald Trump will be our next president after winning both the electoral vote and over 50% of the popular vote. It's pretty clear that he won because he was able to win all seven swing states. Putting the presidency aside, like I mentioned, we are still waiting on a few races to be called. So here's a snapshot of what the 119th Congress will look like in addition to having Donald Trump as our next president for the Senate, Republicans regained control with 53 seats, and Democrats currently have 46 seats, with one undecided race. Since 50 senators are needed for a majority, Republicans have officially locked in the Senate. For the House of Representatives, all 435 seats were up in 2024. Currently, Republicans have 214 seats, Democrats with 203, and we are still waiting on the results of 18 uncalled races. In the House, you need 218 seats to have a majority, so Democrats do have a chance to regain power. However, with only needing four more seats to gain control, it's likely Republicans will win control of the House as well. Overall, compared to the previous congressional and presidential makeup, which was a Democratic administration, a Democratic Senate and a Republican House, this is a very different makeup. There is potential for Republicans to have unified power or control over the presidency, the Senate and the House. This would then give Republicans a greater opportunity to push the party's legislative agenda, which is focused on tax and spending cuts, energy deregulation and tighter border security.

Todd:

Now, what did the election results mean for Irem in the real estate management industry?

Ted:

Yeah, happy to talk about that a little bit Todd. So I want to first talk about a proposition that was on the ballot in California, and that was prop 33 and that would have repealed a law Costa-Hawkins, which is a law in California that bars local governments from regulating rent on some multifamily buildings. That proposition failed. I believe the last count was 60% no to 40% approving the proposition. So that's good news. Just want to mention that from the state level, and we did do a call to action that Hillary will talk about later, that our members had high engagement with so it was great to see our activity at the state level. A couple things at the federal level, which again, could be seen as good news for the property management industry, in the Biden administration, you saw a few requests for information, also known as RFIs. So there was an RFI on screening tenants, and what they were looking for was to invite individuals to submit comments on background screening issues affecting individuals seeking rental housing in the United States. There was also an RFI on rental costs. So the administration was looking to see how rental costs were affecting tenants in all markets, which we saw as maybe a step towards a regulation for rent caps. There was a third RFI on tenant protections. And what the administration was looking for was looking for information on tenant protections for multifamily properties backed by Fannie May and Freddie Mac. So again, we saw this as a potential, possible step towards a proposed regulation on limiting the ability of housing providers and when and when they cannot evict a tenant. Now with the new administration coming in, you're going to probably see all these RFIs go by the wayside. I really don't see a Trump administration taking these RFIs and moving them forward. So something that was a potential threat from the Biden administration, in what we saw, we're going to probably see all these RFIs again, probably just fall by the wayside. They're not going to be going anywhere, which, again, is going to be good news for housing providers.

Todd:

What can IREM members do to support or oppose issues affecting real estate management?

Ted:

Yeah, so I'll just briefly talk on a couple bills, and then I will let Hillary talk about some specific actions that our members can take to support or oppose federal or state legislation. We do have three bills that are going to need to be reintroduced again into the 119th Congress. They were bills that we supported in the 118th Congress. But we have heard from all the sponsors of these bills that they're going to be reintroduced. So one is the Choice in Affordable Housing Act. That's the bill that we've been advocating for for the past few years now. It would provide \$100 million over five years to increase the amount for housing choice vouchers out there. It would also streamline the administrative process and relieve some of the administrative burden for housing providers who participate in the Housing Choice Voucher Program. So that's a bill we're going to be supporting again. Another one is the Respect State Housing Laws Act, and as Hillary mentioned, with the trifecta of Republicans having control of the House, Senate and presidency, there could be some movement on this bill. And this would repeal a provision in the Cares Act where it takes 30 days to start the notice of eviction and go back to the States, where the average time to submit that notice or proceed with the notice of eviction would go back to the state, which would be about seven to eight days. So that's a bill we're going to support. And then a third bill that we're going to be supporting is the Revitalization of Downtowns and Main Street Act, which would provide anywhere between a 20 to 35% credit for housing providers who convert commercial buildings to residential. So any owner or operator who converts a commercial building to a residential type of

building, they could receive a 20 to 35% credit. So those are some of the bills again, we're going to be supporting that does affect the real estate management industry. And I will let Hillary talk about some specific actions our members can take to support or oppose bills.

Hillary:

Yeah. So an important function of our department is that we track legislative and regulatory activity at both the state and federal level, and members are able to view the bills that we track on IREM's website, in our Action Center, under the fine legislation section on the page. So using this tool, members can help identify key legislation in their state, and we can even help create what is known as a call to action using our online grassroots advocacy platform. So this platform provides members with the ability to contact their federal and state officials asking them to either support or oppose a legislative or regulatory issue. So if you're interested in learning more about this platform, please reach out to us, and we recently created a call to action demonstration video which is viewable on the advocacy web page on IREM's website.

Ted:

And I would finish up by saying that one of our big events where members can participate in the legislative process, in the advocacy process, is coming out for our Advocacy Impact Day. We are again planning our AID event, which is going to be held at the NAR building on February 25th and then we'll go to the Hill on February 26th. So the 25th is going to be an all-day orientation, and we're very excited as our keynote speaker is going to be Dr. Lawrence Yun, who is NAR's Chief Economist, who's going to be our keynote speaker, and he's going to give us an economic outlook for residential and commercial properties. We will also have speakers who will talk about office vacancy and commercial debt, we'll talk about landlord tenant issues. So a lot of good programming for AID. If you go to the IREM webpage, especially on the advocacy web page, there's directions there on how to register. So we're really looking forward to having a great group come out and join us in D.C. on February 25th and 26th to participate in our Advocacy Impact Day event.

Todd:

Thanks for joining us, Ted and Hillary.

Hillary:

Thanks for having us.

Ted:

Thanks for having us. Todd.

Todd:

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