



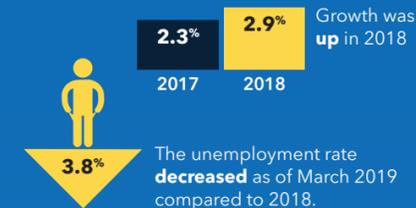
HOW WE BENEFIT

CONSUMERS & THE ECONOMY

Real estate is the foundation of wealth building for the middle income Americans and a critical link in the flow of goods, services, and income for millions of people. Real estate is clearly a major driver of the U.S. economy, accounting for **one-fifth** of the gross domestic product (GDP).

Commercial real estate supported **8.3 million American jobs** in 2018 (a measure of both new and existing jobs), generating \$325.9 billion in salaries and wages. This contributed **\$1.0 trillion to U.S. GDP.**¹

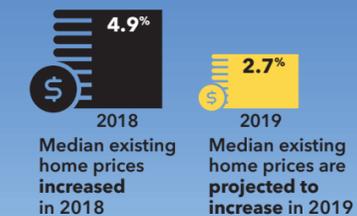
U.S. ECONOMIC GROWTH



INCREASED CONSUMER CONFIDENCE ON WAGE & INCOME GAINS



Tight inventory conditions remain. The year-earlier inventory levels have been **increased** in the last six months. But, inventory is still tight. Rising home prices and tight inventory result in affordability challenges.



NOT ENOUGH NEW CONSTRUCTION



Housing and utilities accounted for **\$2.6 trillion of GDP in 2018:**



\$4.0T Total real estate input

NAR Research estimates that the sale of the typical home generates approximately **\$80,000** in secondary expenditures such as moving costs and brokerage services.

THE FEDERAL RESERVE CALCULATES HOMEOWNERS' EQUITY NOW STANDS AT \$15.5 TRILLION.



The national homeownership rate **rose** at the end of 2018 reflecting that **home ownership is an important part of the economy.**

REAL ESTATE INVESTMENT TRUSTS²

U.S. real estate investment trusts contributed **2.3 million** full-time jobs to the economy in 2017, generating **\$140.4 B** of labor income.

An estimated **80 million** Americans own real estate investment trusts through their retirement savings and other investment funds.

MORTGAGE REAL ESTATE INVESTMENT TRUSTS HELP FINANCE 1.8 MILLION HOMES IN THE U.S.

RURAL LAND²

In 2018, recreational and residential land accounted for **55% of land sales.**



The typical purchase value for U.S. land is **\$238,500**, ranging from **\$75,000** for residential land to nearly **\$1 million** for agricultural land.

In large and small ways, more than 1.3 million REALTORS® advocate every day as small business owners and on behalf of the nation's 75 million property owners. Our goal is to strengthen the ability of Americans to own, buy, and sell real property.

WHAT WE CARE ABOUT

PENDING ISSUES BEFORE CONGRESS

Below are a few issues REALTORS® care about during the 116th Congress. Additional issues and research are available at www.nar.realtor/advocacy.

FLOOD INSURANCE: LONG-TERM REAUTHORIZATION, MEANINGFUL REFORM

Authority for the National Flood Insurance Program (NFIP) to write insurance expires on May 31, 2019. REALTORS® are working to avoid an NFIP lapse while advocating for a long-term reauthorization including meaningful reforms to strengthen program solvency. Reforms include more accurate flood mapping, aligning insurance rates to risk, providing property risk mitigation resources and opening the door to private flood insurance.

INFRASTRUCTURE: ALL-ENCOMPASSING INVESTMENTS

Infrastructure improvements have been shown to enhance property values by creating livable communities and business districts. Poorly maintained streets, public transit, and traffic congestion in an area impose extra costs throughout the local economy. We urge Congress to pursue infrastructure policies that reflect a broad community vision, and continue to advocate for a level playing field for both highway and public transit funding.

TECHNOLOGY: DATA PRIVACY & SECURITY

Technology has and continues to transform the way consumers buy, sell, rent, and manage homes, while also impacting the way real estate brokerages operate. As technology drives evolution, our approach to data privacy must evolve as well. Effective data privacy legislation must establish uniform standards for businesses and equal protection for consumers, while focusing on transparency and customer choice.

HEALTH INSURANCE: EXPANDED ACCESS TO ASSOCIATION HEALTH PLANS

As independent contractors, REALTORS® have long struggled to find and secure affordable health insurance options, with many remaining uninsured. We strongly support the U.S. Department of Labor's final rule expanding access to Association Health Plans. This rule has been successful and is supported in many states, providing high quality, lower cost coverage alternatives to many REALTORS® and their families.

FANNIE AND FREDDIE REFORM: ACCESS TO CREDIT

Earlier this year, NAR unveiled its comprehensive vision to reform our nation's housing finance system to ensure people in Springfield, Mo. have the same rates and access as those in Springfield, Mass. America's uniqueness of offering a 30-year fixed rate mortgage ensures affordable mortgage credit for middle income Americans, while a government guarantee and oversight stimulates and protects the flow of private capital to homebuyers.

FEDERAL TAXATION

The Tax Cuts and Jobs Act included many changes that affect homeownership and the real estate industry. As we close the first tax season under the new rules, REALTORS® are working to protect or support the following policies: extending expired Mortgage Debt Cancellation Tax Relief; fixing the marriage penalty on the state and local tax (SALT) deduction cap; and indexing to inflation the \$750,000 cap on mortgage interest deduction and the capital gains exclusion on the sale of a principal residence.

FAIR HOUSING

Fair housing is integral to our ability to buy, purchase, lease, and occupy real estate in America, having protected our nation's essential right to property for more than half a century. Earlier this spring, NAR was pleased to support H.R. 5, the Equality Act, which adds fair housing protections based on sexual orientation and gender identity.

QUALIFIED OPPORTUNITY ZONES

Qualified Opportunity Zones encourage economic growth in underserved communities through tax incentives for investors who utilize "Opportunity Funds" to invest in the Zones. We support policies that facilitate the ease of use of Opportunity Zones to attract real property investment in qualified areas.

¹ "The Economic Impacts of Commercial Real Estate, 2019 Edition." NAIOP, the Commercial Real Estate Development Association. January 2019, <https://www.naiop.org/Research/Our-Research/Reports/Economic-Impacts-of-Commercial-Real-Estate-2019>.

² "REITs by the Numbers." Nareit. April 18, 2019, <https://www.reit.com/data-research/data/reits-numbers>.