



Congressman **JARED POLIS**

2nd District, Colorado | 501 Cannon HOB, Washington, D.C. 20515 | (202) 225-2161

The Investment Property Opportunity Act of 2011 (H.R. 1481)

Many Coloradans' dreams of owning a home were shattered by the 2008 financial collapse, the recession, and its aftermath. Homeowners who played by the rules have lost their homes through no fault of their own. As our economy begins to recover, frozen credit markets limit Americans' ability to pay for college, save for retirement, or even purchase a home.

A foreclosure can lower the value of surrounding properties by as much as nine percent, setting in motion a cycle of reduced local tax revenues, underfunded local schools, lower home values, and addition foreclosures. We need to end this cycle by promoting reinvestment in our communities.

To stabilize home values it is imperative to create demand. The bipartisan Investment Property Opportunity Act does this by incentivizing private investment by offering a capital gains tax waiver to Americans who will buy in distressed areas. With this tax relief, collaboration from willing distressed sellers, non-profit housing advocates, and investors becomes economically feasible. Our entire nation will benefit from the stabilization of our neighbors' most important investment -- their home.

Investment Property Opportunity Act Provisions

- **Provide a capital gains tax waiver for residential property:** This incentive will not only create private investment, but it would make creative programs to keep families in their homes and communities economically viable.
- **Three-year minimum holding period:** To prevent speculation and a recurrence of the bubble that helped create this crisis, this bill requires investors to hold properties for at least three years. This provision creates a longer term tax benefit while providing stability to the communities housing market.
- **18-month investment window:** Communities need immediate relief; offering a short window of opportunity will rapidly attract private capital. As the excess supply is removed from the market into the hands of stable ownership, vacancies will be reduced, neighborhoods revitalized, and property values will recover, which will benefit the entire communities.