



What a Trump Presidency Means for Real Estate

Read Time: 8 minutes

Last week's election of Donald Trump and Republican capture of the House and Senate could signal some notable shifts in federal policy for rental housing providers and our residents on issues such as tax cuts, regulatory reform and housing policy changes.

Key issues President-elect Trump hopes to address include extending popular 2017 tax benefits such as reduced individual income tax rates, the 20-percent qualified business income deduction and current estate tax exemption amounts. While no formal housing plan has been proposed, Trump's general support for reducing regulations could stimulate additional development.

Although there is room for optimism, Trump's possible trade and immigration policies may potentially have a negative influence on construction costs and project timing, in turn affecting housing production and pricing, as well as affordability.

Here is a breakdown of what we might expect from his administration:

Tax Policy and Real Estate Incentives

- **Corporate Tax Cuts and 2017 Tax Law Renewals:** The Trump Administration is set to push for additional corporate tax cuts, and renewal of *Tax Cuts and Jobs Act* (TCJA) provisions set to expire at the end of 2025, including those reducing individual income tax rates, establishing a 20-percent business income tax deduction for pass-through entities and doubling the estate tax exemption amount as it supports investment continuity and growth in real estate.
- **SALT Deduction Cap Removal:** President-elect Trump has pledged to lift the \$10,000 cap on state and local tax (SALT) deductions, implemented in 2017, which could benefit taxpayers in high-tax states like New York and California.

[*Click here for a more detailed outline on the tax issues.*](#)

Deregulation and Construction Expansion

- **Reducing Housing Regulations:** President-elect Trump has long advocated for fewer regulations in real estate and housing construction. By targeting what he calls "unnecessary" federal regulations, he hopes to streamline development, cutting costs and increasing housing supply.
- **Affordable Housing and Land Development:** Although President-elect Trump has not provided detailed housing policy plans, he has suggested expanding development of underutilized federal land and removing restrictive zoning regulations. An increase in available land for construction, combined with fewer bureaucratic hurdles, could open doors for more affordable housing options and help address the nation's housing shortage.
- **Rent Control a Top Issue:** In July 2024, the Biden Administration proposed a rent control initiative to cap annual rent increases. While no action was taken to enact this proposal at the federal level, rent control measures were on the ballot in one state and several localities. California voters roundly rejected a ballot measure that would have expanded rent control, representing the [*third time voters opposed expanding rent control*](#) via statewide initiative since 2018. Additional activities at the state and local levels will, no doubt, continue. In fact, twenty-four states introduced rent regulations in 2024. When it comes to policies like rent control, the Trump administration will likely focus on promoting homeownership and decreasing regulatory barriers, rather than implementing rent control measures.

Consumer Protection Policies

- **Business-Friendly Posture:** The Trump administration is expected to take a more business-friendly approach when it comes to new mandates or enforcement actions from the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB) and Department of Justice (DOJ). While changes are likely concerning recent efforts to impose federal restrictions on pricing and fees economy-wide, President-elect Trump's approach to antitrust policies may be more mixed. President-elect Trump's first administration pursued significant antitrust enforcement actions, but compared to the current administration, we may see a greater focus on market efficiency that promotes innovation and competition rather than using antitrust enforcement to address business practices and concentration.

Government-Sponsored Enterprises (GSEs) and Housing Finance

- **Potential Privatization of Fannie Mae and Freddie Mac:** In his last administration, President-elect Trump aimed to reduce government involvement in housing finance by releasing Fannie Mae and Freddie Mac from conservatorship and setting the stage for privatization. These efforts were incomplete due to regulatory

challenges and competing concerns. However, the Trump Administration may refocus on the goal to end conservatorship and privatize the GSEs.

Data Privacy & Security

- **Enactment of a National Cybersecurity, Data Privacy and Breach Notification Standard:** President-elect Trump's approach to technology, data security and privacy has focused largely on national security concerns. He has supported research and investment in Artificial Intelligence (AI) and signed executive orders to bolster AI research, aiming to position the U.S. competitively while raising limited public discussion on AI's societal risks. With Republicans in control of both the House and Senate, chances of enacting a federal data privacy, security and breach notification standard that recognizes the unique nature of the rental housing industry and preempts the patchwork of state laws have improved, yet securing significant Congressional support may remain a challenge.

Immigration and Labor

- **Impact on Housing Demand and Labor Market:** President-elect Trump's proposed immigration policies, including tougher border enforcement and potential mass deportations, may impact real estate in two main ways: reduced demand for housing in certain regions and a potential labor shortage in the construction industry, which relies heavily on immigrant workers. On the other hand, we expect the incoming administration to take a more business-friendly approach to labor policy which could lead to lower development and operating costs.

Trade and Tariffs on Building Materials

- **Tariffs and Building Costs:** President-elect Trump has signaled a willingness to increase tariffs on Chinese imports and implement a 10 - 20 percent tariff on goods from other countries. This could impact material choice, supply chains and overall project pricing. Tariffs may also affect inflation, leading to changes in interest rates and mortgage costs.

President-elect Trump's election brings a mix of potential opportunities and challenges for the real estate industry. Policies that streamline construction, reduce taxes, mitigate regulation, and support property development may offer relief and stimulate market growth. However, uncertainties around tariffs, immigration and GSE privatization could introduce risks and impact affordability, especially in the affordable housing market. With Congress's role in enacting the legislative components of these proposals, President-elect Trump's effectiveness in achieving his real estate agenda will, in many cases, depend on bipartisan support for his proposals.



NMHC 50 Sign-Ups Are Open!

Survey links for firms to participate in [NMHC's authoritative ranking](#) of the nation's top 50 apartment owners and top 50 managers, as well as the top 25 developers, top 25 builders and top 10 syndicators are set to go out — be sure to enter your firm's contact info today to participate.

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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.](#)



POST-ELECTION UPDATES

- **Republicans Clinch Control of the House and Elect Their Leadership for the 119th Congress:** Members of the Senate on Wednesday elected John Thune as the new Senate Majority Leader— winning a three-way election to succeed Minority Leader Mitch McConnell, who has led the Senate Republicans since 2007 and is the longest-serving Senate Party leader in U.S. history.

- **What Housing Providers Need to Know—Tax Policy and Real Estate Incentives:** NMHC is continuing to call on lawmakers to renew key provisions enacted in 2017 as part of the Tax Cuts and Jobs Act (TCJA) that reduced tax rates, established a 20-percent qualified business income tax deduction, and doubled the estate tax exemption amount. We also believe that a 2025 tax bill presents a tremendous opportunity to address our nation’s housing affordability crisis. For that reason, we are encouraging Congress to enact a suite of tax incentives designed to boost housing supply to ensure that all Americans have a safe and decent place to call home at a price they can afford.



- **EPA Tightens Lead Rules for Homes and Communities:** On October 24, the U.S. Environmental Protection Agency (EPA) released its final dust-lead rule, which addresses the historic use of lead paint and significantly tightens the standards for lead abatement in homes. This follows an EPA rule released earlier this month focused on municipal lead pipe replacement. Together, these actions could have significant impacts for rental housing communities.

NMHC Research Corner: The Impact of Apartment Communities and Their Residents on Local Economies

One of the most common arguments by NIMBYs against additional development, particularly of high-density housing such as apartments, is that the residents of these developments will be a drain on municipal services.

Renters and the communities they live in, however, are vital engines of economic growth and contribute

significantly to the prosperity of local economies. More specifically, research by Hoyt Advisory Services and Eigen10 Advisors, LLC found that apartments and their residents contribute \$3.9 trillion to the national economy annually, or \$52.8 billion for every 100 apartments built.

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EMPLOYER POLICY UPDATES

- **[NMHC Urges DOL to Delay Implementation of the Overtime Final Rule](#):** On November 7, NMHC and over 70 other business organizations sent a letter to the Department of Labor's (DOL) Wage and Hour Division requesting that DOL delay implementation of an increase in the overtime salary threshold as several federal courts are expected to rule on the validity of the Biden Administration's final overtime rule in the coming months.

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.

Latest Edition of NMHC President Sharon Wilson Géno's Blog Series: One Nation, Underhoused

Those Who Fail to Learn from History Are Doomed to Repeat It — Lessons in Housing History: “There is no doubt that we are at a pivotal time in U.S. housing history. Multiple economic and policy shifts over the last few decades have resulted in what is now widely understood as a national housing shortage. Multiple polls during this hotly contested election cycle have ranked ‘housing’ as the No. 2 or No. 3 issue of concern to voters. It is no wonder that politicians at the federal, state and local levels have proposed various ‘solutions’ to the housing crisis, trying to ‘one up’ their opponents.”

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Upcoming NMHC Events and Webinars

Open Events

[2025 NMHC Apartment Strategies Conference](#) | Jan. 28, 2025

[2025 NMHC Annual Meeting](#) | Jan. 28-30, 2025

NMHC Members-Only Events

[2024 Emerging Leaders Virtual Event—CRE Insights](#) | Nov. 21

[2024 Emerging Leaders – Networking Event – Atlanta](#) | Dec. 4

[2024 NMHC Government Affairs Update Webinar Series – Webinar 3](#) | Dec. 10

[2025 NMHC Women’s Event](#) | Jan. 27, 2025

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

More to Explore

NMHC Market Trends: Though the Apartment market Continues to Loosen, Deal Flow Increases for a Third Consecutive Quarter as Debt and Equity Conditions Improve

California's Rent Control Rejection Might Point to National Appetite for Different Approach

"In certain markets across the nation, rental rates have been hurt due to a strong wave of supply deliveries. And yet, the U.S. still faces a severe housing shortage partnered with affordability issues. In this episode of Quarterly with NMHC, Caitlin Sugrue Walter, Vice President of Research, and Bernard Fulton, Vice President for Housing Policy and Regulation, join Multi-Housing News Senior Associate Editor Jordana Rothberg to talk about just that."

[LISTEN HERE](#)

"Apartment market conditions showed signs of improvement in the [National Multifamily Housing Council's \(NMHC's\) October 2024 Quarterly Survey of Apartment Market Conditions](#). All but the Market Tightness (37) index indicated more favorable conditions this quarter, with Sales Volume (67), Equity Financing (63) and Debt Financing (77) all coming in above the breakeven level (50)."

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"California voters last week trounced a proposal to lift statewide restrictions on local rent control, signaling to other left-leaning states that similar caps on skyrocketing rents might be an uphill climb. It was, in fact, the third time Californians have said no."

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