Introduction
The economic strength and resiliency of America very much depends on the real estate industry. The COVID-19 pandemic had a tremendous impact on the health of individuals, businesses, and the economy; however, immediate actions by the real estate industry helped to substantially mitigate the effects of the pandemic on our communities. The industry worked closely with tenants to restructure lease obligations, advocate for federal rental assistance to impacted families, businesses, restaurants and hotels, and support policies that would lessen economic damage and facilitate a safe return to physical spaces. We’ve also continued to work with industry partners, stakeholders, and policymakers through the Business Continuity Coalition (BCC) to develop an insurance program that protects jobs in the case of future unforeseen emergencies by ensuring business continuity from potential economic losses.

As the world faces challenges such as inflation and rising interest rates, supply chain and labor shortages, other local public policy challenges, and increased uncertainty caused by the conflict in Ukraine, the importance of a strong and resilient real estate industry has been underscored yet again. While the way these challenges manifest may be new, the threat of such challenges is something the industry has risen to time and time again. Tens of millions of workers, businesses, local governments, schools, hospitals, and other institutions rely on our industry and the tax revenue it generates. The Roundtable and the real estate industry remain committed to advocating for national policies that support economic stability, job expansion, and long-term economic growth.

The Roundtable is committed to helping policymakers find solutions. Roundtable members have always offered policymakers constructive input based on research, experience, and current economic dynamics. The national issues we care about need industry input for their success, not just because these interests are central to the policy outcomes we desire, but because the perspective of our collective voice always delivers a much-needed measure of practical implementation that can get lost in the policymaking process. This is a proven, winning formula; as with every year, the continued cooperation of our members will be critical to advancing key industry objectives.

Entrepreneurship and innovation continue to be a cornerstone of America’s economic success. Propelling economic growth requires rewarding appropriate risk-taking. The Roundtable did its part this past year in working to preserve risk-taking incentives, such as a lower than ordinary capital gains tax rate, carried interest tax rules that recognize tax capital is not the only risk one takes in business investments, and the ability of real estate assets to qualify for “like-kind” tax exchange tax treatment. Clarifying rules concerning Opportunity Zones is another area where The Roundtable effectively advanced appropriate incentives for more risky real estate investment.

The majority of all job creation and economic growth comes from entrepreneurs working in a partnership or “pass-through” structure. These businesses create new wealth and are rewarded for taking the risks required to do it. That system protects and supports our country’s greatest asset—its entrepreneurs—which is why maintaining a competitive tax code is critical and why we focused so much of the past year on protecting the pass-through tax regime established in the 2017 tax code. Our Tax Policy Advisory Committee (TPAC) devoted significant energy to analyzing and commenting on proposed partnership related tax regulations. We’ll continue to work with members of Congress to ensure real estate investment is taxed on an economic basis and ensure the industry has access to an appropriate amount of capital and credit.
We are continuing to work on improving housing affordability by supporting smart policies that incentivize builders, developers, and owners to build more affordable housing for low- and middle-income tenants. The low-income housing tax credit (LIHTC), for example, is regarded as one of the most successful public-private partnership programs in history. The Roundtable supported its initial passage and continues to support efforts to expand the program. Additionally, The Roundtable is exploring other potential policy ideas to assist the supply of housing. One idea gaining traction concerns potential policy incentives to convert obsolete office or hotel buildings into housing. At the same time, we will continue to urge local governments to support development and redevelopment through flexible zoning laws.

We’re also proud to have played a role in reinstating a more transparent and balanced long-term extension of the EB-5 investment visa program. We also advanced legislation to repeal the Foreign Investment in Real Property Tax Act (FIRPTA) in the House and continue to explore ways to ease this obstacle to foreign real estate investment in the U.S. Encouraging foreign investment that’s proven to deliver economic growth is common sense economic policy.

Importantly, we worked tirelessly to help secure passage of the bipartisan Infrastructure Investment and Jobs Act (IIJA). This represents the largest federal investment in infrastructure in our history. It will create millions of jobs and buttress a recovering economy. Currently, we’re working with our partners in government and industry to ensure its implementation meets the evolving needs of our customers and communities. From smart cities and buildings to redesigned workplaces, affordable housing, a modernized electric grid, physical and cyber resiliency, and climate and energy efficiency, progress depends on a strong and growing real estate industry.

Our industry has the experience, persistence, and commitment to create a brighter future for more people. We are actively engaging our tenants, visitors, and customers to be more energy-efficient and sustainable. Smart public policies that provide the tools and resources needed for tenants and landlords to make this transition are necessary to meet our goals. These efforts are best supported by allowing us to measure what we can control, not by mandating the reporting of inaccessible and unrepresentative data. We’ve submitted detailed comments to the SEC in response to its proposed climate risk reporting rule and will continue to advocate for meaningful and sensible disclosures of climate-related financial risks.

We are doing all we can as an industry to improve the security and resiliency of our buildings, including through the public-private information sharing provided through our Real Estate Information Sharing and Analysis Center (RE-ISAC). However, we need a continued partnership with policymakers to deliver policies that eliminate roadblocks to making investments that improve the health, safety, and cybersecurity of our properties and information.

We have a strong track record of advancing policies that help the tens of millions of tenants, workers, businesses, and other institutions that rely on our industry.
Recognizing the role of our industry as global citizens, we’re also working to help more individuals find shared success and prosperity. The pandemic and recent social unrest magnify the inequities that disproportionately affect minority and low-income communities. The Roundtable’s Equity, Diversity, and Inclusion (ED&I) committee is committed to creating more economic opportunities for historically underrepresented groups to thrive in the commercial real estate industry. In conjunction with our real estate trade association partners, The Roundtable is collaborating on a business-to-business platform that will enable owners to identify and expand the diversity of their supplier pool, thus providing more opportunities to minority- and women-owned businesses.

For the past 14 years, and again this past year, The Roundtable has conducted our Quarterly Economic Sentiment Index Survey. The survey is the commercial real estate industry’s comprehensive measure of senior executives’ confidence and expectations about the commercial real estate market environment. It measures the views of CEOs, presidents, and other top commercial real estate industry executives regarding current conditions and the future outlook on three topics: overall real estate conditions; access to capital markets; and real estate asset values.

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**We must continue standing together for a brighter future.**

Whether your business is in apartments or offices or retail or senior housing, or life sciences and data centers, whether your company is private or public, no single entity in any one city can solve the multitude of growing challenges that threaten our continued collective success. We stand together, along with our policymaker counterparts and the millions of stakeholders who rely on our work. Our industry, and The Roundtable membership, draw enormous strength from our shared knowledge, perspective, and collaboration and we remain honored to be your partners in designing a brighter future for people to work, learn, and play.