

2020 Federal Issues
Priority Survey

January 2020



National Association of REALTORS® Research Group



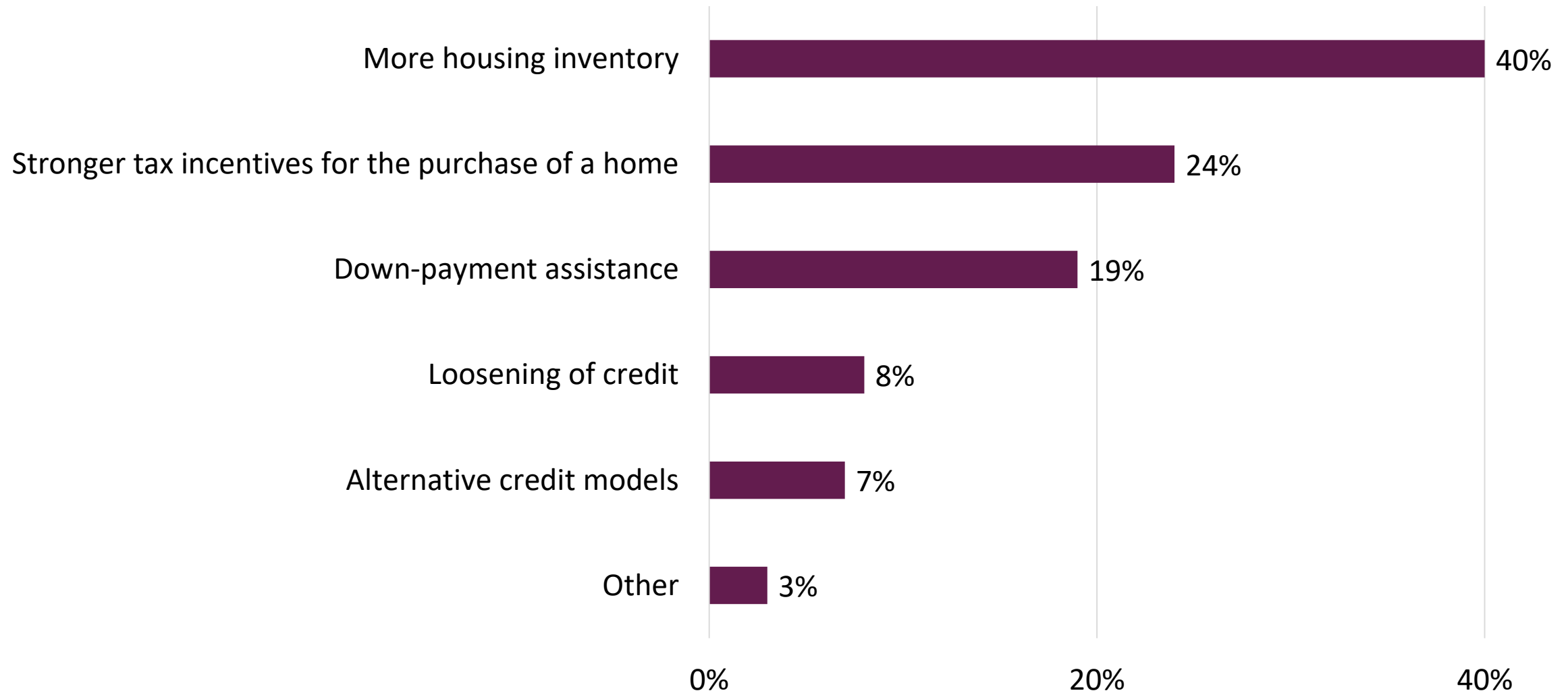
Federal Issues Priority Survey

Demographics of Respondents

- Median age: 59
- 54% female
- 86% do 50% or more of their business in residential & 12% do 50% or more of their business in commercial
- Tenure:
 - 18% less than 5 years
 - 13% 5-10 years
 - 69% 11+ years
- 32% active members

Priority Issues for NAR to Focus On

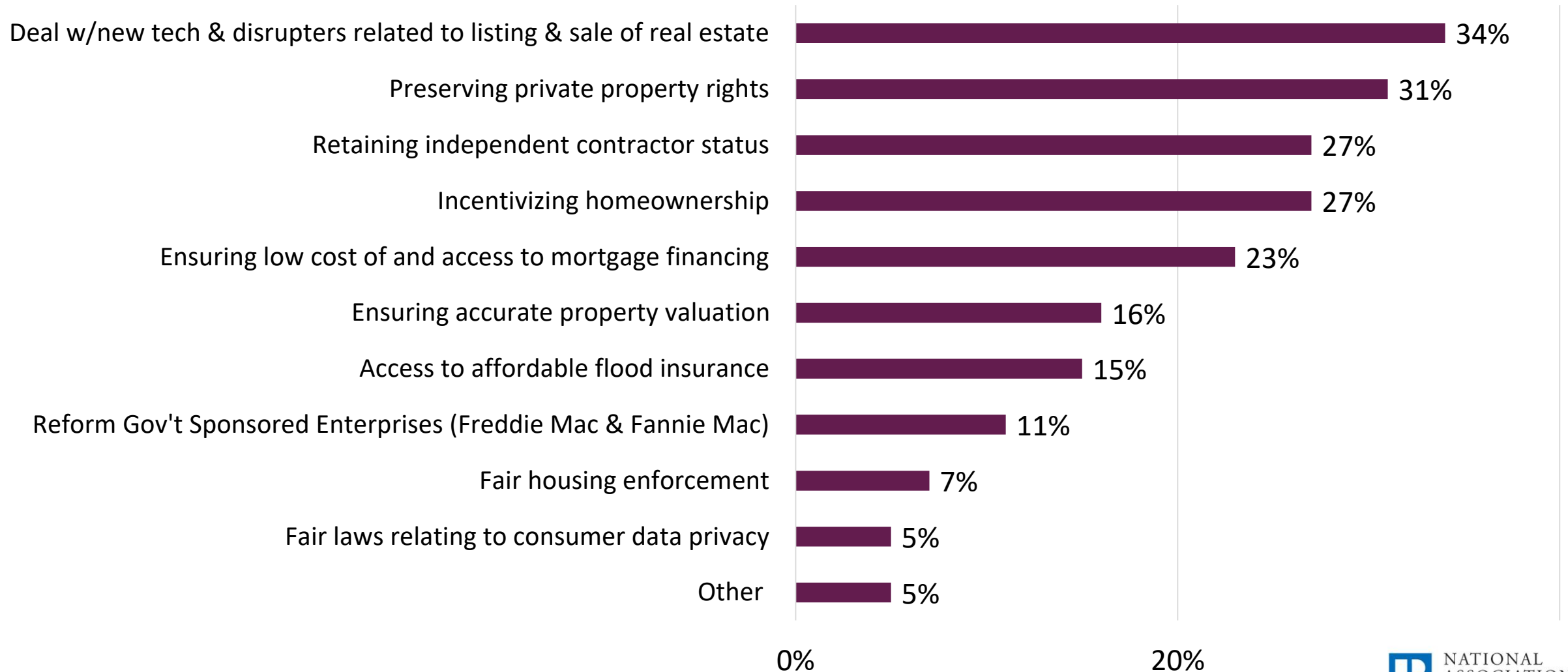
In general, which of the following would help your buyers and seller the MOST?



**If you could only focus attention on ONE issue,
which issue would you have NAR focus attention on?**

Area of Business:	50% or More Residential	50% or More Commercial
Housing affordability	31%	20%
Federal taxes, credits and deductions	24%	25%
Cost of and access to choices of health insurance	18%	16%
Infrastructure, like highways, roads, bridges and transit	11%	24%
Cost of and access to mortgage financing	8%	4%
Environmental and energy issues	5%	6%
Technology issues	4%	4%

Now thinking about more specific policy concerns, when it comes to your job and the buying and selling of real estate, which TWO of the following should be the highest priority for the National Association of REALTORS®?



Tax Policy Priorities

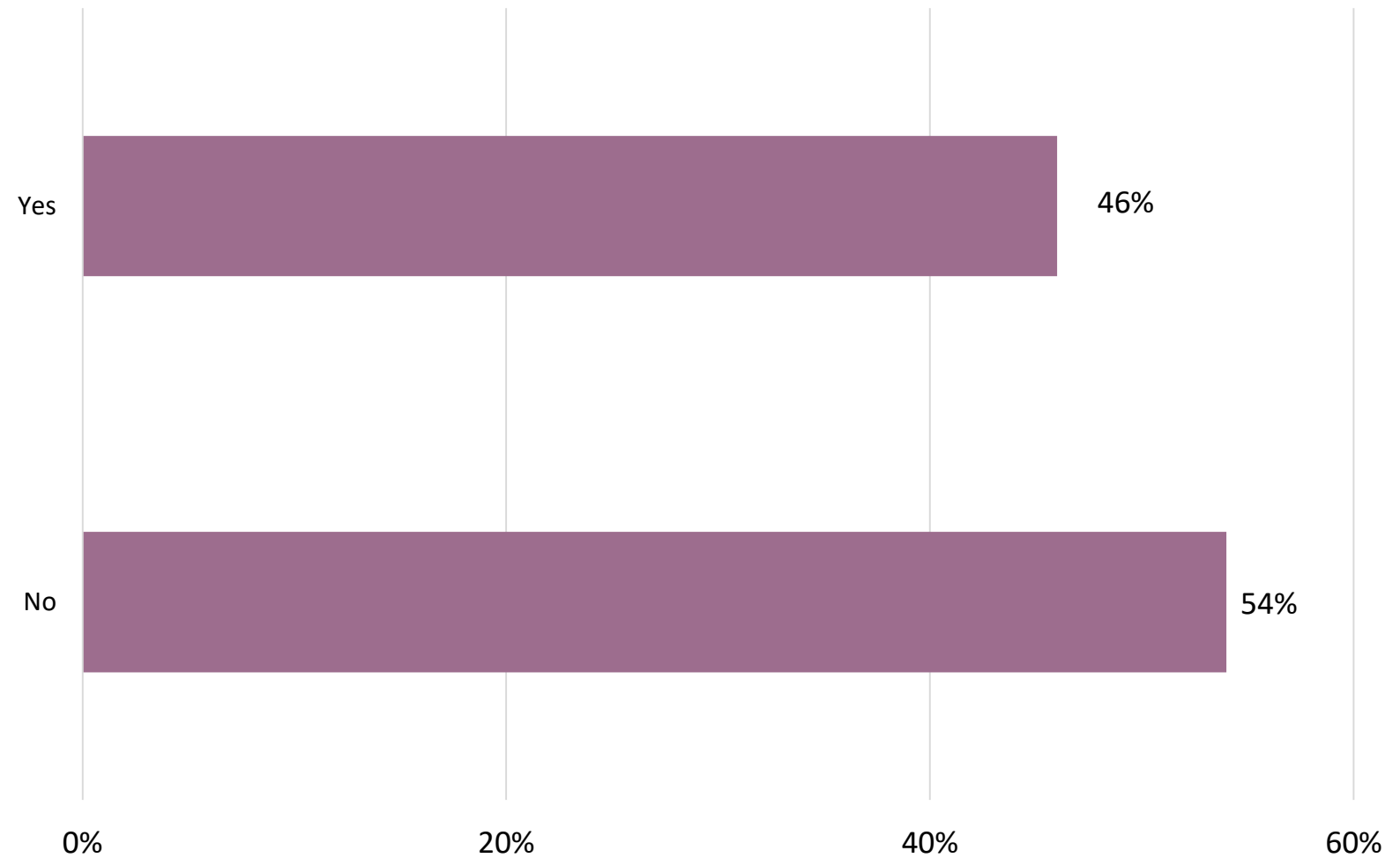
When it comes to federal tax policy and your job in real estate, which THREE of the following do you think should be the highest priorities for NAR?

Area of Business:	50% or More Residential	50% or More Commercial
Protecting tax benefits of owning & buying a home	80%	59%
Exclusion of capital gains on sale of primary residence	49%	35%
Restoring full deductibility of state & local tax taxes	43%	35%
Creation of a homebuyer or homeowner tax credit	38%	11%
Retaining 1031 like-kind exchanges	24%	58%
20% deduction for pass through businesses & independent contractors	24%	30%
Creation and/or retention of energy efficiency tax incentives	16%	15%
Indexing of capital gains for investment real estate	9%	19%
Use of Opportunity Zones for real estate investment	7%	17%
Creating reasonable depreciation for leasehold improvements	4%	15%
Exclusion of forgiven mortgage debt	5%	3%

As you may know, the 2018 federal tax law changes the ability of homeowners to utilize the mortgage interest deduction. Which ONE of the following best describes how you feel about these changes?

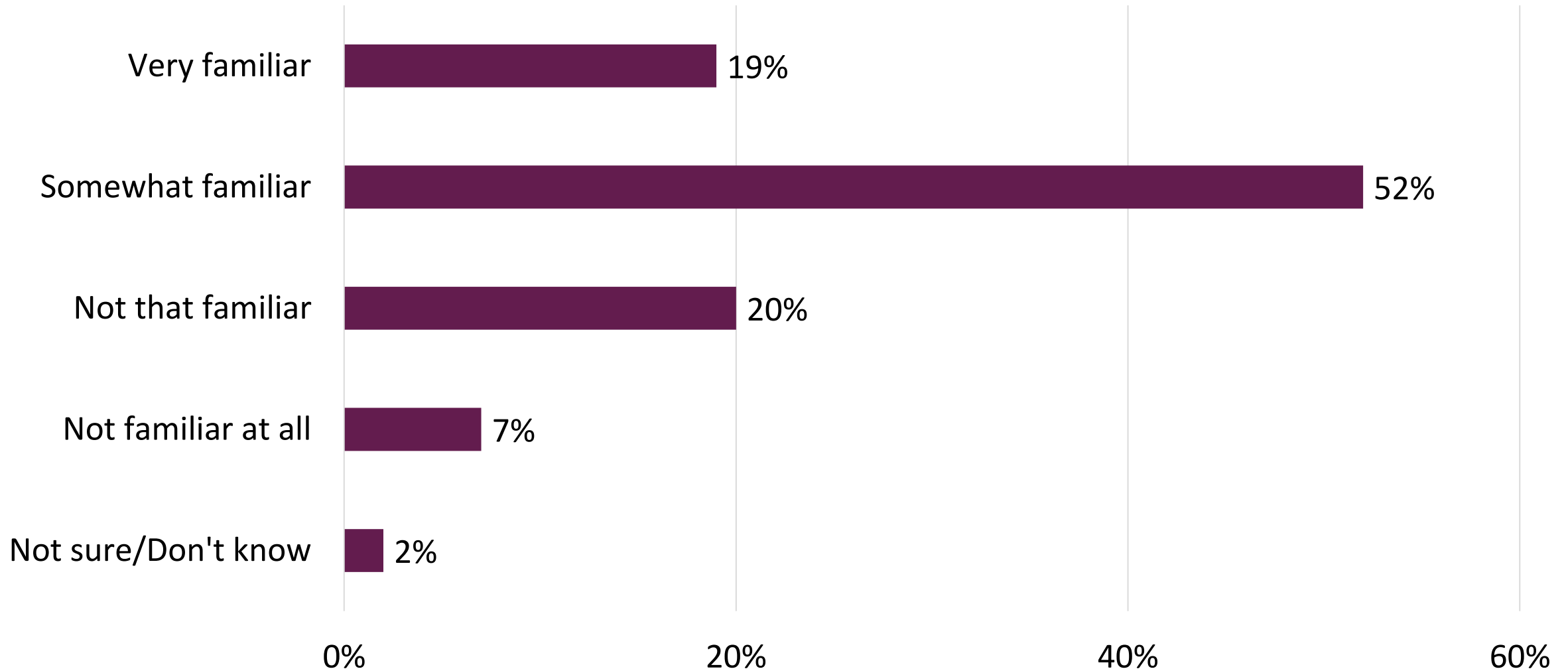


Did you personally take the new 20% tax deduction for qualified business income on your 2018 tax return?

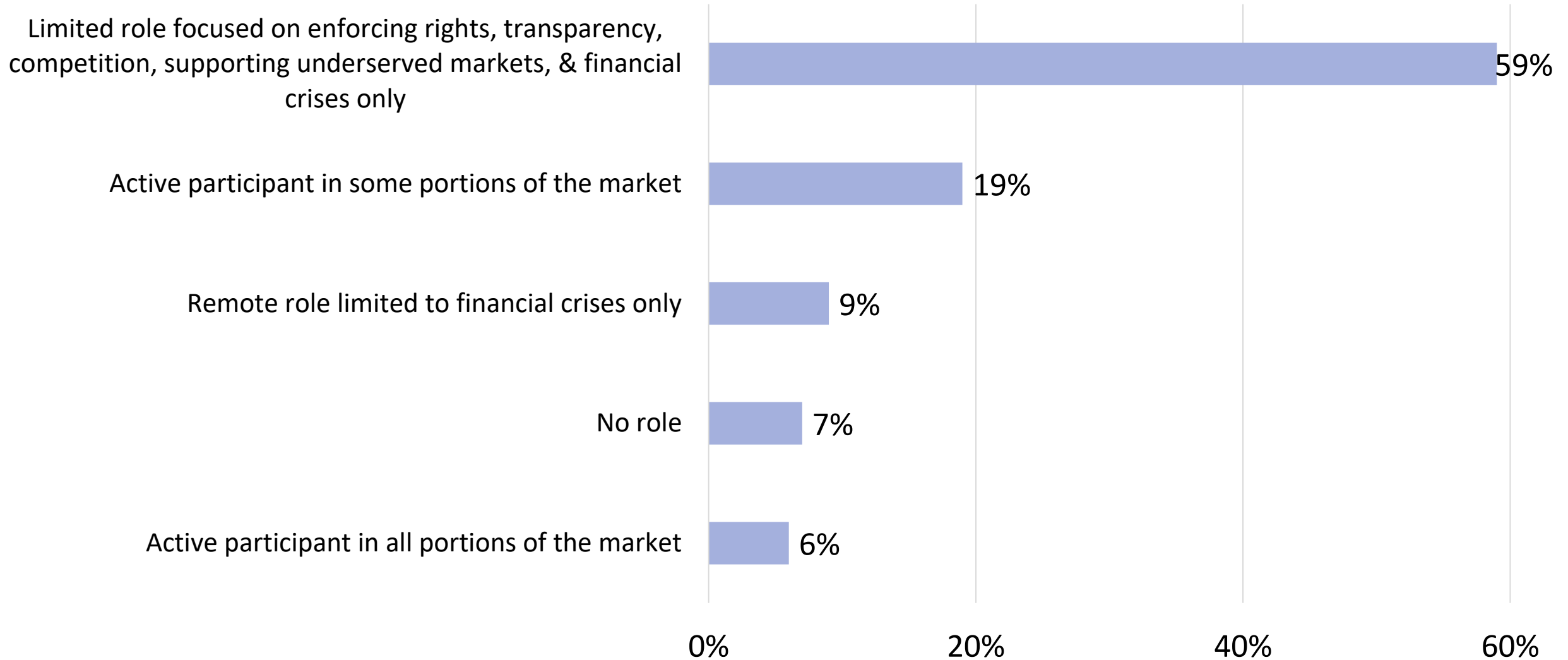


Secondary Mortgage Market and Government Role

How familiar are you with the secondary mortgage market (i.e. Fannie Mae and Freddie Mac, Ginnie Mae, and Private Label Securitized) and the role it plays in providing capital to mortgage lenders?

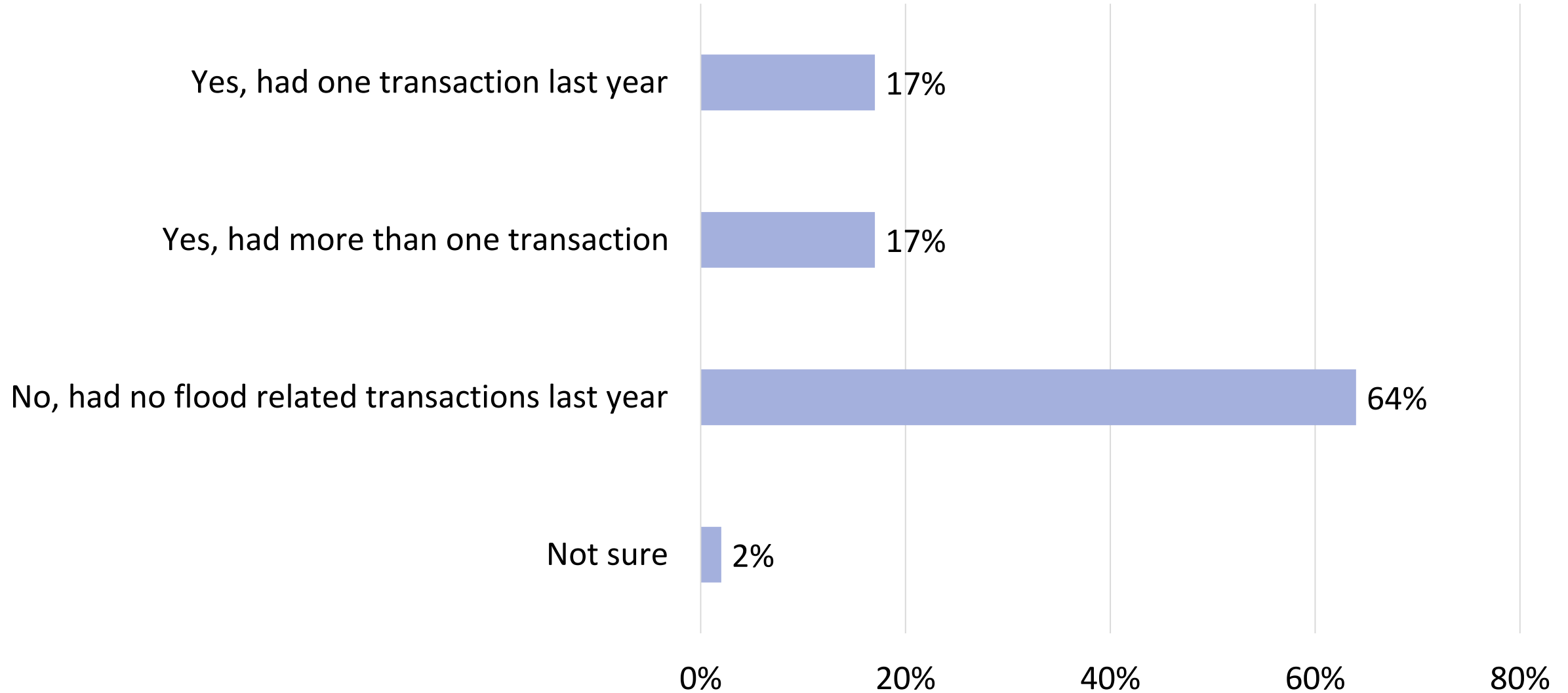


What in your opinion is the ideal role for the federal government in the mortgage finance system?

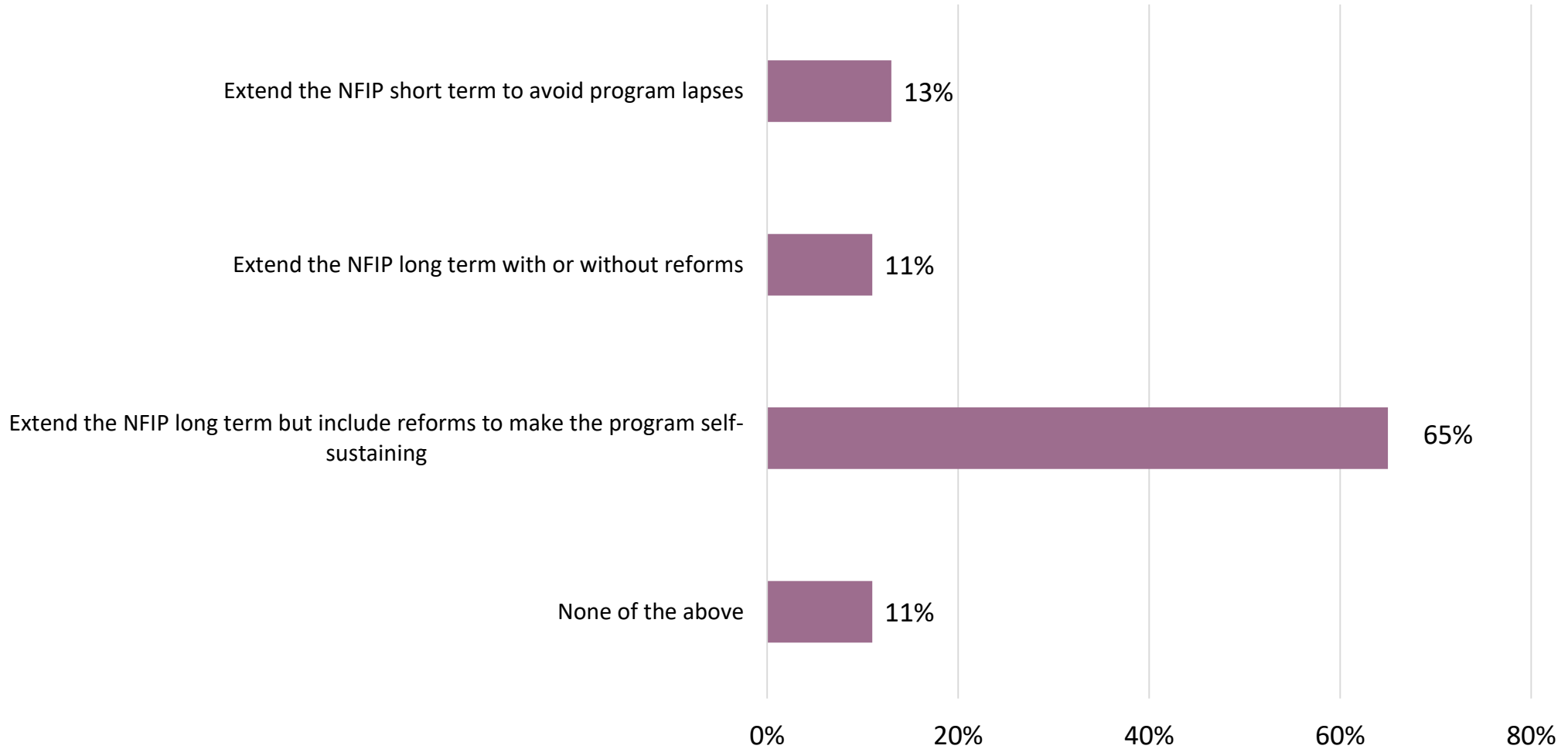


Flood Insurance

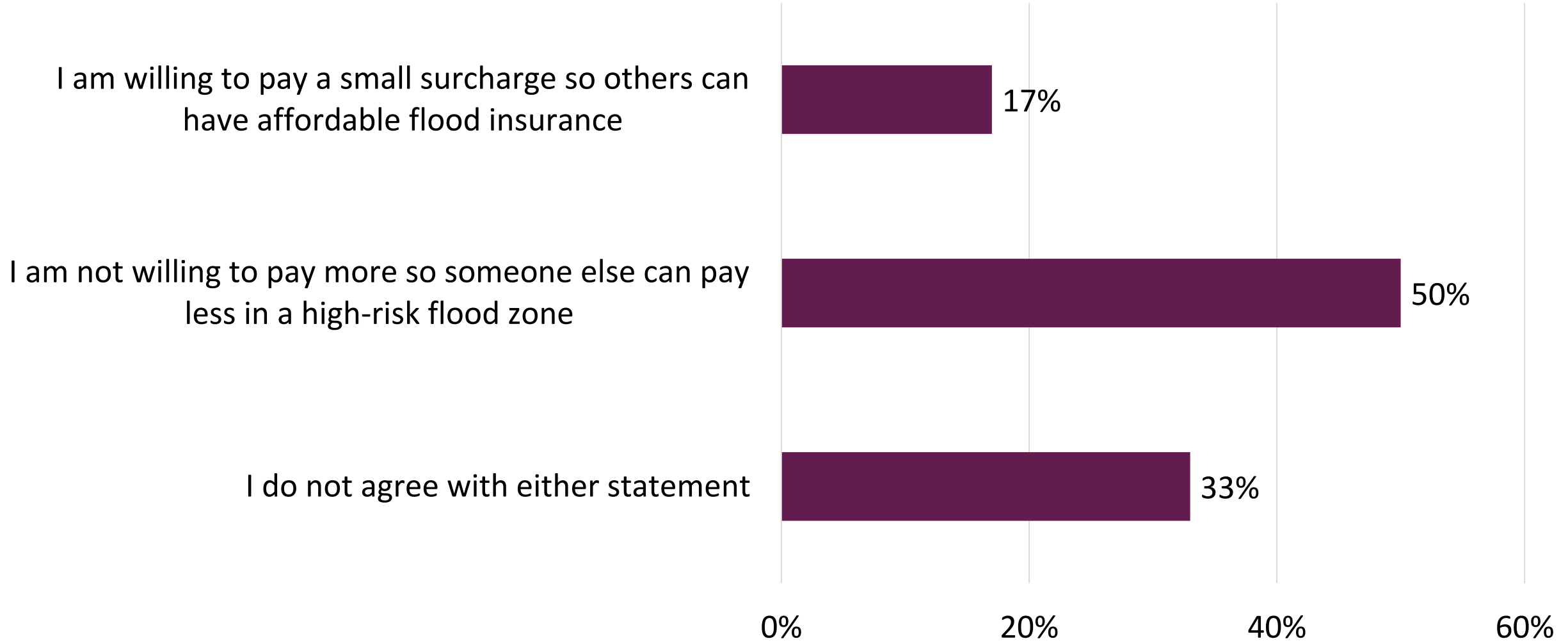
Over the past year, have you represented a client in a real estate transaction in which the property was mortgaged and located in a special flood hazard area (i.e., 100-year flood zone)?



As Congress works on reauthorizing the National Flood Insurance Program (NFIP), which of the following should be NAR's top priority?



The National Flood Insurance Program currently uses a national average to set prices so lower risk properties are over-charged while higher risk properties are under-charged. Which statement do you agree with more?



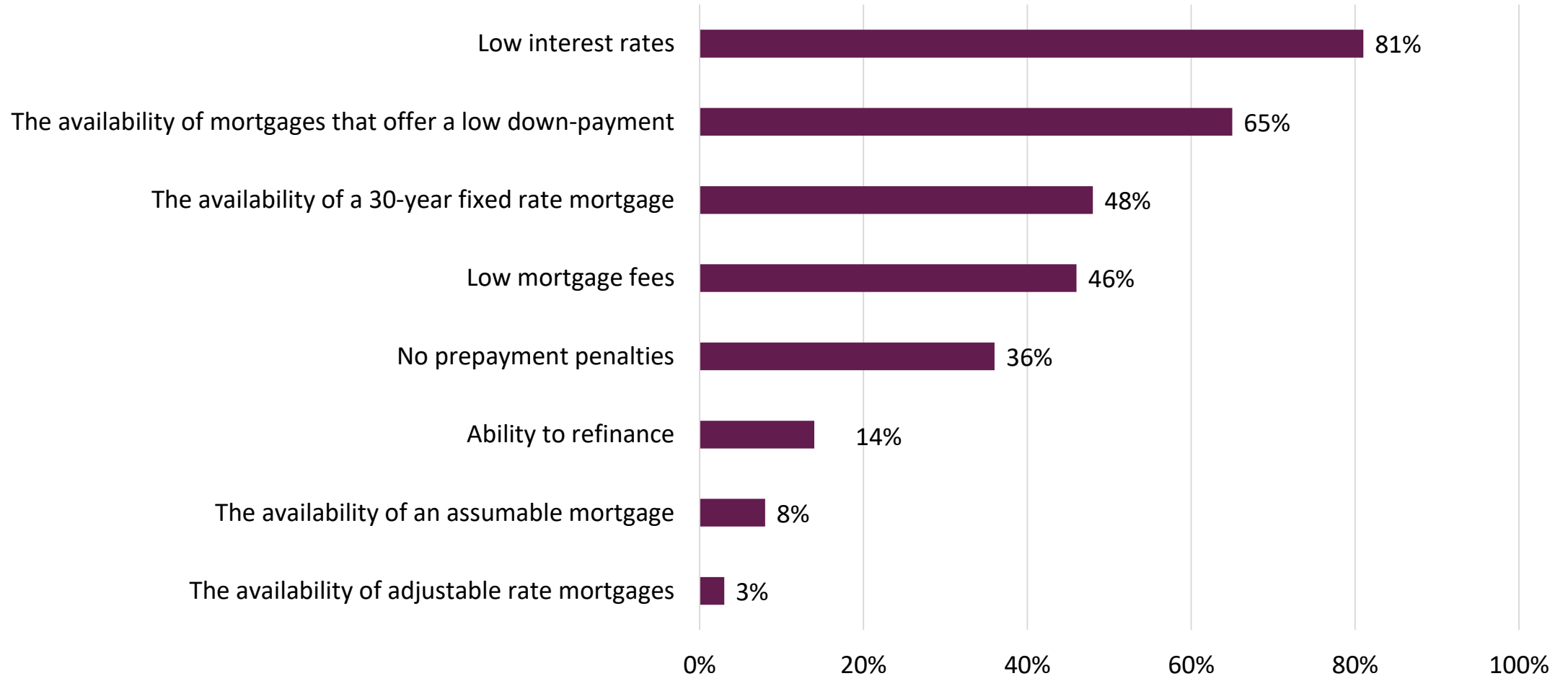
Infrastructure Spending

Do you favor or oppose the federal government investing more money in public infrastructure, like roads, highways, bridges and public transit?

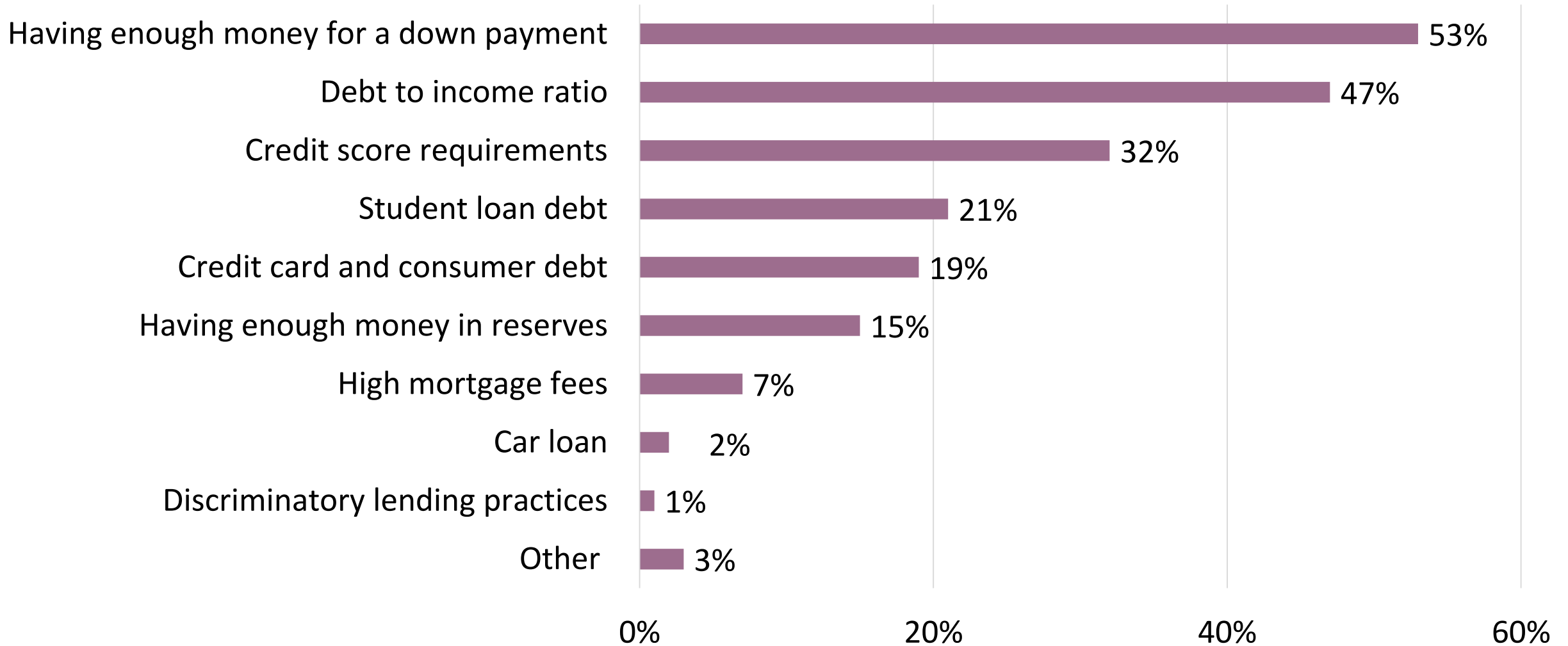
Area of Business:	50% or More Residential	50% or More Commercial
Strongly favor	71%	80%
Somewhat favor	24%	17%
Somewhat oppose	2%	1%
Strongly oppose	1%	1%
Not sure/Don't know	2%	1%

Mortgage Financing

Now thinking about your clients and the things they are looking for in a mortgage loan, please select the TOP THREE most important factors for your clients in selecting a mortgage loan.

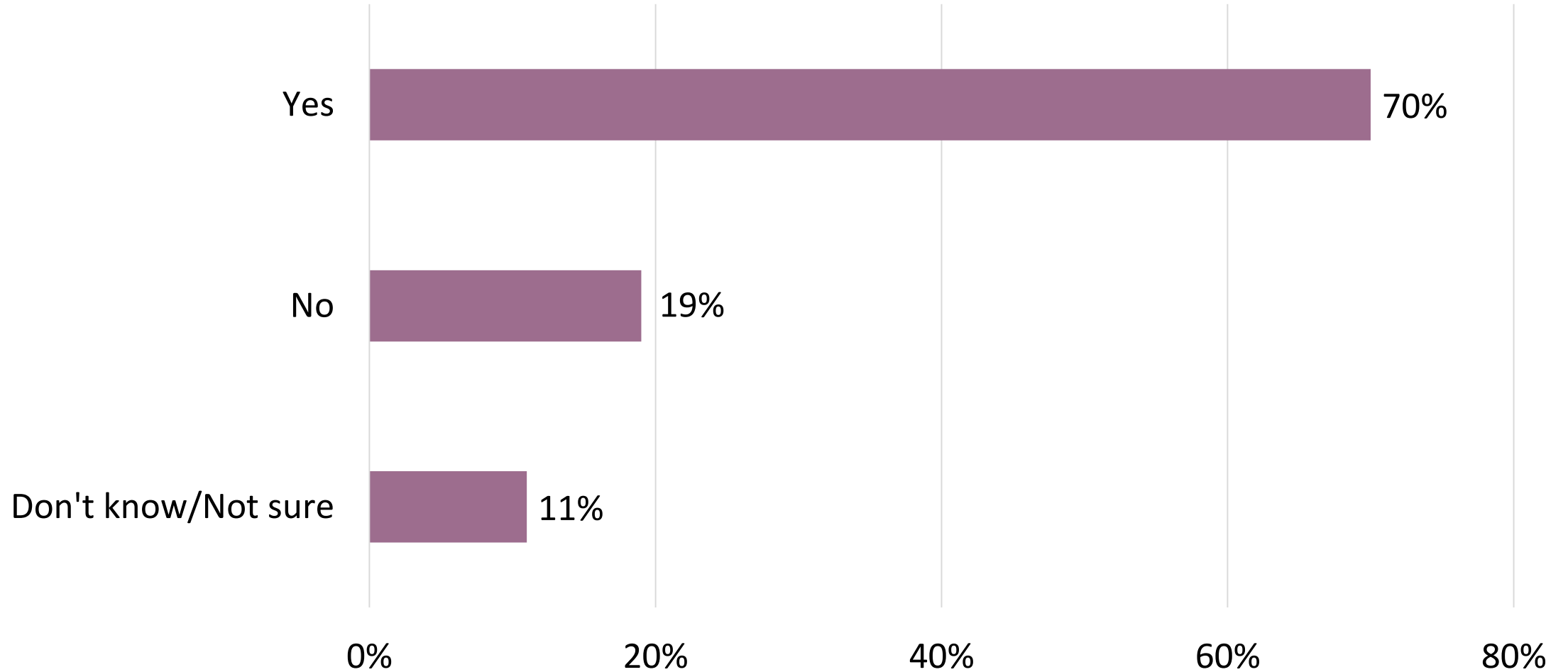


When your clients have difficulty getting a loan, which TWO of the following are the biggest obstacles?



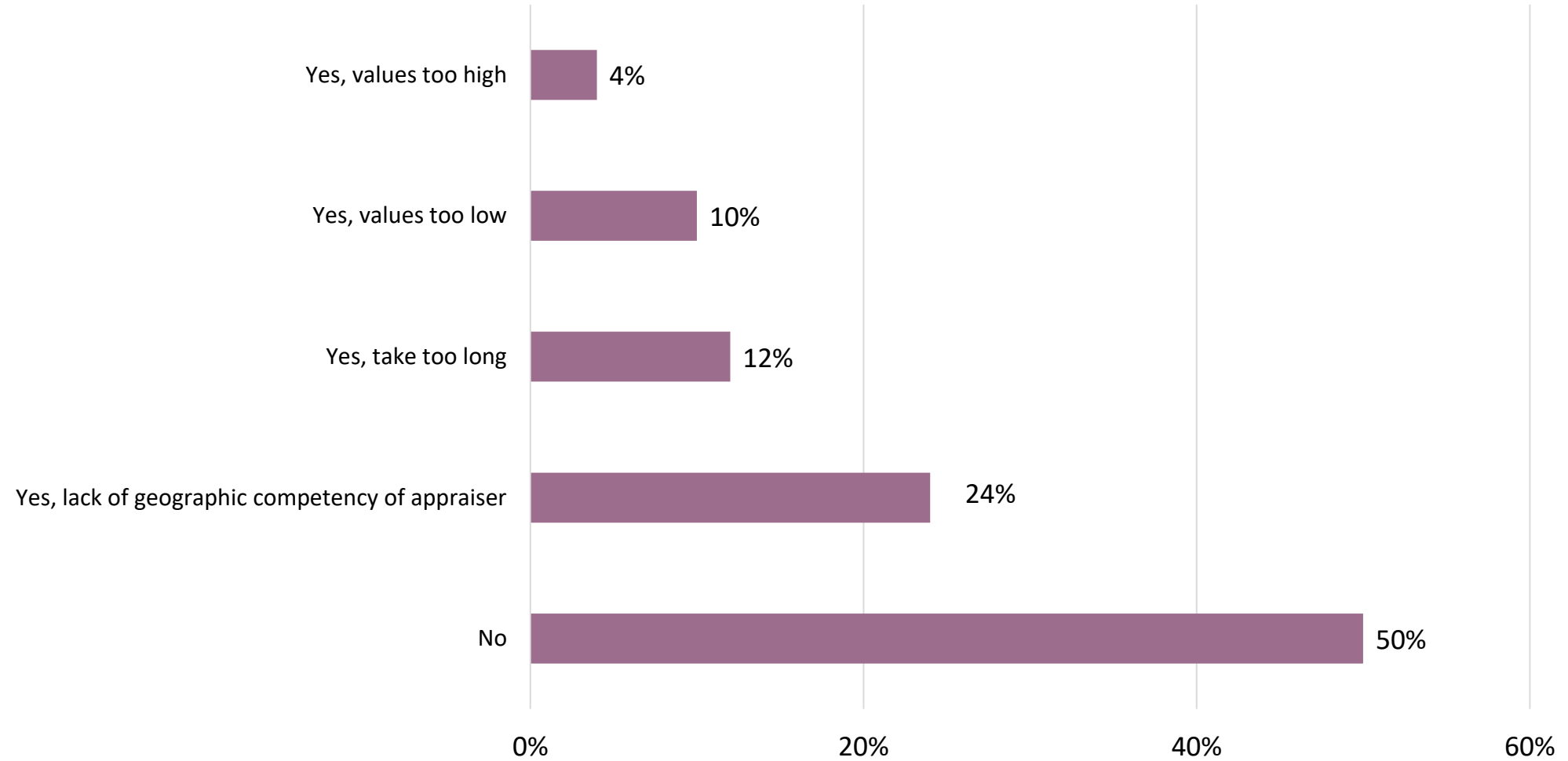
Alternative Credit Scores

Thinking for a moment about how credit scores are created, certain payment histories are NOT included in the development of current credit scores - payments like rent, utility bills or phone bills. In your opinion, should credit scores be expanded to include factors like rent history, utility and phone payments?



Appraisals

In general, are there problems with appraisals in your area?

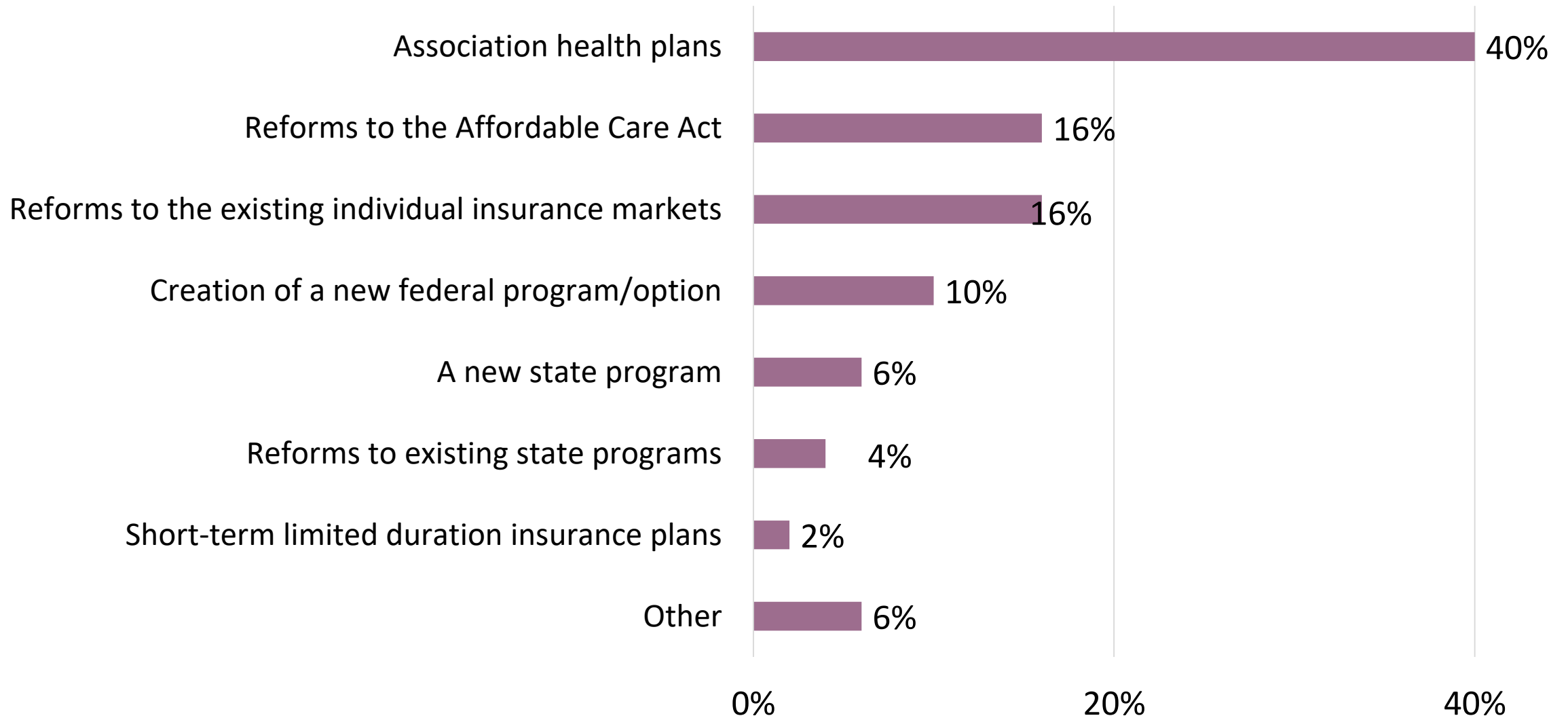


REALTOR® Business Operations

Switching gears again and now thinking about your job as a REALTOR® or in real estate, which THREE of the following are your biggest business operational concerns?

Area of Business:	50% or More Residential	50% or More Commercial
Keeping up with technology	51%	52%
Competition for market share	43%	33%
Health insurance for real estate agents	39%	35%
iBuyer programs	34%	17%
Wire fraud in real estate transactions	32%	26%
Frivolous lawsuits	29%	41%
Federal regulations	17%	32%
Client data security	18%	18%
State licensing laws	11%	20%
Marketing services agreements	10%	10%
Consumer data privacy laws	8%	11%
Other	7%	6%

Which of the following do you think is the best way to provide more insurance options for independent contractors?



Opportunity Zones

Have you had a real estate transaction, or worked with a client who has, working with an “Opportunity Fund” to utilize the federal “Qualified Opportunity Zone” program?

Area of Business:	50% or More Residential	50% or More Commercial
Yes	5%	27%
No	87%	69%
Not sure	9%	4%

Foreign Investors

How often do you work with foreign investors?

Area of Business:	50% or More Residential	50% or More Commercial
Frequently	3%	9%
Occasionally	15%	28%
Rarely	32%	37%
Never	49%	25%
Not sure	2%	1%

Commercial Energy Efficiency

**If you manage or sell commercial properties, which of the following are important to your tenants?
Choose all that apply.**

Area of Business:	50% or More Residential	50% or More Commercial
LEED Certification	4%	26%
Energy Star Certification	4%	21%
IREM's Sustainable Property Certification	1%	7%
Tenant Star Certification	2%	5%
Other Energy-efficiency certification	3%	12%
None	24%	54%
I don't manage or sell commercial properties	69%	6%

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February 5, 2020

Research Group