

Monthly Talking Points

***Editor's Note:** These talking points provide a framework for NAHB's leaders to tell our story to the media, members, local/civic organizations and consumers. They lay out our central theme and values in a way that resonates with our audiences. The overarching messages will remain constant, and the top issues will change as appropriate over time. This proven approach allows us to be effective when we speak about the threats to our industry and call stakeholders to action.*

Following the talking points you will find a brief synopsis of the economic outlook for housing and the latest data on starts, sales, prices and builder optimism.

This document is for use by NAHB members and HBA staff to explain our priorities. Please do not distribute outside of the NAHB federation.

*Note: Content that has been added or updated since the last version of the talking points is **highlighted in yellow**.*

If you require additional assistance, contact NAHB Communications at 800-368-5242, ext. 8409.

**Prepared by NAHB Communications
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Overarching Messages

These two unchanging messages establish the value of what we do, providing homes and jobs across America.

Homeownership is the Foundation of the American Dream.

- For many people, owning a home is part of their American Dream. Homeownership builds stronger communities, provides a solid foundation for family and personal achievement and improves the quality of life for millions of people. It is truly the cornerstone of the American way of life.
- Most Americans consider homeownership to be the single best long-term investment and a primary source of wealth and financial security. Countless generations of Americans have counted on their homes for their children's education, their own retirement and a personal sense of well-being.
- Yet, a home is so much more than an investment. In good times and in bad, the opportunity to own a home has been a cherished ideal and a source of pride, accomplishment, social stability and peace of mind.
- Changing housing policy now to make owning a home more expensive is unfair and would hurt those that have played by the rules and made the sacrifices to get where they are now.
- It would harm millions of Americans who are struggling to make their monthly mortgage payments and those who aspire to one day own a home of their own.

Homeownership is a Major Driver of the U.S. Economy

- The nation's housing and homeownership policies over the last century have contributed to the growth of the middle class and helped the United States become the most dynamic economy the world has ever seen.
- Fully 15 percent of the U.S. economy relies on housing and nothing packs a bigger local economic impact than home building.

- Constructing 100 new single-family homes creates 297 full-time jobs, \$28 million in wage and business income and \$11.1 million in federal, state and local tax revenue.
- A healthy housing industry means more jobs and a stronger economy. Home building increases the property tax base that supports local schools and communities.
- Housing, like no other sector, is “Made in America.” Most of the products used in home construction and remodeling are manufactured here in the United States.

Key Issues

NAHB continues to focus on several issues, including:

- **Tax Reform.** NAHB supports housing incentives in the tax code, including the deductions for mortgage interest and state and local property taxes.

These incentives largely benefit the middle class, particularly younger households and larger families, by making homeownership more affordable.

NAHB also supports the Low Income Housing Tax Credit, the primary tool for financing construction of new, affordable rental housing. The LIHTC is currently producing approximately 75,000 new apartment homes annually.

- **Housing Finance Reform.** NAHB is a strong proponent of housing finance reform that would increase the role of private capital in the U.S. housing finance system but maintain a limited federal backstop to the nation’s housing finance system.

Federal support is particularly important in continuing the availability of the affordable 30-year fixed-rate mortgage, which has been a staple of the U.S. housing finance system.

- **Labor Shortage/Immigration Reform.** NAHB supports comprehensive immigration reform that will:

- Safeguard our borders;
- Establish a fair employment verification system; and

- Create a market-based visa system that will allow more immigrants to legally enter the construction workforce as the housing industry gains momentum and the demand for workers increases.
- **Environment.** NAHB supports a common sense, scientific approach to safeguarding the environment that reasonably balances protection of endangered species, clean air and clean water, with the need to allow local communities to grow and thrive.
- **Appraisals.** Flawed appraisals remain a major problem for home buyers and home owners. The inappropriate use of distressed and foreclosed sales as comparables in determining new home values is needlessly driving down home prices and impeding a housing and economic recovery.

As a result, many home owners seeking to refinance and take advantage of today's low interest rates are unable to do so. NAHB continues to work with all major stakeholders to institute major reforms in appraisal practices and oversight to ensure that appraisals accurately reflect true market values.

To learn more about NAHB's policy issues, log on to nahb.org/priorities.

September is Associate Member Appreciation Month

- Associate members bring great value to our HBAs and the federation. And they provide an enormous range of services, products and expertise that are essential to building the nation's housing.
- Associate members are also essential to the federation, devoting countless volunteer hours at the local, state and national levels and strengthening our industry in the process.
- In recognition of the loyalty and hard work of the many associates who volunteer their time and services, NAHB designates September as Associate Member Appreciation Month. However, you can make a strong argument that every month on the NAHB calendar should be identified as Associate Member Appreciation Month.

A Focus on Regulatory Overreach

- A recent study by NAHB entitled [Government Regulation in the Price of a New Home](#) highlights the need for sensible reforms to burdensome regulations that increase the cost of housing.
- Our message to policymakers: The aggressive over-regulation of the housing industry is putting the American Dream of safe and affordable housing at risk. Regulators at all levels of government – local, state and federal – must understand that their actions have real consequences.
- The study shows that on average, government regulations account for 24.3 percent of the final price of a new single-family home.
- In fact, the regulatory costs for an average single-family home went from \$65,224 in 2011 to \$84,671 in 2016 – a 29.8 percent increase in five years.
- The cost of regulation in the price of a new home is rising more than twice as fast as the average American’s ability to pay for it. That is simply not sustainable.

Homeownership is Alive and Well

- An overwhelming 4 of 5 Americans believe that owning a home is a good investment, according to a [recent poll](#) that NAHB commissioned to gauge public sentiment on the value of homeownership and government programs that encourage homeownership and housing production.
- The polling firm Morning Consult conducted the nationwide survey of more than 2,800 registered voters July 22-24.
- The survey shows that most Americans believe that owning a home remains an integral part of the American Dream and that policymakers need to take active steps to encourage and protect homeownership.

- Among the poll's key findings:
 - 82% rate “a home for you to live in” a good or excellent investment (the highest of six choices) and far ahead of the second option, retirement accounts, at 67%.
 - 81% of 18-to 29-year-olds want to buy a home.
 - 72% support the government providing tax incentives to encourage homeownership.
 - 46% say now is a good time to buy a home, twice the 23% who say it is not.
 - 36% would like to buy a home in the next three years.

**** View a brief economic summary on the page below**

Economic Outlook

Looking forward, there are signs that conditions in the housing market should show continued improvement in the coming months:

- While the economic recovery has been uneven, it continues to add jobs, a key driver for housing market recovery.
- Low interest rates and post-bubble house prices that have settled back to normal in most of the country means that housing affordability is very high in many markets.
- Five years of sub-normal household formation rates have created pent-up demand that will help reduce some of the excess housing inventory.

Housing Market Snapshot

Housing Starts (July 2016)
Total: 1.21 million↑ Single: 770,000↑ Multi: 441,000↑

Home Sales* (July 2016)
New: 654,000↑ Existing: 5.39 million↓

Median Home Prices (July 2016)
New: \$294,600↓ Existing SF: \$246,000↑

*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 two points to 60 in August from a July reading of 58. Any number over 50 indicates that more builders view sales conditions as good than poor.

NAHB Chief Economist Robert Dietz's analysis: "Our forecast shows single-family production expanding by more than 10 percent in 2016, and the robust multifamily sector leveling off. Historically low mortgage interest rates and favorable demographics should keep the housing market moving forward at a gradual pace, but residential construction growth will be constrained by shortages of lots and labor and rising regulatory costs."