



December 16, 2020

The Honorable Joseph R. Biden, Jr.
President-elect of the United States
1401 Constitution Ave., NW
Washington, DC 20230

The Honorable Kamala Harris
Vice President-elect of the United States
1401 Constitution Ave., NW
Washington, DC 20230

Dear President-elect Biden and Vice President-elect Harris:

On behalf of the U.S. real estate industry, and our respective organizations, congratulations on your historic election. We look forward to working with you and your incoming Administration as you seek to create jobs, build prosperity, and address the Nation’s many challenges, especially the COVID-19 pandemic. We welcome the attention and focus you have brought to rebuilding the Nation’s infrastructure, addressing housing availability issues, and reforming outdated immigration laws, as well as your emphasis on a multifaceted and market-oriented strategy to confront climate change.

People out of work and businesses shuttered and denied income for months have suffered immensely in this pandemic through no fault or action of their own. Many of these people and businesses have struggled to pay for food, struggled to pay for their housing, and struggled to pay the rent for their businesses. For the owners of apartment, retail facilities, hotels, office buildings, senior housing and other buildings, this situation is dramatically affecting their ability to meet their payroll requirements, causing widespread layoffs of critical operations, building maintenance, and security personnel. It is affecting their ability to meet their debt service obligations, increasing pressure on financial institutions, pension fund investors, and others. It is pushing property values down to the detriment of local governments. Left unchecked, these challenges could soon threaten the health and solvency of local governments and financial institutions, to the detriment of those individuals and small businesses most in need.

Over the last several months, the real estate industry has provided property owners and tenants with guidance on effective ways to re-enter buildings and bring their workforce, customers, and visitors back in a way that is safe and responsible. We intend to continue lending our expertise to help get the country back to business. We also recognize that the pandemic has magnified systemic inequalities, and are committed to “build back better” in a manner that addresses the disproportionate hardships endured by minority and low-income households and communities from the fallout of COVID-19.

The importance of real estate to the nation's economy and Americans' well-being is difficult to overstate. At the end of 2018, the total value of America's commercial real estate was between \$14.4 and \$17 trillion. To put that in perspective, the value of our nation's commercial real estate is more than half of the market capitalization of all U.S. publicly traded companies. Real estate represents much more than just fixed capital. The industry is one of the leading employers in the United States. Real estate companies are engaged in a broad array of activities that directly support an estimated 13.6 million real estate-related jobs. Real estate ownership and activity accounts for nearly one-quarter of taxes collected at all levels of government, and taxes derived from real estate ownership and transfer represent the largest source — over 72% — of local tax revenues. Taxes on real estate are critical to the financing of schools, police and firefighters, roads and other infrastructure. The retirement security of workers and retirees is closely connected to the strength of U.S. commercial real estate. Pension funds, educational endowments, and charitable foundations have invested nearly \$800 billion in real estate.

Our nonpartisan approach to public policy is focused on contributing data and fact-based analysis that improves policymakers' understanding of how their decisions will affect real estate, jobs and communities, and the overall economy. We are honored to support Congress and the Administration in your work on issues affecting the well-being of American workers and families. We pledge the support, collaboration, and collective "on the ground" experience of our members so that, together, we can get past the immediate crisis and continue building healthy communities for generations of Americans.

As you and your team develop the policy initiatives that you intend to pursue in the coming days and weeks, we hope you will closely consider several recommendations that would provide much-needed relief from the effects of the COVID-19 pandemic. Well-designed federal measures will accelerate the economic recovery while also improving our economic resiliency in the face of future pandemics or similar events. COVID relief legislation should include direct relief to workers and families, rental assistance for both residential and business tenants, and tax changes that allow private capital to flow to struggling employers. Fiscal assistance is needed for state and local governments overwhelmed by the toll of the virus. Legal liability safeguards for businesses that clearly define expectations would create greater certainty for employers and facilitate a return to work. We encourage you to support a temporary tax incentive to help offset the cost of critical health and safety measures implemented by employers to reduce the spread of the virus. We hope your Administration will take steps early to remove financial regulatory and tax obstacles to private sector debt restructurings and workouts that would speed the recovery. Going forward, lastly, we encourage you to work with Congress and stakeholders to develop a workable federal pandemic risk insurance program that meets the needs of a broad range of groups (including policyholders, taxpayers, and insurers) and prepares the nation for the next pandemic.

In addition, beyond the immediate and urgent needs associated with combating the pandemic, we respectfully encourage you to consider a number of suggestions from our industry that will incentivize further progress to reduce the carbon footprint of U.S. buildings, modernize our nation's infrastructure, and expand the availability of affordable and workforce housing.

A strong national infrastructure is vital to the health of the nation's real estate, and vice versa. Roads, bridges and mass transit enhance the values of nearby properties, which in turn generate greater tax revenues to fund even more infrastructure assets. Our industry has been strategizing and working for decades on ways to lower energy consumption and optimize the energy efficiency of America's structures. With your help, more can be done to incentivize the retrofitting of aging buildings, transform the electric grid, and make other key advances. The supply of affordable and workforce housing is too low. Our industry is united behind a number of policies, such as the low-income housing tax credit and incentives for land-use and zoning reform, which would bring housing costs down and improve the livability of communities. We also support critical immigration reforms and visa changes that would help bring talent, innovation, and capital to our country while continuing to protect our borders. Finally, we look forward to working with you to improve the fairness and efficiency of the tax code, and ensure our tax laws continue to support capital formation and productive investment.

While the country faces extraordinary challenges, our industry is committed to working with you to accelerate the economic recovery; provide safe and healthy places to live, work, and gather; and promote sustainable environmental, energy, infrastructure, housing and immigration policies that strengthen communities and peoples' lives. The attached memorandum outlines our recommendations and priorities in these areas and others. If you would like additional information on our industry's coordinated efforts on these issues, please do not hesitate to contact Ryan McCormick, Senior Vice President and Counsel with The Real Estate Roundtable (rmccormick@rer.org). We appreciate and value the productive and open dialogue with you and your team on policy issues critical to real estate and its role in the economy.

Sincerely,

American Hotel & Lodging Association
American Land Title Association
American Resort Development Association
American Seniors Housing Association
Appraisal Institute
Building Owners and Managers Association International
International Council of Shopping Centers
NAIOP, Commercial Real Estate Development Association
Nareit
National Association of REALTORS®
National Apartment Association
National Multifamily Housing Council
The Real Estate Roundtable