

*"No man's life, liberty, or property are safe
while the legislature is in session."
Mark Twain*



WHAT WE'RE HEARING



Knowing is Critical: Insurance is one of those things nobody likes to consider until they are scrambling to find out if they are covered. With rates steadily rising and rising and rising...Getting a handle on the cost, especially before buying is critical. Several large properties have been forced into foreclosure as insurance rates spikes have pushed them into the red. Additionally, knowing the type of insurance is critical as well – and making sure it meets your expectations from either covering the loss or replacing the property!

Less is Good: Equity funds are starting to transition out of the housing industry, or at least fewer larger equity groups are staying focused on housing, especially in the Build-to-Rent field. The required oversight, lack of returns and miscalculation of the cost of scattered site management has taken a toll on the equity groups, even as appreciation has, at least on paper, offset those costs. With skilled workers in high demand, and the cost of accrued repairs exceeding appreciation rates, especially with value decreases noted in southern markets where equity groups are highly exposed, a shift is taking place. Midsize players in the Single-Family Equity space are likely to be the largest benefactors as “the suits” move on to heavily discounted office building opportunities.



WHAT WE'RE TOUCHING



Whiplash: Does whiplash count? The Corporate Transparency Act (CTA) and it's requirement to report Beneficial Ownership Information (BOI) is once again on hold. The Treasury Department, now under the authority of the Trump Administration has begun to weigh in on this extreme over-reach of federal legislation. Kudos to NFIB for leading on this charge.

The Treasury has now stated that a substantial narrowing of the registration requirements will be promulgated in the next several months and the focus will be on foreign owned corporations and Limited Liability Companies (LLCs).

In partnership with the National Apartment Association and the National Multi Housing Council, National REIA will weigh in on federal tax reform issues on March 25-26. As Congress is working on a renewal of Tax Cut & Jobs Act of 2017, the timing couldn't be better. [Get the latest by clicking here.](#)

(continued)



WHAT WE'RE SEEING



Variation in Markets & Demands: The overall housing market is slowly shifting towards a buyers' market. In general, the further south the greater the shift. The combination of overbuilding (based on moving rates of the immediate post-pandemic season) and an increasing acceptance of the interest rate reset by the broader market has had an impact of increasing supply with only minor increases in demand. Demographically, the [Boomers continue to exit housing markets](#) shifting to less maintenance intensive properties or selling the primary house and moving full time in to the vacation home. Millennials are not typically able to purchase those larger Boomer-exit homes, and their demographic is beginning to sunset on the first-time buyer wave. [While few parts of the market are in actual surplus](#), the re-balancing is causing an impact on housing prices and the expectation of days-on-market. Sellers who are not ready for the wait, are getting panicky and dropping prices quickly, often as a response to the real estate agent who had originally given them a lower price that wasn't received well. Additionally, the slow but steady increase in contract failures is signaling problems closely related to overall housing affordability.



WHAT WE'RE SAYING



Stay Plugged-In: December and January are two of the slowest months for housing purchases – who really wants to move during the holidays or like this past winter – in the middle of storms that saw snow across the gulf (of America) states? However, with [the lower number of housing starts](#), moving lethargy, the reports will likely reflect a rosier than real picture of housing in February and March. Don't get fooled by the headlines. Averaging out the end of Q4 and into Q1, will provide a better insight into the market – even better, stay plugged into your local market and submarkets the knowledge of those markets is sure to provide a differential.



THE SMELL TEST



Heads Need to Roll: To date the Department of Governmental Efficiency of has lead the headlines, raised blood pressure and exposed hundreds of billions in government fraud, waste and excess. Even the email request to respond with 5-things-you-did-last-week, was considered controversial. If you cannot respond, you shouldn't get paid. If you cannot list the things you worked on (and classified workers are excused from detailing their exploits) in a week, the job is likely not a priority to be retained! [The amazing thing is HUD-DOGE "found" \\$1.9 Billion](#) that had been "misplaced". With all due respect, that STINKS. That could have housed a hundred thousand families for a year...Someone knew where it was. And heads need to roll.

TASSELL NOTES



Get Cracking: When human psychology is unpacked by AI, and voting patterns of long-term members of congress, or any other office are considered, especially as they are weighed against donations received, it will be very interesting to see the predictive modeling on potential bills. Somewhere quantum AI is probably trying to crack this conundrum even now...

Stay up to date with current industry news and updates by visiting RealEstateInvestingToday.com.

Likewise, visit NationalREIA.org/advocacy to stay up today with current legislation and governmental actions.