

Building Success

OUR WORK CONTINUES

We are extremely proud of our success this year and equally eager to build on its foundation. As always, our work begins with the strength of our analysis, the consistency of our engagement, and the credibility of the advice and perspective we offer federal policymakers. Our contributions to the policymaking process manifested in many areas, from credit and capital policy issues to sustainability and security related matters. However, most notable among our accomplishments was the manner in which real estate development, financing and transfer was addressed in a major tax reduction bill designed to spur the economy and create jobs. In each case, our accomplishments were the result of years of preparation—thoughtful and fact-based analysis, relationship building and nurturing, and ongoing debate with both peers and adversaries as we built, strengthened, and maintained the case for responsible real estate related policy actions. And as a result of our balanced, data-driven, and nonpartisan perspective, The Roundtable is once again ranked the most effective real estate association in Washington by *National Journal's* Policy Brand Index.

We were honored to play a central role in the legislative process on tax reform. The academic and economic studies we commissioned, our work with former government economists and experts, our own unique testimony before the Senate Finance Committee, and our white paper assessment of the new pass-through deduction all served as coda to our ongoing engagement for years prior to the bill's passage. And since that passage, our Tax Policy Advisory Committee has continued its efforts to ensure appropriate implementation of the comprehensive law.

We have many other accomplishments to celebrate this year. Most recently, Congress passed financial deregulation legislation including our long-sought reforms to the Basel III High Volatility Commercial Real Estate (HVCRE) Rule, now lowering financing barriers for job-creating projects that will bring investment back to local communities throughout the country. That accomplishment, like tax reform, was the result of years of advocacy led in part by our HVCRE Working Group. So, too, our ability to catalyze the forward movement of the EPA's pilot "ENERGY STAR for Tenants," which was the result of consistent and sustained engagement by The Roundtable and our members. Participation in our general meetings and policy committee meetings has increased, our political action committee (REALPAC) has grown, and our membership has become more diversified with woman and people of color.

Gratified by the success of this past year, we now remain focused on how our industry can continue to drive the overall economy, job growth, and the health of local budgets. Our responsibility has never been greater: our work must continue to inform policies that create jobs, fund local budgets, respond to housing needs, and protect retirement savings. The jobs and income of millions of Americans across our country depend on the continued stability and growth of a healthy national real estate market. So, too, do our country's state and local budgets rely heavily on our investment—nearly three-quarters of funds for local schools, police and fire protection, and other community services are generated by real estate every year.

There is much work yet to do. The Supreme Court will soon decide the constitutionality of states' tax collection authority when applied to Internet purchases. The Roundtable joined an industry coalition's *amicus* brief in *South Dakota v. Wayfair* and, depending on the Court's decision, will continue to seek Congressional action to ensure a fair and level playing field for all retailers, whether Internet-based or brick-and-mortar. We will maintain our advocacy for legislation to improve our nation's infrastructure in response to our country's dramatically changed demographics, mobility choices, and technology. Our national infrastructure must fully involve state and local governments, public-private partnerships, a more streamlined permitting process, and modernized revenue sources. We continue to support improved integrity and fairness in the EB-5 financing program, as well as our industry information-sharing partnership (RE-ISAC) with federal, state, and local governments to help keep people who work in and visit our buildings safe and secure. We must also explore options to privatize and make permanent a long-term insurance solution to terrorism risk, improve and maintain incentives to provide low-income and workforce housing, work with colleagues to foster the economic benefits of foreign travel and tourism to the U.S., and share our continued concerns about budget deficits and their potential impact on overall interest rates.

We appreciate your support for this important work and look forward to sharing new successes with you as we continue our work in Washington on your behalf.

William C. Rudin
CEO & Co-Chairman
Rudin Management Company, Inc.
Chair, The Real Estate Roundtable

Debra A. Cafaro
Chairman & CEO
Ventas, Inc.
Chair-Elect and Secretary,
The Real Estate Roundtable

Jeffrey D. DeBoer
President & CEO
The Real Estate
Roundtable

