



The Real Estate Roundtable Policy Priorities

Executive Summary: Spring 2026

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 2025. 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:** The OB3 Act's permanent extension of the 20 percent deduction for pass-through business income is going to support job growth and preserve a level playing field for pass-through entities. Going forward, policymakers should avoid partnership tax reforms that undermine the flexibility, dynamism, and entrepreneurial activity that differentiates the U.S. economy from the rest of the world.
- **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 Policymakers also should roll back outdated laws like FIRPTA that discriminate against foreign investment in U.S. real estate.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 and the deferral of gain for like-kind exchanges. Policymakers should consider adjusting and shortening depreciation schedules and cost recovery rules to reflect the actual, useful lives of buildings.

Capital and Credit

RER supports public policy that minimizes regulatory burdens and encourages the availability of credit and the formation of capital while maintaining appropriate systemic safeguards.

- **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 TRIA:** 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 well in advance of its Dec. 31, 2027, sunset date.
- **Reauthorize NFIP; 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.
- **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 promote a robust supply of affordable power, a safe and reliable grid, and encourage energy efficiency.

- **Promote ENERGY STAR:** RER strongly supports the federal government’s landmark voluntary public-private partnership and looks forward to continuing our collaboration with the U.S. Department of Energy as it assumes the lead agency role in implementing the program. ENERGY STAR provides the standard tools and data for the commercial real estate industry to benchmark energy use in buildings, lower utility bills, and report to investors.
- **Enhance Grid Capacity and Reliability:** Electricity is in high demand to support artificial intelligence, mine crypto assets, and power our factories and buildings. We need an “all of the above” energy strategy that prioritizes efficiency—so that no power is wasted—and includes new power generation from all fuel sources. Policies must also strengthen markets to modernize the grid through cost-effective corporate purchases of bulk power and energy certificates that add new capacity from both baseload and renewable power—and work as a hedge against energy price inflation.
- **Permitting Reform:** We need to speed up environmental reviews and permits for generation, transmission, and distribution projects to deliver energy to our homes and businesses. Time is money, and construction delays increase utility bills. Projects can be approved much more quickly while still protecting the environment.
- **Establish Fair Building Performance Standards (BPS):** States and localities should not adopt “net zero” building laws and bans on gas appliances that drive up housing prices, unnecessarily add costs to existing building retrofit projects, or place extra stress on strained electric grids. BPS jurisdictions should not impose fines or otherwise penalize buildings certified under the federal ENERGY STAR program.

Housing, Infrastructure, and Cities

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

- **Pass Effective Housing Legislation That Does Not Restrict Capital Flows:** Sweeping bipartisan housing legislation has cleared both chambers but is stalled in the House pending a path forward on proposed restrictions on institutional investment in residential real estate (Section 901) and agreement on including important provisions of the House-passed bill on regulatory relief, FHA limits, revising requirements on manufactured housing, and enacting measures to unlocking more private capital for affordable housing. RER recently released a [white paper](#) authored by Paul Clement of Clement & Murphy, PLLC, finding that Title IX of the Senate-passed bill raises serious constitutional concerns under the Takings Clause, equal protection, and federalism principles, through unprecedented federal restrictions on certain single-family housing owners.
- **Reform Zoning and Permitting to Address the Housing Shortage:** Encourage federal policies that incentivize states and localities to modernize zoning and permitting regulations while expanding low-cost construction financing options to increase housing supply.
- **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





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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

The conflict in Iran raises additional security concerns. Iran poses a credible, near-term threat to the U.S. homeland, utilizing cyber operations, targeted assassination plots against officials, and potential proxy network activations to retaliate against U.S. strikes in the Middle East. Increased risks include cyberattacks on critical infrastructure, violent extremist radicalization, and attacks on religious or government targets by Iran-linked actors.

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.

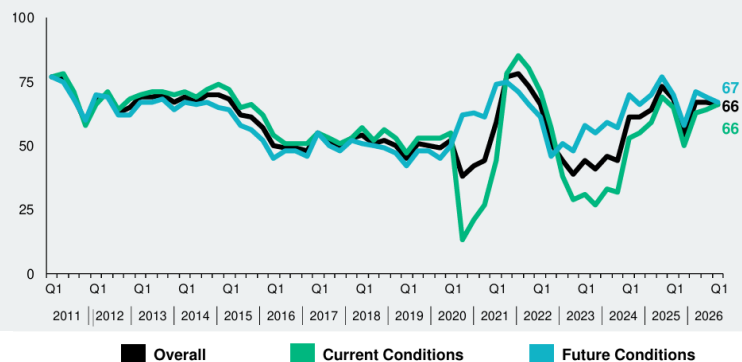
- **Work to Mitigate Risk and Improve Resilience for Cyber and Physical Threats:** Continue support for public-private partnerships through RER's Homeland Security Task Force and Real Estate Information Sharing and Analysis Center (RE-ISAC) to help manage risks in conjunction with the Cybersecurity and 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. The House Homeland Security Committee, led by Chairman Andrew Garbarino (R-NY), continues to advance a 10-year reauthorization bill, the *Widespread Information Management for the Welfare of Infrastructure and Government (WIMWIG) Act* (H.R.5079). RER supports this bill and is working with industry partners to enact a long-term reauthorization.

Q1 2026 Sentiment Index

The Q1 2026 Sentiment Index indicates cautious optimism as the market enters a tentative and uneven recovery, with participants pointing to a modest improvement in current conditions but lingering uncertainty around the outlook.

The Overall Index registered a score of 66—a 1-point decrease from Q4 2025—with a 2-point increase in the Current Index (66) and a 2-point decrease in the Future Index (67).

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.

