



NATIONAL
MULTIFAMILY
HOUSING
COUNCIL



Thanks for Joining Us in Chicago!

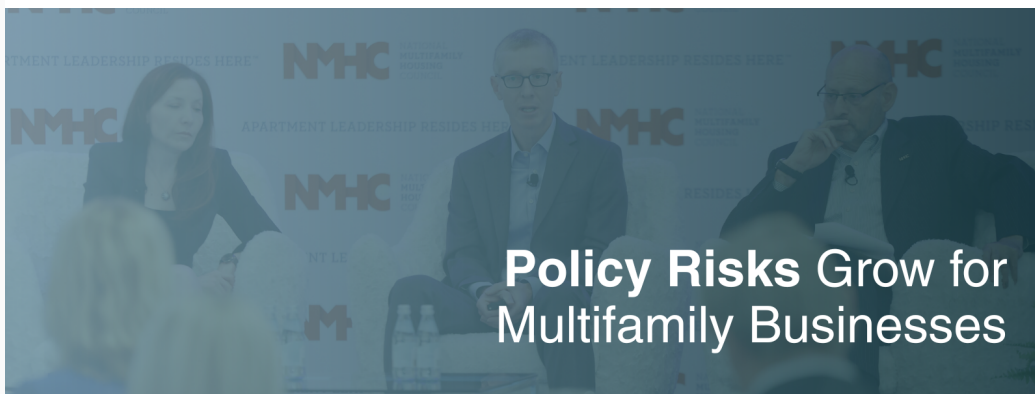
NMHC's 2023 [Spring Board of Directors Meeting](#) and [Leadership Forum on Diversity, Equity and Inclusion](#) brought together more than 345 executives from leading firms. The events once again took a look at the state of the industry and the headwinds and opportunities that lie ahead.

Speakers dove deep into the myriad of risks threatening to affect investment, development, costs and policy and regulation, as well as some of mitigation strategies. But there was also talk about the opportunities that change can bring.

For example, U.S. Representative **Liz Cheney** (*R-Wyo.*) spoke about the challenges of working in a polarized political environment in Washington D.C. on a variety of important issues, including impacts on the pending negotiations around the debt ceiling. But she also noted that it's in such times of discord that new leaders emerge—and there are a number of good ones from both parties waiting in the wings.

Nicholas Thompson, CEO of *The Atlantic*, talked about the rapid growth of artificial intelligence and the potential challenges to authenticity and autonomy. However, he concluded that the technology will ultimately unlock creativity the likes of which we've never seen before—and that will be a good thing.

Here are a few more highlights from the meetings.



At a time of significant market uncertainty, with rising interest rates and turmoil in the banking sector, the growing calls to increase Federal regulations in the multifamily industry were of central importance to leaders at the Spring Board of Directors Meeting.

During a panel titled, Regulatory Risks: The White House Blueprint for a Renters Bill of Rights and Beyond, NMHC's Vice President for Construction, Development, Land Use and Counsel **Paula Cino** hosted a discussion with **Jeff Adler**, VP, Yardi Matrix, and **Jay Parsons**, SVP, Chief Economist, Head of Industry Principals, RealPage, on how lawmakers—instead of promoting supply-side solutions—are increasingly focusing on regulatory mandates and restrictions on housing business practices like rent control, eviction moratoriums and limitations on resident screening.

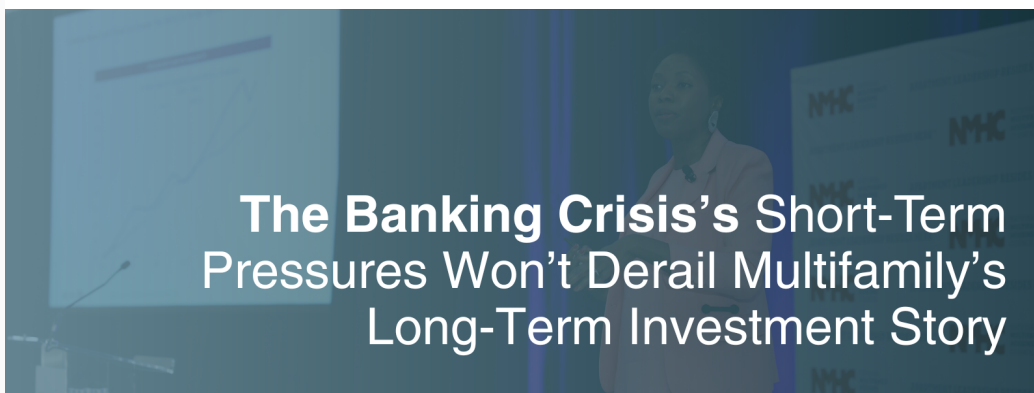
The Biden Administration has outlined a broad range of these initiatives and has prioritized efforts to strengthen renter protections by collecting data and information through federal agencies including FHFA, HUD, FTC, CFPB and others. Cino kicked off the discussion by noting that there has been an explosion of regulatory regimes at state and local levels, in addition to federal actions. Further, she made clear to NMHC members that while the White House Blueprint has been billed as non-binding at this point, it could provide a roadmap for potential federal agency action.

The conversation focused on how policymakers should stop focusing on failed approaches like rent control and stabilization and instead focus on actionable solutions like fully funding and reforming Section 8, expanding the Low-Income Housing Tax Credit and launching a Middle-Income Housing Tax Credit, among others.



The Spring Board of Directors Meeting concluded with a discussion between NMHC Treasurer and Bozzuto's Chief Administrative Officer **Julie Smith** and **Erika Poethig**, former Special Assistant to the President for Housing and Urban Policy in the White House Domestic Policy Council.

During her time at the White House, Poethig served as a consensus maker, bringing NMHC and others to the table during important policy discussions. To be sure, there were a number of challenging conversations, but over the better part of the last year, NMHC has remained a committed participant, along with a number of housing providers and businesses. Going forward, as federal agencies follow the White House's Blueprint, we will engage with the appropriate agencies to make sure any rules or programs are informed by NMHC businesses and the real-world impact of any policy changes.



The banking crisis will likely be a long, drawn-out multi-year problem that will make capital more expensive and less available, particularly for large deals. But it will not take down the banking system or multifamily, according to **Paula Campbell Roberts**, KKR's Chief Investment Strategist and Head of Real Estate Macro.

That's because tectonic changes in the investment environment mean we are entering a new investment regime. De-globalization, demographic changes, the energy transition, migration shifts,

ESG and sustainability, sticky inflation, transformative technologies and the rise of labor power are just a few reasons why the 60-40 portfolio no longer works. In the future, private asset classes will become more important and real estate will become more compelling.

In the short term, capital will be more expensive and less available. Despite these near-term pressures, the long-term secular trends support a positive outlook for investors.

Real estate offers investors downside protection, diversification, illiquidity premium and inflation hedging benefits that will be valued beyond the banking crisis because of the new macroeconomic environment. Within real estate, multifamily has a strong value proposition thanks to demographic tailwinds, the under-supply of housing, the preference for highly amenitized properties in urban areas and more expensive mortgage capital for consumers.



One of the most significant challenges facing multifamily businesses is skyrocketing increases in insurance costs, even with significant increases in deductibles and exclusion of some types of risk. These dynamics are impacting valuations, disrupting transactions and putting substantial pressure on the operating budgets of multifamily properties, often resulting in significant cost-cutting in other areas of operation or growing areas of uninsured risk.

During a panel discussion with Chair of NMHC's Risk Management Working Group **Paul Boatman**, VP of Risk Management at Prometheus, **Lesli Rice**, Manager, Risk Management, Lincoln Avenue Capital, and **Craig Hoffman**, Managing Director, Risk Management, Greystar, moderator **Alex Zavala** of FHS Risk Management presented what it determined were the four driving factors of escalating costs right now—inflation, data quality, lack of capacity and risk management. This presentation was timely as it comes just before the June 5 release of the [2023 State of Multifamily Risk: Documenting Insurance Market Volatility report](#).



Please consider joining a related webinar, [Webinar: 2023 State of Multifamily Risk Results—Documenting Insurance Market Volatility](#) on June 6. The webinar will consist of a discussion between **Paul Boatman**, Vice President of Risk Management, Prometheus & Chair of NMHC's Risk Management Working Group, **Michael Power**, CPCU, FHS Risk Management and NMHC's **Kevin Donnelly**, VP, Government Affairs, Technology and Strategic Initiatives and **Caitlin Sugrue Walter**, Vice President, Research.



Multifamily Trailblazers Provide a Lesson in Leadership

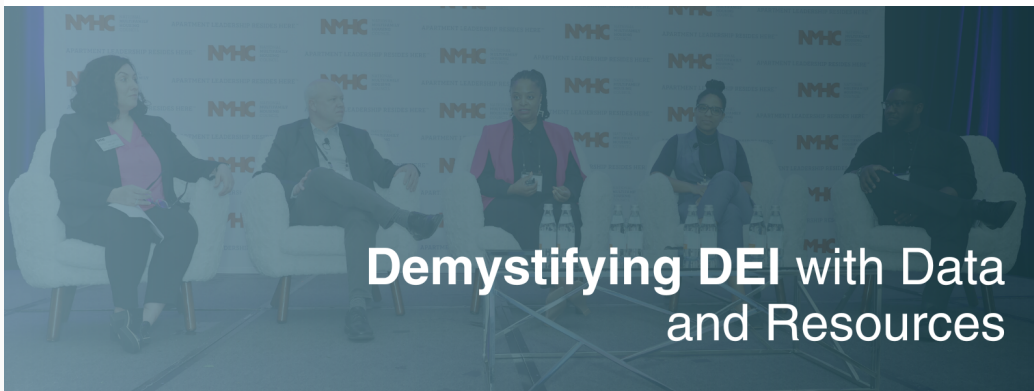
LGIMA's **Helen Garrahy** hosted an enlightening discussion between **Greg Mutz**, Chairman and CEO, AMLI Residential Properties, **David Schwartz**, CEO and Chairman, Waterton and **Pete Vilim**, Vice Chairman, Waterton, about their journeys in the multifamily housing industry.

Schwartz and Vilim began their careers under Mutz at AMLI in Chicago. Working together, they were entrepreneurs in multifamily, being among the first firms to attract institutional support and grew AMLI's portfolio from mostly stick-built construction to high-rise and more.

Looking back at their time at AMLI, Schwartz and Vilim were deeply appreciative of the lessons they had the opportunity to learn. Vilim noted that his seven years there were key to his career, emphasizing that as young people rise in their careers it is important for them to put in the hard work. Schwartz and Mutz reflected many of each other's entrepreneurial instincts—almost always looking at the upside of a deal.

Each of the friends and business partners had some main takeaways from the discussion and their time together:

- *Mutz* — Focus on good communication, building a culture, being able to spot talent, allocate resources carefully and focus on risk mitigation.
- *Schwartz* — Stay focused and get really good at what you do. You don't want to be trying to do everything.
- *Vilim* — Find good partners that complement you, your mindset and skillset.



Demystifying DEI with Data and Resources

The NMHC Leadership Forum on Diversity, Equity and Inclusion featured a full day of content framing opportunities for the apartment industry to actualize DEI goals with strategies and tools. As NMHC SVP, General Counsel and Strategic Initiatives **Betsy Feigin Befus** said in her opening remarks, "The theme for today is [DEI] 2.0," referring to the industry's success in building a knowledge base that has paved the road for action. Throughout the day, panelists discussed topics ranging from strategies to diversify senior leadership positions, overcoming barriers to capital for underrepresented groups and launching resources identified in the [NMHC Industry Framework for Racial Equity and Economic Inclusion](#).



To that end, the [NMHC DEI Toolkit](#) was launched during the event. The NMHC Toolkit is a new resource with Enterprise-level guidance and tools to help apartment firms integrate DEI into their talent ecosystem and supplier diversity. The complete resource can be accessed [here](#). NMHC's supplier diversity pilot with [SupplierGateway](#), which offers a supplier management platform, was also highlighted. The pilot, launched with an alliance of national CRE trade associations, is an opportunity for firms to expand their spending with Minority and Women-owned Business Enterprises (MBWEs).

Moderated by NMHC's Betsy Feigin Befus, a session on equity in action through community investment featured **Greg Olson**, Regional Vice President, The Michaels Organization, **Kemena Brooks**, Director of Development, The Community Builders, **Marshall Hatch Jr.**, Founder & Executive Director, MAAFA Redemption Project and **Ayesha Jaco**, CEO, West Side United. As local and national development practitioners and community leaders, they discussed their multi-year, multi-faceted effort to transform the Garfield Park neighborhood on Chicago's West Side. Tying into various topics in the [forthcoming new housing equity guide](#), the panel discussed their place-based business approach, specifics of how the various projects came together and how our industry can replicate their experience to create more equitable outcomes in the communities they serve.

ICYMI



Washington Post Publishes NMHC Letter to the Editor During Spring Board of Directors Meeting

Just as NMHC and its members were beginning the final day of the meeting, the Washington Post published an opinion piece by NMHC President **Sharon Wilson Géno** on how rent control is not a real solution to the nation's housing affordability challenges.

The timing of publication could not have been better, as attendees spent much of the meeting on this very question—*What more should NMHC and multifamily businesses do to educate and encourage lawmakers at all levels of government in both parties and the general public to consider real solutions to the housing supply crisis, not failed approaches like rent control?*



NMHC Members can [access the letter here](#) and consider using it as a template for submission to local newspapers where the rent control question has arisen.



Thank You to Our Current NMHC PAC Supporters!

As attendees heard throughout the meetings, NMHC PAC is one of the critical tools in our advocacy efforts. The PAC provides additional opportunities for NMHC staff and its members to educate policymakers about the industry and the critical issues that impact our business. Thank you to all current NMHC PAC supporters for your important investment in the industry—[learn more about the NMHC PAC here](#).

Related Content



Inside the Leadership Forum and Spring Board of Directors Meeting

Revisit moments from Chicago with photos of industry peers and comrades during the [Leadership Forum on Diversity, Equity and Inclusion](#), [Spring Board of Directors Meeting](#) and [Emerging Leaders Happy Hour](#). Searching for a presentation? Download meeting materials and presentations to your library [here](#).



Building a Diverse Multifamily Supplier Network

Commercial real estate leaders who strive for diversity, equity and inclusion join NMHC's Code 53 podcast host **Alison Johnson** to discuss the challenges of diversifying networks in the multifamily space and the resources and solutions available to address those challenges. [Stream on Apple Podcasts or Spotify](#).

APARTMENT LEADERSHIP RESIDES HERE™



[Contact Us](#) | [Send Me Fewer Emails](#) | [Unsubscribe All](#)

You are receiving this email because you subscribed to "Meeting Communications". Please add 'meetings@nmhc.org' to your email address book or Safe Sender List.