

How Will the Presidential Election Affect the FL Multifamily Industry?



As the date moves nearer to the **2020 Presidential Election**, it becomes more and more essential for multifamily owners to be educated on the two major party's platforms, as the industry will be affected regardless of the election's outcome. The columns below highlight policies from both parties' platforms that will directly affect the Florida multifamily sector, either as positives or potential obstacles.

Trump / Pence:

Positives:

- Trump seeks to expand **Opportunity Zones**, offering capital gains tax relief for investments made in these areas
- Trump has pledged to **cut capital gains taxes overall if he reaches a second term**
- Trump has offer tax credits for domestic companies who **bring jobs back to the US from overseas**

Obstacles:

- Tariffs and a slowdown on international trade are probable to continue and expand if given a second term
- **The historically large and worsening US trade deficit** creates a drag on the economy and negatively affects the lower and middle class
- Trump plans to end federal control over Freddie Mac and Fannie Mae, which would likely increase rates significantly
- Trump has floated a number of economic ideas and goals but there are **very few concrete proposals** in his platform

Biden / Harris:

Positives:

- **Increased migration of capital from liberal-leaning states to Florida**, where taxes are less and laws are more accommodating to landlords
- Increasing taxes on the rich, capital gains, and the possible elimination of the stepped-up basis **will stimulate real estate sales activity in the near term**
- Biden is against the privatization of Freddie Mac and Fannie Mae, which will likely push interest rates lower
- Goldman Sachs' economists predict that a **blue sweep would be better for the economy's recovery**

Obstacles:

- Biden's tax plan calls for an **increase to long-term capital gains to more "historic norms"** of potentially 25 or even 30+ percent
- Biden's tax plan will enact a series of policies aimed at increasing taxes on high wage individuals and corporations
- Biden may attempt to limit or even repeal **"like-kind" or 1031 exchanges**, although the degree of this plan is still in question

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Sources

1. [Trump's Order Is Latest Effort to Bolster Opportunity Zones](#) (Bloomberg Tax)
2. [Trump Pledges to Cut Capital Gains Tax in Second Term](#) (Fox Business)
3. [What Is the Like-Kind Exchange Rule That Biden Wants Dead](#) (Bloomberg)
4. [What a Joe Biden Win Could Mean for Financial Policy](#) (Reuters)
5. [Details and Analysis of Democratic Presidential Nominee Joe Biden's Tax Proposals](#) (Tax Foundation)
6. [White House floats large corporate tax cut for firms that bring jobs back from overseas](#) (The Washington Post)
7. [Trump's Triple Failure: Virus Control, Stimulus, and the Trade Deficit](#) (The Washington Post)
8. [Goldman's chief economist breaks down why a Biden-led blue wave would prompt an upgrade in growth forecasts](#) (Business Insider)
9. [US Trade Deficit Surges in July to Highest in 12 Years](#) (US News & World Report)