April 2024

Key NAHB Housing Issues

This month's top housing issues are briefly summarized below, with more information on each issue detailed in the subsequent pages of this document. Click on the numbered link to go directly to additional information on each topic.

1. With the Federal Reserve expected to cut the short-term federal funds rate later this year, builders are anticipating more gains for home building. NAHB is forecasting a roughly 5% increase in single-family housing starts this year. However, affordability conditions in 2024 will remain challenging as builders contend with a high-cost regulatory environment and shortages of lots and labor.

2. After Congress threatened to eliminate the Jobs Corps program, lawmakers – thanks largely to the efforts of NAHB – have approved Jobs Corps funding for $1.76 billion, which maintains its fiscal 2023 funding level.

3. In a move that will raise housing costs, the U.S. Department of Housing and Urban Development and the Department of Agriculture are proposing that the two agencies will only finance new homes if they are built to the 2021 International Energy Conservation Code. NAHB strongly opposes this plan.

4. NAHB supports the Tax Relief for American Families and Workers Act of 2024, a tax bill that has been passed by the House. The measure would strengthen the Low-Income Housing Tax Credit and help small businesses by extending the 100% bonus depreciation, increasing the maximum amount a taxpayer may expense under Section 179 of the tax code, and increasing the threshold for information reporting on Forms 1099-NEC and 1099-MISC.

5. Identical bipartisan transformer bills pending in the House and Senate have the strong backing of NAHB. The Distribution Transformer Efficiency & Supply Chain Reliability Act of 2024 would establish a new standard that allows manufacturers to increase energy efficiency standards for transformers in a manner that will not delay production.

6. The House has approved the Nationwide Permitting Improvement Act, legislation that would provide home builders needed clarity and confidence as they seek federal permits for home building and development projects.

7. Be sure to attend NAHB's Legislative Conference in Washington, D.C. on Wednesday, June 12. NAHB's premier grassroots event will provide you the opportunity to speak directly to your member of Congress regarding the key issues affecting our industry and your business.

8. To help keep members up to date on the key issues affecting our businesses and industry, NAHB's advocacy leaders and policy experts have created brief video recordings highlighting the latest initiatives on numerous issues affecting residential construction. These include supply-chain challenges, building regulations, energy codes and many more.

9. The Supreme Court in January heard oral arguments in two different landmark cases of interest to builders. A positive decision in the case of *Loper Bright Enterprises v. Raimondo* could prevent federal agencies from maintaining broad leeway to interpret and implement regulations. The case of *Sheetz v. El Dorado County* in California could upend how impact fees are set.

10. The Department of Labor has finalized changes to its independent contractor test for determining independent contractor status under the Fair Labor Standard Act. The final rule went into effect on March 11, 2024.

11. As of Jan. 1, 2024, many businesses will be required to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN) to identify those who directly or indirectly own or control the company. NAHB has provided answers to frequently asked questions regarding beneficial ownership requirements at nahb.org.

12. The Department of Energy has announced the opening of applications for $400 million in grants to states that adopt more stringent energy codes. NAHB is working with builders and HBAs to help them take steps now to

engage with their state and local jurisdictions to advocate for workable outcomes.

13. In a positive development on the codes front, the House has passed the Promoting Resilient Buildings Act. The bill would allow home builders and municipalities to abide by rules published in the two latest editions of building codes, rather than just the single latest edition, when developing their Hazard Mitigation Plans, inspecting homes or building a house.

14. The U.S. Department of Labor has proposed a rule to raise the salary threshold for the white-collar overtime exemptions from the current $35,568 yearly minimum to $55,068. This would extend eligibility for overtime pay to roughly 3.6 million salaried workers.

15. In the aftermath of the U.S. Supreme Court decision in *Sackett v. Environmental Protection Agency*, the Environmental Protection Agency and U.S. Army Corps of Engineers have issued an amended, final waters of the U.S. (WOTUS) rule. NAHB believes the amended rule is a missed opportunity to provide regulatory certainty to the home building industry.

16. Housing market snapshot: Single-family and multifamily starts each posted gains in February, along with existing home sales. New home sales registered a slight decline. Meanwhile, builder confidence in the single-family market increased three points to 51 in March. This marks the fourth consecutive monthly gain for the index.

Single-Family Home Building Set for Gains in 2024

- Despite elevated interest rates, home builder sentiment and construction starts are showing the potential for housing sector growth in the coming months.

- While inflation has made progress, the Consumer Price Index has been in the 3% range since May 2023, above the Federal Reserve's target of 2%.

- The reason for the lingering and unfinished inflation challenge continues to be housing inflation, which is due to a lack of housing supply.

- The shelter component of overall inflation was up 5.7% from a year ago. For housing inflation to fall back to the inflation reported for the rest of the economy, additional home building will be required.

- Home construction continues to be challenged by supply-side issues. For example, gypsum pricing was up 3% in February, and concrete prices are up more than 7% from a year ago.

- Meanwhile, a shortage of skilled labor continues, with 413,000 open construction jobs.

- Despite these challenges, with the Fed expected to cut the short-term federal funds rate later this year, builders are anticipating more gains for home building.

- Builder sentiment rose for the fourth straight month in March and housing starts expanded in February.

- The three-month moving average for single-family production is up to over 1 million starts.

- However, multifamily construction in February is down 35% on a year-over-year basis, with additional declines expected ahead as housing supply for apartments increases later this year.

NAHB Plays Major Role in Saving Job Corps Program

- After Congress threatened to entirely eliminate the Job Corps program, lawmakers — thanks largely to the efforts of NAHB — have approved Job Corps funding for $1.76 billion, which maintains its fiscal 2023 funding level.

- Also of note, the appropriations bill averts a lapse in the National Flood Insurance Program (NFIP) and ensures that authorization for the NFIP is extended through Sept. 30, 2024. The legislation also prevents the Consumer Product Safety Commission from banning gas stoves.

- NAHB has worked long and hard to secure proper Jobs Corps funding and this legislation represents a major win for our industry. Last summer, House appropriators proposed to abolish the Department of Labor's Job Corps program as part of a 30% reduction to the agency's fiscal year 2024 budget.

- From that point on, NAHB's advocacy team and grassroots mobilized to not only save this critical program that is a vital source of skilled labor for the residential construction sector, but to also keep it fully funded.

- From last July through mid-March, NAHB lobbyists and members from across the nation have been meeting with lawmakers, inviting them to HBI training sites and working with others in the industry to hammer home the importance of Job Corps to the housing community.

- Through the determined efforts of NAHB, House lawmakers ultimately agreed with Senate appropriators to maintain Jobs Corps funding at its $1.76 billion level through the end of fiscal year 2024, which runs through Sept. 30, 2024.

Government Plan to Adopt 2021 IECC a Blow to Housing Affordability

- Home builders support reasonable, common-sense and cost-effective energy building codes that make homes more energy efficient and provide an appropriate payback that home buyers expect.

- But mandating that the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture and likely the Department of Veterans Affairs will only finance new homes if they are built to the 2021 International Energy Conservation Code (IECC) is certainly not the answer.

- This move will significantly limit access to federally-backed financing options for many first-time home buyers, rural home buyers, veterans, other home buyers with limited financial resources, and also developers of affordable apartments.

- In short, this blatant federal overreach is a counterproductive, short-sighted strategy that will exacerbate the nation's housing affordability crisis and hurt the nation's most vulnerable house hunters and renters.

- Studies have shown that requiring new construction to adopt the 2021 IECC can add as much as $31,000 to the price of a new home.

- The energy savings from the 2021 IECC can take a home owner as long as 90 years to see a payback. Clearly, that's not a reasonable trade-off.

- Moreover, the federal requirement for the 2021 IECC will be in direct conflict with energy codes in the majority of jurisdictions around the country. This will lead to a host of logistical and implementation issues in the field and will require bringing a third-party to manage the compliance process.

- State and local governments must retain authority over land use and their code adoption processes so they can continue to direct community development and implement the codes that best fit their jurisdictions.

- Model codes are intended to be flexible. What is best for Florida is not necessarily what is best for Nevada.

- And this is why NAHB is calling on Congress to include a provision in the fiscal year 2025 T-HUD appropriations bill to prevent HUD from adopting the 2021 IECC for all HUD- and USDA-financed new construction housing.

- NAHB continues to reach out to lawmakers on this issue, and we are meeting with federal regulators to convey our sense of urgency on this matter and how moving forward will strike a massive blow to housing affordability.

Focus on Existing Housing Stock

- Energy efficiency is important, but it must be achieved in a cost-effective, reasonable way that benefits home buyers and renters.

- The best way to make a difference on energy efficiency is to focus on the existing housing stock, particularly older homes built before the introduction of modern energy codes.

- Indeed, roughly 90% of the nation's housing stock – 130 million homes – were built before 2010.

- Improving older homes that are far less energy efficient than modern homes will also make them much more resilient to natural disasters because they were built when there were no national model codes in existence or constructed following codes that are now outdated.

- According to the National Renewable Energy Laboratory, upgrades to the existing housing stock could yield a projected reduction of 5.7% of the total annual U.S. electricity consumption in 2030.

- Given this potential, upgrading the existing housing stock must be the primary focus if the nation is to make measurable progress.

- The administration should also help states advance the codes in a manner that best fits the needs of state and local governments.

- This is the best approach to increase home energy efficiency and preserve housing affordability for new and existing homes.

NAHB-Supported Tax Bill will Strengthen LIHTC, Help Small Businesses

- On a solid bipartisan vote of 357 to 70, the House has approved the American Families and Workers Act of 2024, legislation that would expand the federal child tax credit and enact a number of other business-related provisions.

- Of interest to NAHB members, the roughly $80 billion tax package would strengthen the Low-Income Housing Tax Credit (LIHTC**)**, which helps finance the construction and preservation of affordable housing.

- This bill would temporarily increase the amount of tax credits allocated to states by 12.5% for calendar years 2023 through 2025 and provide more flexibility when using bond financing to build or preserve LIHTC properties.

- The bill would also extend the 100% Bonus Depreciation, increase the maximum amount a taxpayer may expense under Section 179 of the tax code, and increase the threshold for information reporting on Forms 1099-NEC and 1099-MISC.

- The legislation is paid for at least in part by accelerating the deadline for filing backdated claims under the Covid-era Employee Retention Tax Credit.

- While NAHB is calling on Senate lawmakers to move quickly to pass this legislation – and there is a sense of urgency to act fast as the tax filing season is now underway – the ultimate fate of the bill remains uncertain.

- Some senators have expressed concerns with certain provisions in the legislation, and it is unclear if, and when, the upper chamber will vote on the bill.

NAHB Supports House and Senate Bills to Boost Transformer Output

- With the strong backing of NAHB, Sens. Sherrod Brown (D-Ohio), Ted Cruz (R-Texas) and 10 other senators have introduced legislation to help ease the severe shortage of distribution transformers that is delaying home building projects and raising housing costs.

- NAHB also worked to get companion legislation introduced in the House.

- The Distribution Transformer Efficiency & Supply Chain Reliability Act of 2024 would establish a new standard that allows manufacturers to increase energy efficiency standards for transformers in a manner that will not delay production at a time when chronic shortages are harming the housing sector.

- The Department of Energy (DOE) has proposed a rule that would marginally increase efficiency standards on distribution transformers and effectively require all distribution transformers to shift from the industry standard grain oriented electrical steel (GOES) cores to amorphous steel cores.

- GOES currently accounts for more than 95% of the domestic distribution transformer market, and manufacturers' production lines are tooled for designs that use GOES. If the DOE proposal is enacted, it will further curtail the production of transformers at a time when they are needed now, more than ever.

- The legislation would provide for increased energy efficiency of transformers, but at levels that preserve market opportunities for GOES as well as amorphous steel.

- Furthermore, the legislation would provide a phase-in window of 10 years before the new standard goes into effect to provide the certainty and time necessary for GOES and transformer supply chains to properly adapt to the new standards without further exacerbating supply-chain challenges.

House Approves Bill to Expedite Permitting Process

- The House has approved NAHB-supported legislation that includes several amendments to the Clean Water Act (CWA) permitting process that will provide home builders needed clarity and confidence as they seek federal permits for home building and development projects.

- The Creating Confidence in Clean Water Permitting Act (H.R. 7023) respects environmental protections and provides pragmatic solutions to the CWA Section 404 dredge and fill permit program and Section 402 National Pollutant Discharge Elimination System (NPDES) program.

- Specifically, the legislation would:

    - Codify the duration of a nationwide permit from five to 10 years and streamline the reissuance process;
    - Provide a defined timeline to when the EPA may veto a Section 404 permit; and

- Require Section 402 NPDES permit writers to provide clear and consistent parameters when issuing permits, while recognizing the use of best management practices.

Legislative Conference is June 12

- With the tax, permitting and transformer legislation posting a promising start to 2024, you can also have the opportunity to speak directly with your member of Congress on the key issues affecting your business and our industry by attending the NAHB Legislative Conference on Wednesday, June 12.

- The meetings, held on Capitol Hill in Washington, D.C., are a critical part of the Federation's advocacy efforts to keep housing issues a priority with federal lawmakers. Your participation can make a difference.

- Learn more at **nahb.org/legcon**.

Advocacy Videos Keep Members Up to Date on Key Issues

- To help keep members up to date on the key issues of the day, NAHB's advocacy leaders and subject matter experts have created brief video recordings highlighting the latest initiatives.

- Available on nahb.org, these short and shareable videos provide key details on topics such as Job Corps funding, waters of the U.S. (WOTUS), the Low-Income Housing Tax Credit (LIHTC) and more.

- The videos are easy to download and share with local lawmakers or industry colleagues via social media.

- New content will be filmed and added to the page as updates become available. Be sure to check back often.

Supreme Court Hears Arguments on Major Regulatory and Impact Fees Cases

- In January, the Supreme Court heard oral arguments in two different landmark cases -- One dealing with a 40-year-old regulatory ruling and the other with impact fees. The outcomes could severely limit the ability of federal agencies to impose new regulations that Congress did not clearly authorize and upend how impact fees are set.

- Plaintiffs in the case of *Loper Bright Enterprises v. Raimondo* are seeking to overturn a previous Supreme Court decision made in 1984 that gives the government an unfair advantage when someone challenges a regulation in court.

- In 1984, the Supreme Court issued an opinion that created "Chevron Deference," which requires courts to defer to a federal agency's interpretation of an unclear statute if the interpretation is "reasonable," even if it is not the best interpretation.

- In other words, *Chevron* gives federal agencies wide latitude to interpret the scope of regulations.

- The *Loper Bright* case involves a National Marine Fisheries Service (NMFS) regulation that requires fishermen to pay for federal observers to board their ships and observe their fishing practices.

- While the governing statute says the agency can require federal observers on ships, it is silent on whether the fishermen must pay their salaries.

- Based on Chevron Deference, the lower courts deferred to NMFS's interpretation of the law that required fishermen to pay for the observers because it was "reasonable."

- NAHB filed a friend-of-the-court brief in support of the plaintiff, arguing that Chevron is clearly biased toward federal agencies by granting them broad leeway to interpret and implement regulations.

- If *Chevron* is overturned, then federal agencies that builders interact with – from HUD, to OSHA to EPA and DOL – will have less discretion to impose new regulations that Congress did not clearly authorize.

Impact Fees

- In the case of *Sheetz v. El Dorado County*, the plaintiff George Sheetz argued that a $23,000 traffic impact fee that the county imposed to put a manufactured home on a small parcel of land was unconstitutional under the Constitution's Takings Clause.

- At a California state court, Sheetz argued that the fee was not closely connected to or proportional to the actual impact his new residence would have on roads.

- The county countered the impact fee was legal and did not violate the Takings Clause because the impact fee was authorized by legislation.

- Sheetz lost his decision before California state courts and appealed up to the Supreme Court.

- NAHB filed a friend-of-the-court brief supporting Sheetz on the merits of the case, arguing that it is unfair to permit legislative action to shield a government from the Takings Clause. From the property owner's point of view, a taking is a taking no matter how it comes about.

- A decision in both of these critical Supreme Court cases is expected between April and June.

New Independent Contractor Rule Takes Effect

- The U.S. Department of Labor (DOL) has issued a **final rule** changing its policy for determining independent contractor status under the Fair Labor Standard Act that went into effect on March 11, 2024.

- **The final rule considers the following six factors** to determine whether a worker is economically dependent on the employer (and thus an employee) or in business for themselves (and thus an independent contractor):

    1. Is the work performed an integral part of the employer's business?

2. Does the worker's managerial skill affect the worker's opportunity for profit or less?
3. Is the relationship between the worker and employer permanent or indefinite?
4. What is the nature and degree of the employer's control?
5. Does the worker use specialized skills to perform the work, and do those skills contribute to business-like initiative?
6. Are investments by a worker capital or entrepreneurial in nature?

- NAHB **filed comments** when these changes were first proposed in 2022, noting that the new policy threatens to impact many industries that rely on the subcontractor business model, including residential construction.

New Rule Requires Small Businesses to Report Ownership Information

- As of Jan. 1, 2024, many businesses will be required to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN) to identify those who directly or indirectly own or control the company.

- This requirement stems from the enactment of the Corporate Transparency Act (CTA), which requires America's small and independent businesses to file beneficial ownership information with FinCEN.

- The CTA helps the U.S. government identify money laundering, corruption, tax evasion, drug trafficking, fraud and other crimes. Congress passed the CTA to make it harder for these illegal activities and their perpetrators to hide from law enforcement officials.

- The reporting requirements generally are applicable to small corporations, limited liability companies (LLCs) and other similar entities that:

  - have 20 or fewer full-time employees; and
  - filed federal income taxes in the previous year demonstrating $5 million or less in gross receipts or sales.

- NAHB has provided answers to frequently asked questions and links regarding the new beneficial ownership requirements, including which types of entities are exempt from the reporting requirements. Go to nahb.org, type "beneficial ownership" in the search bar and click on the top item.

More Stringent Energy Codes Could be Coming

- Your state and local jurisdictions may soon seek to adopt more stringent energy codes.

- The Inflation Reduction Act that was signed into law last year provides $1 billion to support the efforts of state and local governments to adopt updated energy codes.

- While this is the current law of the land, NAHB was able to get legislation passed by the House that would repeal the specific section of the Inflation Reduction Act that provides $1 billion to pressure state and local governments to adopt updated energy codes that are more costly and restrictive. And thanks to NAHB efforts, a companion bill was introduced in the Senate with 12 Republican co-sponsors.

- But as of now, the Department of Energy is moving forward and has announced the opening of applications for $400 million in grants to states that adopt more stringent energy codes.

- These funds represent a portion of the $1 billion appropriated in the Inflation Reduction Act to spur states to adopt and implement the 2021 International Energy Conservation Code (IECC) and ASHRAE Standard 90.1-2019.

- Of the $400 million, $240 million would go to states to adopt and implement the latest model energy codes and $160 million is earmarked for states to adopt and implement zero energy appendices in the 2021 IECC.

- NAHB is working with HBAs across the land to blunt these efforts.

- First, you need to understand where the pressure is coming from and develop an outreach and action plan. Next, you need to be prepared to participate with information, data and technical support to direct the efforts of your state and local jurisdictions and advocate for workable outcomes.

- The goal is for builders and HBAs to:

    1. Reach out to your state and legislators and try to convince them to NOT apply for the grants due to the significant construction cost impacts and negative impacts on housing affordability; and

    2. If your states still choose to apply for a grant, convince your legislators to apply for the Department of Energy's Resilient and Efficient Codes Implementation (RECI) funds and NOT the Inflation Reduction Act funds because the RECI funds provide states more flexibility regarding which updated energy codes they choose to adapt.

- NAHB is considering adding staff specifically to travel across the nation and help local HBAs to implement this strategy.

- It is important to engage your state's energy offices and officials. Funding applications that have partnerships are given preference. The Department of Energy specifically lists "associations of builders and design and construction professionals," such as state and local HBAs in the NAHB Federation, as acceptable partners for states on applications.

- Engage your state and local officials and HBAs now to see if there is an opportunity to partner on an application. NAHB's website includes many resources to assist HBAs. You can also see which version of the IECC your state currently uses and get more information on partnering with states.

- For more information on the codes front, contact Neil Burning, NAHB's Vice President of Construction Codes and Standards, at nburning@nahb.org.

- Karl Eckhart, NAHB's Vice President of Intergovernmental Affairs, is coordinating with HBAs on this matter. His email is keckhart@nahb.org.

House Passes NAHB-Supported Building Codes Bill

- In a positive development on the codes front, the House has passed the Promoting Resilient Buildings Act.

- The legislation addresses an issue that has become a serious concern for local governments and home builders across the country.

- In 2018, the Disaster Recovery Reform Act established the definition of building codes relating to hazard mitigation to include the latest two published editions of relevant codes, specifications and standards. This definition sunset in October 2023.

- If the building code definition is left to expire, FEMA will revert the definition to the single latest edition of codes.

- The bill would require FEMA to allow home builders and municipalities to abide by rules published in the two latest editions of building codes, rather than just the single latest edition, when developing their Hazard Mitigation Plans, inspecting homes or building a house.

- Keeping the current definition of codes to include the two most recent editions alleviates frequent, costly changes in Hazard Mitigation Plans and guarantees a level of consistency in the construction industry without compromising safety.

- NAHB is seeking companion legislation in the Senate.

Department of Labor Proposes Changes to Overtime Rules

- The U.S. Department of Labor (DOL) issued a proposed rulemaking in early September that would extend eligibility for overtime pay to roughly 3.6 million salaried workers.

- Under the proposal, certain "white-collar" salaried workers — which often include construction supervisors — earning less than $55,068 per year will be eligible to receive the standard overtime rate for hours worked over 40 in a workweek.

- The current salary threshold for determining overtime requirements is $35,568.

- Using data from a recent Housing Market Index survey, NAHB submitted comments in response to the DOL proposal, noting member concerns over potential increased project costs, minimizing overtime hours for workers, and reducing or eliminating employee benefits and bonuses if this change is put in place.

- We will continue to provide updates on the publication of the final rulemaking.

WOTUS Rule a Blow to Housing Affordability

- The Environmental Protection Agency and U.S. Army Corps of Engineers have issued an amended final waters of the United States (WOTUS) rule in the aftermath of the recent U.S. Supreme Court decision in the case of *Sackett v. EPA.*

- Unfortunately, the revised WOTUS rule – which was made with no public input from interested stakeholders -- represents a blow to housing affordability. The Supreme Court's Sackett decision made clear the federal government only has authority over relatively permanent waterbodies.

- But the Biden administration failed to provide a definition of a "relatively permanent' waterbody.

- Furthermore, the revised WOTUS rule fails to exclude from federal jurisdiction all "ephemeral features," which only possess water following a rainfall event.

- This uncertainty regarding what waters are subject to federal jurisdiction sets the stage for continued federal overreach, bureaucratic delays during the wetlands permitting process, and regulatory confusion for home builders and land developers.

- NAHB has sent a letter to EPA and the U.S. Army Corps of Engineers calling on the agencies to provide additional guidance to its field staff and the general public on the new rule to ensure clarity and action.

- We are calling on the agencies to expedite approvals for jurisdictional determinations and Clean Water Act 404 permits based on an approved jurisdictional determination.

- But to make matters even more confusing, several federal district courts had already issued a preliminary injunction against the Biden WOTUS rule released in January, which now prevents the agencies from implementing the WOTUS amendments issued on Aug. 29. This means the revised WOTUS definition will only apply in 23 states, the District of Columbia and the U.S. Territories.

- In the other 27 states, the agencies are implementing the pre-2015 regulatory regime and the Sackett decision until further notice. The end effect is additional regulatory uncertainty, with our members having to comply with two different rules.

- NAHB is proactively participating in the litigation in 27 states to encourage the agencies to, among other things, define a clear definition of a relatively permanent waterbody to provide regulatory certainty to the home building industry.

- Meanwhile, NAHB will continue to meet with EPA and U.S. Army Corps of Engineer officials to find ways to expedite the federal permitting process, offer pragmatic changes that maintain environmental protection of our nation’s waterways, and restore common sense and predictability to the federal wetlands permitting process.

- View NAHB’s **WOTUS webpage** where additional information will be posted on the content of this new rulemaking.

States Under the 2023 Rule as Amended:

Arizona	Illinois	Nevada	Pennsylvania
California	Maine	New Jersey	Rhode Island
Colorado	Maryland	New Mexico	Vermont

Connecticut	Massachusetts	New York	Washington
Delaware	Michigan	North Carolina	Wisconsin
Hawaii	Minnesota	Oregon	

Pre-2015 Regulatory Definition of WOTUS Consistent with Sackett:

Alabama	Iowa	Nebraska	Tennessee
Alaska	Kansas	New Hampshire	Texas
Arkansas	Kentucky	North Dakota	Utah
Florida	Louisiana	Ohio	Virginia
Georgia	Mississippi	Oklahoma	West Virginia
Idaho	Missouri	South Carolina	Wyoming
Indiana	Montana	South Dakota	

Housing Market Snapshot

Housing Starts	(February 2024)	
Total: 1.52 million↑	Single: 1.13 million↑	Multi: 392,000↑
Home Sales*	(February 2024)	
New: 662,000↓	Existing: 4.38 million↑	
Median Home Prices	(February 2024)	
New: $400,500↓	Existing: SF: $388,700↑	

***Seasonally Adjusted Annual Rate; Arrows indicate direction from previous month for starts and sales and year for prices.

NAHB/Wells Fargo Housing Market Index – The index, which measures builder confidence in the market for newly built single-family homes, rose three points to 51 in March from a reading of 48 in February. This marks the fourth consecutive monthly gain for the index. It is also the first time that the sentiment level has surpassed the breakeven point of 50 since last July. Any number above 50 indicates that more builders view sales conditions as good than poor.

NAHB Chief Economist Robert Dietz's analysis: The solid level of single-family production in February tracks closely with rising builder sentiment, and with the Federal Reserve expected to announce future rate cuts in the second half of 2024, lower financing costs will draw many prospective buyers into the market and provide an added boost for single-family building. But even though there is strong pent-up demand, builders continue to face several supply-side challenges, including a scarcity of buildable lots and skilled labor, and new restrictive codes that continue to increase the cost of building homes. As home building activity picks up, builders will also likely grapple with rising material prices, particularly for lumber."