

Twelve spending bills need to be addressed, and the White House-created bipartisan deficit-reduction commission is scheduled to release its report on December 1st.

A “patch” to exempt many taxpayers from the Alternative Minimum Tax (AMT) may also be considered; it is estimated that the AMT will affect nearly 35 million taxpayers next year if nothing is done.

Additionally, the extension of Bush-era tax cuts will surely be debated. Senate Finance Committee Chairman Max Baucus (D-MT) has introduced a tax extenders bill that would increase the tax on carried interest.

Baucus has also indicated that it is possible that three tax items—the expiring Bush-era tax cuts, the estate tax and tax extenders—could be combined into a single bill. NMHC/NAA will remain vigilant in opposing a carried interest tax increase to “pay for” these costly items.

Action on other priority issues, such as climate change, energy legislation, immigration and telecommunications will likely be postponed until the next Congress begins in January 2011.

ULI Emerging Trends Report

Multifamily housing is emerging as one of the best investments in the coming decade, according to the Urban Land Institute’s just-released Emerging Trends in Real Estate report for 2011. The report surveys leading real estate experts worldwide.

Washington, D.C. ranks as the top market for commercial, residential and multifamily real estate. Respondents cited the ever-expanding federal government, which provides a constant influx of new residents. The rebounding financial markets pushed New York City to second overall, with survey respondents expecting large financial institutions to continue both hiring

Written by NMHC

Monday, 17 January 2011 13:59 - Last Updated Thursday, 03 February 2011 08:48

and lending. Other gateway cities round out the top five markets: San Francisco, Boston and Seattle.

Rental apartments are predicted to outperform, and respondents expect rent spikes by 2012 in some infill markets where development has ceased.

IRS Guidance: Group Health Insurance on Form W-2

The Internal Revenue Service (IRS) issued guidance in October (Notice 2010-69 <http://www.irs.gov/pub/irs-drop/n-2010-69.pdf>)

) that provides employers relief from the requirement that they report the cost of coverage of group health insurance on W-2 forms that are used to document employee compensation. While the Patient Protection and Affordable Care Act of 2010 (P.L. 111-148) mandated that the cost of coverage be reported beginning in 2011, IRS has opted to provide employers with additional time to make any necessary changes to their payroll systems and will not impose any penalties for a failure to comply with respect to forms issued next year.

Separately, IRS issued a draft W-2 reporting form (http://www.irs.gov/pub/irs-utl/draft_w-2.pdf) including a space to report the cost of employer-provided health insurance that is effectively optional for next year.

NFIP Extended for One Year

President Obama signed into law a measure to extend the National Flood Insurance Program (NFIP) for one year, until September 30, 2011. The extension is good news for property owners and property/casualty insurers who have been operating under several short-term extensions of the program, the most recent of which expired at the end of September 2010.

The full-year extension gives lawmakers time to address the issues facing the NFIP, including the current \$18 billion debt as well as the future viability of the program. NMHC/NAA advocate for a five-year reauthorization and the maintenance of subsidized rates for certain properties as well as earlier 111th Congress House-passed provisions to increase coverage limits and the

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addition of business interruption coverage. No further action is expected until the 112th Congress is seated in January 2011.

Department of Justice Lawsuit Alleges Accessibility Violations

The Department of Justice (DOJ) filed a lawsuit against Post Properties, Inc., Post Apartment Homes, and Post GP Holdings, Inc. for alleged noncompliance with the Fair Housing Act and the Americans with Disabilities Act at properties located in six states. The DOJ lawsuit seeks a court order requiring the modification of units to bring them into compliance as well as monetary damages to compensate victims and civil penalties to be paid to the government.

USGBC Lawsuit

A class-action lawsuit has been filed against the U.S. Green Building Council (USGBC) in New York federal court over unrealized energy savings in LEED-certified buildings. The suit alleges that USGBC deceived consumers, building professionals and jurisdictions by claiming that the LEED rating system results in reduced building energy consumption and that USGBC concealed data showing that numerous LEED-certified buildings “perform worse than conventionally built buildings.”

In a related matter, the Federal Trade Commission (FTC) proposed revisions to its “Green Guides” in October. The Green Guides are designed to limit the use of unfair or deceptive environmental claims in marketing. Among other issues, the revised Guides address the emergence of environmental claims in the building sector, including green building labels, certifications and building products. Under the Guides, firms must avoid making “unqualified” green claims and justify any environmental benefits being marketed. The revisions do not substantially alter the use or marketing of third-party building certifications, such as LEED or the National Green Building Standard, although firms must disclose any relationship or membership they have in the certifying entity.

While the Green Guides are not independently enforceable, they clearly establish FTC’s policy and provide the basis for other FTC enforcement action. More information about the FTC Green Guides’ revision is available at www.ftc.gov/opa/2010/10/greenguide.shtm .

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Network with Your Colleagues! 2011 NMHC Annual Meeting and Apartment Strategies Conference

NMHC's 2011 Annual Meeting and Apartment Strategies Conference will feature business legend Jack Welch, former CEO of General Electric, and Michael Lewis, best-selling author of *The Big Short*, *Liar's Poker*, *The Blind Side* and more. Both events are at the world-class La Quinta Resort & Club in Palm Springs, CA. For more information on NMHC's 2011 Annual Meeting (January 18-20, 2011), visit www.nmhc.org/goto/Annual11 . For more information on NMHC's Apartment Strategies Conference (January 18, 2011), visit www.nmhc.org/goto/ASC11

EPA Stormwater Survey

EPA has begun surveying nearly 3,000 property owners about stormwater management practices and financial matters. This survey is meant to inform a significant new rule to regulate post-construction stormwater runoff.

Firms selected to receive the survey will have 60 days to complete it. Please note that participation is mandatory; failure to complete the questionnaire can result in EPA enforcement action (fine).

To help member firms complete the survey, NMHC/NAA and other real estate industry groups have commissioned a members-only guidance document to assist with the questionnaires. The guidance and additional information, including samples of EPA's short and long questionnaires, are also available at www.nmhc.org/goto/5775 .

New Data Transfer Standard for Apartments

The Multifamily Information and Transactions Standards (MITS) initiative has released a new,

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improved data standard: Accounts Payable 4.0. MITS is the apartment industry's coordinated effort to create shared data standards so different software programs can communicate.

This new data transfer standard for Accounts Payable greatly improves data exchange for payables processing by allowing data to be exchanged either within a firm or between different firms, including: processing; invoice reconciliation; payment requests; incoming requests; and property management software data transfer.

The new Accounts Payable standard and the other nine MITS data transfer standards are open and available without charge to all users at www.MITSPROJECT.org.