



GOP control not expected to hurt housing market

November 9, 2016

By Christine Dunn Journal Staff Writer

PROVIDENCE - Although uncertainty in the financial markets was an immediate result of Tuesday's elections, members of Rhode Island's real-estate community said they didn't expect the state's rebounding housing market to be harmed by impending Republican control of both Congress and the White House.

East Greenwich broker and former National Association of Realtors President Ron Phipps said President-elect Donald Trump's real estate background would probably mean that the tax advantages of property ownership, including the mortgage interest tax deduction, will remain secure. Also, continued Republican control of Congress could mean changes in the regulatory realm, he said.

"It will be interesting to see what Congress does with Dodd-Frank and the CFPB (Consumer Financial Protection Bureau)," Phipps added.

"I think everybody's in a wait-and-see mode," said Steve Tetzner, a mortgage broker and a member of the Rhode Island Mortgage Bankers Association's board of directors. He said he was "not concerned" with the post-election financial market swings. "Things will calm down. I certainly don't see anything negative," he added. "I think everything's going to be fine."

"The pre-election anxiety will evaporate as we come together as a country," Phipps said. He noted that promised new investments in infrastructure, both at the federal and state level, would strengthen employment in Rhode Island, which could lead to a surge in home ownership.

Home ownership, now at 64 percent, is at a 50-year record low, Phipps noted.

Phipps also thinks the election results mean "it's less likely that interest rates will go up" in the first quarter of 2017. Affordable housing advocates were heartened by passage of Question 7 on the Rhode Island ballot, which will deliver \$50 million for affordable housing and urban blight remediation.

But "we have a lot of work to do," said Melina Lodge, director of programs for the Housing Network of Rhode Island, the state's association of nonprofit community development agencies. "While I think we are certainly pleased with the outcome and thankful for the support of the voters, we were hoping to have a higher level of support." The measure won with 58 percent support, while 42 percent of voters opposed passage.

Barbara Fields, executive director of Rhode Island Housing, said the passage of Question 7 will help "create jobs and homes" across Rhode Island.

The presidential election certainly complicates" the prospects for federal support for housing, Lodge added.

"We have a national housing shortage and we need more housing options at all price points," Fields said. She said she knows she can continue to count on the advocacy of Rhode Island's Congressional delegation, and Governor Raimondo.

"We are focused on the low-income housing tax credit," which as a public private partnership "has bipartisan support," Fields added. "I think private investment will still be looking at real estate as a solid investment.... There are a lot of investors looking for good product."

The need for affordable housing is an issue across the country, though it didn't get much attention in the presidential election, Fields said.