

TRUMP ADMINISTRATION Deregulation Policies and Their Potential Impact on CRE

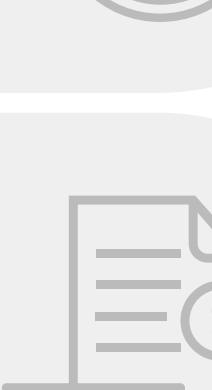
Trump Officials have stated they will be cutting and curtailing government regulations they believe are stifling economic development. These are the deregulation policies the administration initially said it would pursue and their potential impacts on commercial real estate.



Freezing, Repealing Regulations

Day 1: Executive Order froze all pending federal regulations, paused new rules for 60 days, pending review

Burdensome rules will likely be discarded, rewritten



Streamlining Permitting

Trump invoked emergency powers, is fast-tracking projects deemed economically critical



Financial, Credit

Softening Basel III "Endgame" capital requirements for banks

Loosening regulation of CRE loans



Housing, Land Use

Tying federal infrastructure funds to relaxation of local zoning, density rules



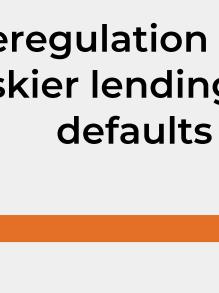
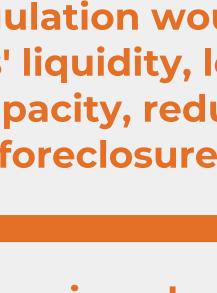
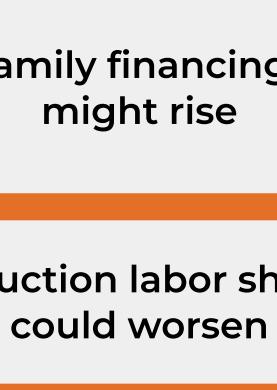
Labor, Immigration

Stricter immigration enforcement, including mass deportations



GSE Privatization

Potential privatization of Fannie Mae, Freddie Mac



Opportunities

Deregulation is broadly good for CRE

Policy uncertainty could impede long-term planning

Pairing back regulations, reviews might speed construction, lower costs

Construction labor, materials costs might rise

Less stringent codes, mandates could lower development costs

Multifamily financing costs might rise

Streamlined approvals would save time, money

Construction labor shortage could worsen

Less regulation would boost banks' liquidity, lending capacity, reduce foreclosures

Bank deregulation could lead to riskier lending, more defaults

Relaxed zoning, density rules could spur more multifamily development

GSE privatization could disrupt capital flows

Privatizing GSEs might bolster multifamily lending

Looser environmental regulations could stir public, legal controversy