

NEW! NMHC Pulse Survey Highlights that Building Codes Are Driving Housing Development Challenges

Read Time: 6 minutes, 16 seconds

May marks Building Safety month—an opportune time to take a look at the impact building codes have on the rental housing ecosystem. While some codes and requirements are necessary to protect the health and safety of residents as well as the integrity of the building or community, it is also important to understand the financial impact of imposing each type—particularly in an era of widespread cost increases and worsening affordability problems for renters.

A [new survey](#) published by NMHC confirms that building codes can raise concerns about construction costs and make it increasingly difficult to develop much needed housing. Nearly 9 in 10 (89%) respondents agreed or strongly agreed that building code requirements in general impact the cost and viability of construction projects. As government officials look to implement additional layers of code regulations, rental housing providers would encourage them to consider the reality that expansion to building code requirements can result in increased housing costs that negatively impact residents or may even impede the building of much-needed housing.

For example, the survey found that over two-thirds (68%) of respondents agreed or strongly agreed that mechanical/electrical codes posed significant compliance challenges, followed by compliance challenges related to energy performance and efficiency (66%), electrification/net-zero emissions (63%) and fire protection (61%).

[Dive Deeper](#)



Digging Deeper: Do NMHC 50 Firms Have Affordable or Subsidized Units in their Counts?

The [NMHC Top 50 lists](#) – [Owners](#), [Managers](#), [Developers](#), [Builders](#) and [Syndicators](#)—have for decades compiled basic detail on unit counts to determine the top firms for each list. As academics and policymakers, alike, continue to evaluate the state of our nation’s housing, click through to learn more about the NMHC 50 firms that operate in the affordable space.

Industry Topic Updates

Some articles linked within this section of the newsletter are exclusively available to NMHC members. Gain access to these resources, and more, by becoming a member. [Click here to learn more about joining NMHC.](#)



Housing Affordability Updates

- **Broad Housing Coalition Calls on Lawmakers to Enact Policies Aimed at Broadening Housing Supply and Lowering Costs:** A broad coalition of groups representing America's housing providers, lenders and residents sent members of Congress and the Biden administration a [letter](#) outlining a number of bipartisan policies they can undertake that will expand housing supply while lowering costs as they improve housing equity and opportunity.
- **Supreme Court Rules in Favor of Owners on Takings Case:** The U.S. Supreme Court recently delivered a landmark ruling in favor of property owners in the case of exaction takings. Development hurdles, like exaction takings, only serve to exacerbate housing providers' ability to meet our nation's housing needs. This case marks a crucial step forward in breaking down barriers to development.
- **HFSC Passes 'Respect State Housing Laws Act', Moving Closer to Resolving Ongoing Challenges from Pandemic Measures:** On April 17, the House Financial Services Committee (HFSC) passed H.R. 802, the Respect State Housing Laws Act. Approving this measure is an important step closer to the end of lingering operational challenges that the rental housing industry is experiencing from the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020.
- **HUD Publishes Final Changes to HOTMA:** On May 7, 2024, HUD published final rules implementing changes to the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs made by the Housing Opportunity Through Modernization act (HOTMA), which was signed into law on July 29, 2016. This final rule is in response to public comments on HUD's November 12, 2020, proposed rules implementing HOTMA.



ENERGY EFFICIENCY POLICY UPDATES

- **Treasury and IRS Release Final Regulations on Energy Tax Credits:** The Department of Treasury and Internal Revenue Service on April 25 issued final regulations regarding the transfer of eligible energy tax credits. The rule includes the Section 48 Investment Tax Credit generally available through 2024 and the Clean Energy Production Credit and Clean Electricity Investment Credit that both take effect in 2025.
- **NMHC Supports Legal Action Against DOE Furnace Rule and Faces Aggressive Administration Agenda on Other Appliance Efficiency Standards:** NMHC joined a coalition of stakeholders in sending an *amicus* brief to the D.C. Circuit Court of Appeals, outlining the flaws in DOE's required costs-and-benefits analysis and the detrimental effects the rule will have on housing affordability and residents, namely low-income households.



EMPLOYER POLICY UPDATES

- **NMHC Express Disappointment with DOL Overtime Rule:** On April 23, the Department of Labor (DOL) issued its final rule altering the overtime regulations under the Fair Labor Standards Act. The final rule substantially increases the number of employees eligible for overtime pay thereby increasing the cost of rental housing. NMHC weighed in with concerns about the proposal in May 2023 and endorsed legislation that would prohibit DOL from finalizing, implementing, or enforcing its proposed overtime rule.



MARKET UPDATES

- **Apartment Market Continues to Loosen Amidst Worsening Financing Conditions**: Apartment market conditions continued to weaken according to NMHC's April 2024 Quarterly Survey of Apartment Market Conditions. With the exception of Sales Volume (52), which turned positive this quarter, the Market Tightness (41), Equity Financing (49), and Debt Financing (44) indexes all came in below the breakeven level (50).



INSURANCE & RISK MANAGEMENT UPDATES

- **HUD Releases New Federal Flood Risk Management Standard**: On April 22, the U.S. Department of Housing and Urban Development (HUD) announced its final rule to expand floodplain management and impose new elevation requirements at HUD-supported properties during construction or substantial rehabilitation. Compliance with the final rule is required for new construction where building permit applications are submitted on or after January 1, 2025.

TECHNOLOGY UPDATES

- **NMHC Represents Multifamily at Congressional Artificial Intelligence (AI) Roundtable**: On April 11, the House Financial Services Committee’s Artificial Intelligence (AI) Working Group held a bipartisan roundtable focused on housing and insurance issues. Representing NMHC and the multifamily industry was **Rishi “Sunny” Juneja**, CEO of Canopy Analytics and a member of NMHC’s Emerging Leaders Committee.
- **New Member Resource! What You Need to Know About Bulk Internet in Rental Housing**: Given the recent focus on the regulation of bulk internet, NMHC has prepared a backgrounder document and video highlighting what bulk billing is, why it’s top of mind right now and how emerging discussions in the regulatory space threaten rental housing operations and affordability.

Stay in the Loop

Don't wait for the newsletter to stay in the loop on topic updates. NMHC posts regular updates to our website on a number of critical advocacy and research topics. [Click here](#) to explore additional topics and bookmark the pages that are of interest to you.

Navigating the AI Landscape in the Rental Housing Sector

Policymakers and rental housing providers must come together to harness artificial intelligence's transformative potential—while ensuring that regulations promote fairness, transparency and consumer protection to create a more accessible and equitable rental housing market. Click through for the latest writeup from NMHC's **Kevin Donnelly** on the state of AI policy in Washington and beyond.

[Read More](#)

Deadline Friday, May 24 to Apply for NMHC's New Peer-to-Peer Networking Groups

There is still time to apply to be a part of NMHC's Peer-to-Peer Networking Groups. As a supplement to our current committee offerings, there are five peer-to-peer groups available that will serve as collaborative forums for NMHC members to exchange information, ideas and foster networking and relationship development within specific areas of interest.

[Read More](#)

Upcoming NMHC Events

NMHC Members: The list doesn't stop here—log in to your member account and access other exclusive, member-only meeting and registration details.

Open Events

[2024 NMHC Student Housing Conference](#) | Oct. 7-9

[2024 NMHC OPTECH Conference & Expo](#) | Oct. 21-23

NMHC Members-Only Events

Virtual Event: CEO Executive Insights: Past and Present Leadership | May 15

Emerging Leaders Networking Event - Chicago | June 13

2024 NMHC Fall Board of Directors Meeting | Sept. 11-13

Wait... There's More to Explore!

Housing Trade Groups Applaud Launch of Bipartisan Congressional Real Estate Caucus

A coalition of leading trade groups, including NMHC, joined together to publicly applaud Reps. **Mark Alford (R-Mo.)**, **J. Luis Correa (D-Calif.)**, **Tracey Mann (R-Kan.)** and **Brittany Pettersen (D-Colo.)** for launching the Bipartisan Congressional Real Estate Caucus. “It is vital that Congress supports policies that promote the growth of the real estate industry, and that is what the newly formed caucus aims to accomplish,” our joint statement read.

[Read More](#)



Important Membership Update: Changes to Spring and Fall Meeting

NMHC is a growing and engaged community, as reflected in the increased interest in NMHC meetings. In order to better meet the moment, we are excited to announce that registration criteria and other meeting details have been adjusted for NMHC's 2024 Spring and Fall Meetings. These changes will provide NMHC members with even greater engagement, especially around housing affordability, and provide high quality opportunities for the NMHC membership to be actively engaged in our advocacy work at this critical time.

[Read More](#)

MHN Quarterly Podcast with NMHC: Navigating High Insurance Costs

NMHC's **Kevin Donnelly** and **Caitlin Sugrue Walter** join MHN's podcast to dive into the current insurance landscape and how multifamily is navigating it. Click through to learn more.

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