



The Real Estate Roundtable Policy Priorities

Executive Summary: October 2025

The Real Estate Roundtable works with national policymakers to ensure that real estate assets meet the needs of people and businesses, serve as a strong source of governmental revenues, facilitate job growth, and provide stable returns for pension and retirement investors.

Tax Policy

RER advocates for tax policies that promote capital formation, reward risk-taking, and bolster investment. RER strongly supported the tax provisions in the One Big Beautiful Act (OB3 Act) signed into law in July. The OB3 Act tax reforms, once fully implemented, will spur investment in our nation's housing supply, strengthen urban and rural communities, and grow the broader economy to the benefit of all Americans. Going forward, RER is focused on the following objectives:

- **Ensure Fair Tax Treatment for Pass-Through Businesses:** Real estate is owned and operated almost exclusively in pass-through form, which supports flexible arrangements between general and limited partners and promotes capital formation from all types of investors, such as pension funds, endowments, and foundations. Policymakers should reject legislative proposals that would undermine partnership tax laws and continue building on the recent permanent extension of the 20% pass-through deduction.
- **Reward Capital Formation and Investment:** The tax code should continue to encourage long-term investment and productive entrepreneurial activity through a reduced tax rate on capital gains. Policymakers should avoid changes that raise the tax burden on risk-taking and capital formation, such as taxing unrealized gains, recharacterizing all carried interest as ordinary income, repealing stepped-up basis at death, or raising the net investment income tax. Policymakers also should repeal outdated laws like FIRPTA that discriminate against foreign investment in U.S. real estate.
- **Continue Rational, Economic-Based Taxation of Real Estate:** More broadly, RER supports maintaining tax rules that align with the economics of real estate assets and transactions. These rules include the deductibility of business interest, the deferral of gain for like-kind exchanges, and cost recovery rules that reflect the actual, useful lives of buildings.

Capital and Credit

RER supports policy measures that minimize regulatory burdens; encourage credit capacity and capital formation; and aid the availability of effective risk management tools.

- **Encourage Capital Formation and Market Liquidity:** Promote robust capital formation and support constructive loan restructuring, while avoiding pro-cyclical measures and regulatory overreach that undermine economic growth.
- **Reauthorize NFIP, TRIA; Address Rising Insurance Costs:** Reform and extend the National Flood Insurance Program (NFIP) to help policyholders more effectively manage escalating natural catastrophe risks. Pursue measures to help reduce commercial insurance costs, close coverage gaps, and address increased climate volatility. Enact a long-term reauthorization of the nation's terrorism risk insurance program as established by the Terrorism Risk Insurance Act (TRIA) and subsequent reauthorizations in advance of its Dec. 31, 2027 sunset date.
- **Remove Barriers to Foreign Investment:** Reform national and state-level restrictions that hinder foreign investment by legitimate capital enterprises and law-abiding entities while protecting national security and the integrity of investments in commercial real estate.





Energy

RER advocates for energy policies that encourage energy efficiency to avoid wasted power, and promote the robust supply and delivery of affordable, reliable energy from “all of the above” fuel sources.

- **Promote ENERGY STAR:** Support EPA’s landmark voluntary public-private partnership, which provides the standard tool used by the commercial real estate industry to benchmark energy use in buildings, quantify energy savings, and report to investors.
- **Enhance Grid Capacity and Reliability:** Electricity is in high demand to support artificial intelligence, meet consumer preferences for EVs, mine crypto assets, and power our factories and buildings. We need as much energy as we can get, from whatever source, to bring electricity to the grid as quickly and cheaply as possible. We also need permitting reform to speed up transmission and distribution projects to deliver energy to our homes and businesses. Policies must also strengthen procurement markets to modernize the grid through purchases of bulk power and renewable energy certificates (RECs).
- **Establish Fair Building Performance Standards (BPS):** States and localities must consider how their “net zero” building laws and bans on gas appliances impact affordable housing supplies and the grid’s ability to handle stress from extra electricity loads. BPS jurisdictions should not penalize buildings meeting federal agencies’ “high performance” energy criteria.
- **Business-Friendly Transitions for Clean Energy Tax Credits:** To provide businesses with cap ex investment certainty, Biden-era energy tax credits must have reasonable transition periods and phase-downs over the next several years.

Housing, Infrastructure, and Cities

RER supports innovative policy incentives that expand the nation’s housing supply and improve housing affordability.

- **Reform Zoning and Permitting to Address the Housing Shortage:** Encourage federal policies like those included in the *ROAD to Housing Act* that incentivize states and localities to modernize zoning and permitting law, expand low-cost construction financing options to increase housing supply, and support transit-oriented development.
- **Expand Affordable Housing through Tax Incentives and Property Conversions:** Policymakers should continue building on the OB3 Act reforms by further improving the Low-Income Housing Tax Credit and Opportunity Zone tax incentives, as well as enacting legislation such as the *Revitalizing Downtowns and Main Streets Act* to convert under-utilized properties into affordable housing.
- **Support Effective Reforms to the GSEs:** Any reforms to the government-sponsored enterprises, Fannie Mae and Freddie Mac, should preserve a well-functioning housing finance system that supports homeownership, expands affordable housing supply, and sustains economic growth.

Homeland Security

RER supports measures to more effectively address terrorism and criminal threats through a multi-faceted approach involving intelligence gathering, law enforcement, community engagement, and information sharing partnerships, with a focus on prevention, disruption, and prosecution.





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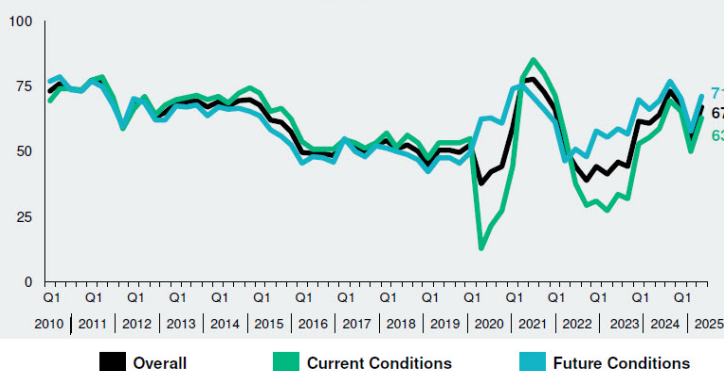
- **Work to Mitigate Risk and Improve Resilience for Cyber and Physical Threats:** Continue support for public-private partnerships through RER's Homeland Security Task Force and Real Estate Information Sharing and Analysis Center (RE-ISAC) to help manage risks in conjunction with the Cybersecurity and Infrastructure Agency (CISA), the FBI, and other intelligence and law enforcement agencies.
- **Reauthorize CISA 2015.** Designed to encourage and protect the sharing of cyber threat information between private sector companies and the federal government, the Cybersecurity Information Sharing Act of 2015 (CISA 2015) was a cornerstone of public-private partnership in cybersecurity, enhancing national defense and economic security. Yet, Congress failed to reauthorize CISA 2015, and it expired on Sept. 30, 2025, amid the government shutdown fight. RER is working with industry partners to enact a long-term reauthorization.

Q3 2025 Sentiment Index

The Q3 2025 Sentiment Index showed increased confidence among industry executives, as market conditions stabilize and sector-led growth emerges.

The Overall Index registered a score of 67—up 13 points from Q2—with notable increases in both the Current (63) and Future (71) indices.

Exhibit 1 – Sentiment Index (Aggregate)



NOTE: Data for the survey was gathered by Chicago-based Ferguson Partners on The Real Estate Roundtable's behalf. The Index—a measure of senior executives' confidence and expectations about the CRE market environment—is scored on a scale of 1 to 100. Any score over 50 is viewed as positive.

