LEGISLATIVE UPDATE

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

Election 2025 - What Did it Mean for Investors?

The 2025 election, largely for local offices, has come and gone. What was the outcome for investors? Generally speaking, it was not a good night for pro-growth, pro-investor candidates. Let me explain.

Turnout was low. Very low.

Within that low turnout, Democrats were more motivated to vote than Republicans, leading to D wins across the country. In big cities, Democrats were expected to sweep most offices. They did. But even in suburbs and rural areas, Democrats had surprising success. It appears that having Donald Trump in the White House but not on the ballot was a winning formula for Democrats. Trump's base of low-propensity voters stayed home. His critics on the left turned out.

This means most REIA leaders and real estate investors have some new faces on their city councils and township boards. Many of these new officeholders fit into one of three categories: anti-development, anti-capitalist, or tenant rights advocates. This isn't your parents' Democratic Party anymore.

One hallmark of American state and local governments is that they mimic the groundbreaking policy of their counterparts in other states, especially if it aligns with their ideology. Which brings us to the election in New York City.

Zohran Mamdani's election as NYC's next mayor came after he openly campaigned on promises to freeze one-third of all rents and build 200,000 new rental units, owned and operated by the city. But buried under the headline of Mamdani's election is a significant one for investors across the country. New York voters approved three amendments to the city charter that fast track affordable housing construction, simplify zoning review, and create an appeals board to give rejected projects a second chance.

On the surface, that all sounds like good pro-growth policy. But these efforts are limited to "affordable housing." This is the YIMBY (Yes In My Back Yard) movement's first real victory at the ballot anywhere in the nation. In several cities where YIMBY activists have tried to push affordable housing, the project requirements became so onerous that private capital walked away. That is the danger these new policies face in NYC.

There are some realities facing the YIMBY movement in New York. Funding needed to build affordable housing will be hard to come by. State legislators in Albany have plenty of demands on their funding choices. Mamdani's plan to build 200,000 new units carries a $70 billion price tag. And under New York's rules, state legislators must approve any NYC tax increase. Mamdani's proposed rent freeze could further reduce available funding. An increase in rental property foreclosures could force the city to purchase them. NYC's "99 Rule," which requires prevailing wage on the construction of any property with more than 99 units, coupled with Mamdani's pledge to use union-only construction will increase costs by 30%. These factors will eat into the budget quickly.

Despite these challenges, expect progressive local officials and advocates to push similar measures in your region. Buckle up.

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How to Make Your New Year's Resolutions Come True

I know it seems really early to be thinking about New Year's resolutions, but we are in the final quarter of 2025, and 2026 will be here before you know it! Let's look ahead to our new Year's resolutions to make them more effective.

Resolving to break an unhealthy habit or otherwise become a better person is no easy task, which is why many of us won't even attempt such a move unless a special occasion - such as the turn of a new year - gives us an omen-filled opportunity. But it's more than just a matter of timing.

Resolutions are emotions. The heady emotions of the new year can get us started, but that can't be the end. Goals are putting those emotions into actions. Setting goals is easy - it's sticking to the plan to attain those goals that trip most of us up. But there is hope.

To begin with it's important to be specific when setting goals. They should be measurable. It should be easy to visualize what they are and when you want to achieve them. Your primary goals should be long-term tangible dreams with a time frame of one to three years, at least, like to buy a vacation home in Vail, for example, or taking a monthlong trip around the world, or to be able to work only three days a week and do charity work or be with family the remainder of the time. Try to focus on the deeper reasons behind your numerical or financial goals, because those reasons will motivate you much more effectively than an otherwise isolated number.

Next, it helps to create both short- and medium-term objectives that tie back to your long-term goals. The mid-term goal objective should be a steppingstone to hitting the long-term dream, such as spending a week in Vail to begin scouting out areas in which you'd like to have that vacation home.

Finally, work backward once again from the medium-term goal and set short-term objectives. Short-term objectives are things you want to accomplish today or this week - like spending a few hours researching Vail online. This level of specificity really does work.

To be successful, it is important to keep your goals top-of-mind. People are visual creatures. Put a picture, poster, magazine advertisement, Pinterest Board or some other visual or tangible reminder of your objective in your office or on the bathroom mirror, a spot where you will look at that picture several times during the day to remind you what it is you're working toward. I create a vision board that I use as the desktop for my computer. This ensures I see it multiple times every day.

It also helps to take some time to discuss with your partner or a trusted friend exactly what you want and when you want it. Accountability and support can be very useful.

Lastly, come to terms with how your priorities may need to change to achieve your goal. What are you willing to sacrifice to get what you desire? I have a quote on my desk that asks "What am I willing to sacrifice for the next level of life?" No great achiever has ever succeeded without goals. They help us become profitable and productive and build self-esteem. Start the year working toward your objectives using these techniques and you'll be more successful without working any harder in the long run.

Let's get a jump on 2026 to make it the best year yet!

Rebecca McLean
NREIA Executive Director

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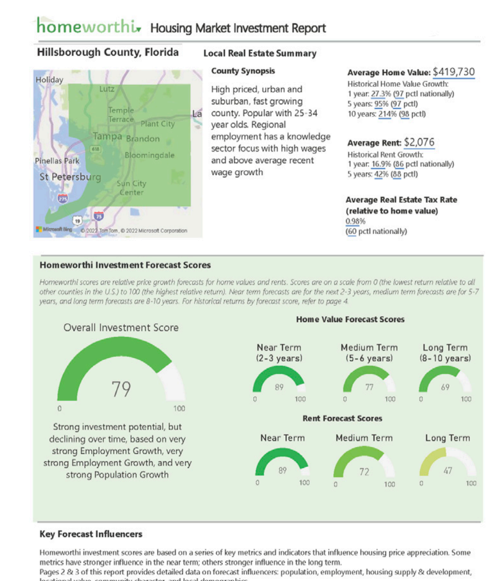
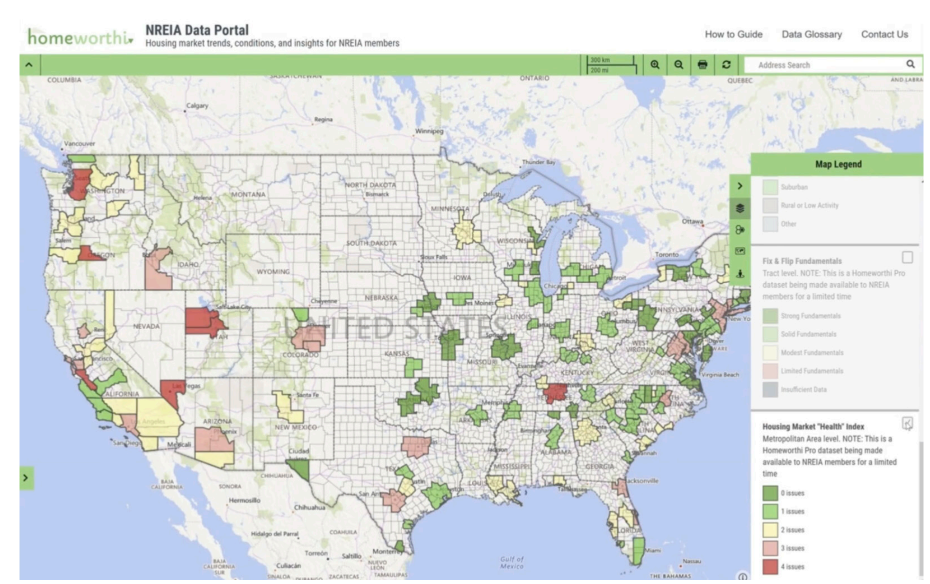
The Right Data for Your Next Investment

The National REIA Data Portal is a comprehensive resource for members of all experience levels. The Portal is an interactive housing market webmap that gives members and engaging and easy way to research different markets with interactive data, custom reports, a query tool and more. The Data Portal uses the data from the National REIA and Homeworthi to provide members industry-leading analysis on what markets are doing how, markets have been changing, and the pros and cons of being an investor in a state, region, or neighborhood.

Members of NREIA get discounts to Homeworthi's Pro interactive maps and their neighborhood & county market reports - helping you make the best housing investment decision possible.





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