Federal Investment in Real Estate
A Call for Action

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Audio will broadcast automatically via web
or
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#RethinkRealEstate
Panelists

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Panelists

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Dennis Allen
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Over 50 different federal programs influence real estate in the United States

- Loan Guarantees
- Individual Tax Deductions
- Commercial tax credits

Potential savings: $40 billion annually

Proposed spending on new or improved programs: $7 billion annually
Changing real estate programs would benefit families and communities.
From Examination to Action

Federal Involvement in Real Estate: A Call for Examination (January 2013)

• No overarching principles guide these programs
• That’s hurting America’s families, restricting economic development in communities, failing taxpayers

Programs should:

• Support balanced housing choices
• Reinvest in existing neighborhoods
• Provide a safety net for American families.
• Help more Americans reach the middle class
We have a fiscal responsibility to act.
Why do these programs matter to developers?

Demand for real estate is changing:

- Walkable neighborhoods
- Rental housing, infill development, historic rehabilitation
Benefits of Investing in Existing Communities

Savings on infrastructure: 38%

Savings on services: 10%

Revenue generated: 10x

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Federal real estate programs are not designed for today’s fiscal and market realities

- They penalize families who can’t afford to or choose not to buy a home.
- They favor single family homes over other types.
- They offer financial incentives to purchase second homes when many cannot afford a single home.
- They fail to support America’s existing neighborhoods.
Federal real estate policy: the long-term view

Frank Alexander
Sam Nunn Professor of Law, Emory University

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Our Recommendations

• Establish pre-tax Mortgage Savings Accounts for first-time home buyers

• Refocus the Federal Housing Administration on its mission

• Expand the Low-Income Housing Tax Credit

• Expand the Rehabilitation Tax Credit to include buildings 50 years old

• Create an innovative infrastructure financing option for redevelopment
How do we pay for it?

- Refocus federal programs such as the mortgage interest deduction & capital gains tax exemption on helping more people reach the middle class and become homeowners.

- Reduce federal subsidies for flood insurance, so that insurance rates better reflect the true risk of flooding and support is targeted to those most in need.

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Better development strategies can make entire regions economically stronger and more competitive.

It’s time federal programs reflected that.
Questions & Answers

Type your questions below or use #RethinkRealEstate on Twitter to ask

For a copy of the report, visit us at:
www.SmartGrowthAmerica.org/federal-real-estate
Thank you for attending!

For more information and webinar slides visit: www.SmartGrowthAmerica.org