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RESTORING THE BALANCE TO THE NATION'S HOUSING POLICY
TOP 2008 PRIORITY FOR ALLIED APARTMENT ORGANIZATIONS
Energy Conservation Incentives, Carried Interest, Estate Tax Reform
and Immigration Policy Are Also Key Issues

Washington, DC - Restoring the balance to our national housing policy remains the highest legislative priority of the apartment industry in 2008, according to the National Multi Housing Council (NMHC) and the National Apartment Association (NAA). The two organizations, working together through their Joint Legislative Program, will also focus their attention on energy conservation incentives, carried interest, estate tax reform and immigration reform.

NMHC/NAA released their 2008 public policy agenda today as part of NAA's annual Capitol Conference, which brings hundreds of apartment professionals to Washington, DC, for personal meetings with legislators.

"For years, America has oversold homeownership as a panacea for all that ails the country, but we are now experiencing the consequences of that unbalanced approach to our housing and community development challenges," said Jim Arbury, NMHC/NAA's Senior Vice President of Government Affairs. "People are losing their homes. Cities are struggling to control blight and crime as once-thriving neighborhoods are replaced with vacant houses. We will use the lessons learned from the current housing market turmoil to strengthen our calls for a more balanced housing policy that more explicitly recognizes the value of rental housing."

"This situation reinforces our long-held claim that housing a nation as diverse as ours requires a thriving rental housing market as well as a functioning ownership market," said Douglas S. Culkin, CAE, NAA's President. "Nearly one-third of our citizens rent their homes, many of them by choice because renting offers them conveniences and financial freedom that ownership does not. Lawmakers need to understand how important quality rental housing is and how their policy decisions affect the rental housing market's ability to meet the housing needs and desires of millions of people."

In addition to promoting a smarter, more balanced national housing policy and more affordable housing, NMHC/NAA will weigh in on other important issues throughout 2008, including:

- * Green Building/Energy Efficiency. NMHC/NAA ask Congress to provide incentives for energy-efficient and green buildings and equipment and also to fund research to spur energy conservation. We also support the voluntary use of practical, proven and cost-effective energy-efficient and green building principles in new and existing buildings.

- * Carried Interest. NMHC/NAA strongly oppose proposals to change the current law governing the tax treatment of carried interests because these efforts, which were originally designed to reign in the hedge funds, also target real estate partnerships. Real estate partnerships are fundamentally different in

terms of mission and scope. Taxing the subsequent long-term capital gain on the sale of the apartment asset as ordinary income, as prior proposals have attempted, would have a severely negative effect on the production of much-needed affordable rental housing.

* Federal Estate Tax Reform. NMHC/NAA support efforts to reform the estate tax rather than repealing it. Specifically, the apartment industry is urging Congress to permanently extend the law as it will exist in 2009, but with higher estate exemption amounts, lower tax rates and stepped-up basis retained.

* Immigration Reform. NMHC/NAA urge Congress to enact a comprehensive immigration law that protects our borders and provides a reasonable and enforceable guest worker program. NMHC/NAA also urge Congress to preempt state and local efforts to create immigration policy by reserving for the federal government the authority to enact and enforce immigration policy.

Other important issues that will be targeted by NMHC/NAA this year are outlined in the 2008 NMHC/NAA Legislative & Regulatory Priorities booklet posted at <http://www.nmhc.org/goto/3149>.

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NMHC and NAA operate a Joint Legislative Program and represent the nation's leading firms participating in the multifamily rental housing industry. NMHC/NAA's combined memberships are engaged in all aspects of the development and operation of apartment communities, including ownership, construction, finance and management. Together, the organizations operate a federal legislative program and provide a unified voice for the private apartment industry. Nearly one-third of Americans rent their housing, and more than 14 percent of all U.S. households live in an apartment home. For more information, contact NMHC at 202/974-2300, e-mail the Council at info@nmhc.org, or visit NMHC's web site at <http://www.nmhc.org>.