

Infrastructure & Housing

Investments in infrastructure and the strength of real estate markets have a synergistic, two-way relationship. Our tenants and employees depend on safe and efficient roads, bridges, and mass transit to commute. Our buildings depend on reliable supplies of water, power, and broadband to function. In turn, infrastructure depends on healthy real estate markets. Property taxes are the main revenue source for local investments in roads, schools, etc. Higher property values mean more tax revenues to help pay for more infrastructure.

Investing to Modernize Physical Infrastructure

The Roundtable strongly backs bipartisan investments to modernize the nation’s physical infrastructure and applauds the passage of the bipartisan Infrastructure Investment and Jobs Act (IIJA). The IIJA allows \$550 billion in new infrastructure investments, estimated to create around 2 million jobs per year over the next decade. This long-term investment in physical infrastructure can re-imagine how we can productively move people, goods, power and information from home to work, business to business, community to community – and building to building.

The IIJA includes Roundtable-supported measures to expand the use of public-private partnerships (P3s) to reach infrastructure goals and streamlines the federal permitting process. Specifically, the IIJA boosts P3s by supporting programs that deploy taxpayer “seed money” to leverage far greater amounts of private sector investments in a variety of infrastructure asset classes. Provisions of the IIJA are geared to boost P3 investments in road, transit, rail, broadband, electric grid, and carbon sequestration projects. The new law also codifies a 2-year federal permitting goal, and establishes a “One Federal Decision” document to coordinate the environmental reviews of multiple agencies.



U.S. Secretary of Transportation Pete Buttigieg discussed various aspects of infrastructure policy that will bring jobs to the American people, boost the economy, and enhance the U.S.’ global competitiveness.

Housing

Safe, decent, and affordable housing is critical to the well-being of America’s families, communities, and businesses. The COVID-19 pandemic has intensified the nation’s persistent housing crisis, prompting The Roundtable to mobilize with our national real estate organization partners and jointly advocate for policies that increase housing supplies to serve the causes of equity, resiliency, job growth, and modernizing our nation’s critical infrastructure.

Bridging the Housing Gap Through Government Sponsored Enterprises (GSE) Reform

The U.S.' chronic housing shortage is driving up housing prices to the detriment of the lower end of the economic spectrum. The underbuilding gap in the U.S. now totals 6.8 million affordable and available rental homes, according to the National Low Income Housing Commission (the "NLIHC"). In total, 50% of American renters are cost burdened. The impact of this growing problem of low supply of affordable housing as well as decreasing housing affordability can be far reaching – from reduced economic and wage growth to higher inequality.

In addition, debate over reforms continues as the GSEs Fannie Mae and Freddie Mac have been in conservatorship for years.



Sen. Sherrod Brown (D-OH) who serves as Chairman of the Senate Banking, Housing and Urban Affairs Committee, outlined the committee's efforts to address the affordable housing crisis throughout the nation.

Elements of the IIJA

The following elements of the IIJA are of particular interest to real estate owners, community developers, and align with The Roundtable’s long-standing policies on infrastructure:



Source: IIJA, The Real Estate Roundtable

The Underbuilding Gap

The underbuilding in the U.S. is an estimated **5.5 million housing units.**

Housing Completions Needed Annually to Close the Underbuilding Gap (Units)

VARIABLE	10 YEAR PERIOD	15 YEAR PERIOD	20 YEAR PERIOD
Return to Historical Norm (2000-1968)	1,501,000	1,501,000	1,501,000
Additional Units to Close Gap (2020-2001)	552,000	368,000	276,000
TOTAL ANNUAL COMPLETIONS NEEDED	2,053,000	1,869,000	1,777,000

Source: National Association of Realtors

Reform must appropriately balance taxpayer protections and establish an efficient marketplace with strong and sustained mortgage liquidity. As the gap between the number of lower-income renters and the supply of affordable units continues to grow, it is critical for the GSEs to provide support for mortgages to aid low and moderate income families. The Roundtable holds that a robust housing finance system is critical to expanding America’s housing infrastructure to help meet the

nation’s longstanding goal of ensuring decent and affordable housing for all. Current efforts have failed to keep pace with the growing need for affordable housing. Reform must appropriately balance taxpayer protections and establish an efficient marketplace with a strong, efficient and sustained financing environment for homeownership and rental housing and sustained mortgage liquidity.