Southern Arizona Home Builders Association

NAHBNews

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Southern Arizona Home Builders Association

NAHB National Association of Home Builders

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New Home Sales Hold Steady in February

A small rise in mortgage rates in February led to a flat reading for **new home sales**.



Sales of newly built, single-family homes in February edged 0.3% lower to a 662,000 seasonally adjusted annual rate, according to recent data from HUD and the U.S. Census Bureau. The pace of new home sales in February is up 5.9% from a year earlier.

Mortgage rates averaged 6.78% in February compared to 6.64% in January, according to Freddie Mac.

A new home sale occurs when a sales contract is signed, or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the February reading of 662,000 units is the number of homes that would sell if this pace continued for the next 12 months.

New single-family home inventory in February remained elevated at a level of 463,000, up 1.3% from January. This represents an 8.4 months' supply at the current building pace. A measure near a 6 months' supply is considered balanced. However, with only a 2.9 months' supply of existing homes for sale, new home inventory can remain above this balanced measure.

The median new home sale price in February was $400,500, edging down 3.5% from January, and down 7.6% compared to a year ago.

Regionally, on a year-to-date basis, new home sales are up 47.0% in the Northeast, 29.7% in the Midwest and 41.0% in the West. New home sales are down 13.4% in the South.

Congress Restores Job Corps Funds

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.

House appropriators last summer 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. NAHB has worked long and hard to secure proper Jobs Corps funding and this legislation represents a major win for our industry.

Job Growth Continues Strong

According to the Bureau of Labor Statistics, nationwide total nonfarm payroll employment increased by 229,000 in January, following a gain of 290,000 jobs in December.

Across the nation, **construction sector jobs** data, including residential and non-residential construction, showed that 32 states reported an increase in January compared to December, while 17 states lost construction sector jobs. Two states reported no change.

Housing Proposals in Biden Budget

President Biden has proposed a $7.3 trillion budget for fiscal year 2025. **This budget would:** Expand the Low-Income Housing Tax Credit; provide a new tax credit for first-time home buyers of up to $10,000 over two years; and provide a one-year tax credit of up to $10,000 to middle-class families who sell their starter home. It would also raise the corporate tax rate to 28%. It is important to note that no White House budget is ever approved "as is" by Congress.

NAHB Announces Winners of 2023 Pillars Awards

NAHB announced the winners of the 2023 Multifamily **Pillars of the Industry Awards** during a recognition ceremony on March 21. These awards honor the best in creative development concepts, innovative financing strategies, design, management and marketing in the apartment and condo market.

Among the winners:

Multifamily Community of the Year, Carlyle Crossings, Alexandria, Va.; Multifamily Developer of the Year, Streetlights Residential, Dallas, Texas; and Multifamily Property Management Firm of the Year, Windsor Communities, Atlanta, Ga.

August Honored as NAHB's All-Time Top Recruiter

NAHB honored S. Robert August during its recent Leadership Council Meeting as the association's **all-time leading recruiter**. The outstanding recruiter recently surpassed 5,000 Spike credits -- which are awarded after a member joins the Federation or renews their membership. August is founder and president of North Star Synergies in Denver, Colo. In his honor, NAHB Immediate Past Chairman Alicia Huey announced that the S. Robert August membership award will launch during this year's awards cycle.

Check Out the Winners of the 2023 BALA Awards



NAHB announced the winners of the 2023 Best in American Living™ Awards (BALA) during the recent International Builders' Show in Las Vegas. There were 135 platinum, gold and silver award winners, along with seven best in region winners and a WOW award winner. The awards are sponsored by SMEG.

Among the winners: Home of the Year, The Burch Creek Home, South Ogden, Utah; Multifamily Community of the Year, Chronicle Mill, Belmont, N.C.; Remodel of the Year, Saguaro Serenity (see image, left), Tucson, Ariz.; Community of the Year, LC Germantown, Nashville, Tenn.; and Room of the Year, Island Breeze-Cabana, Sarasota, Fla.

The WOW Award winner is The Viharas Villa Upekka, a single-family custom home in Malibu, Calif.

Additional information about the BALA program, including information and images from the 2023 award winners, can be found at **bestinamericanliving.com**.

Howard Installed into Housing HOF

Former NAHB CEO Jerry Howard was inducted into the **National Housing Hall of Fame** during a special ceremony following the NAHB Board of Directors meeting prior to the International Builders' Show in Las Vegas.

Howard joined NAHB in 1988, initially serving as tax counsel and ultimately rising to the role of chief executive officer, a role he held for more than 20 years. Throughout his tenure as CEO, Howard led the association through some of the biggest booms and challenging busts of the last half century. Keeping the association and the industry moving forward during the Great Recession is one of his greatest professional achievements.

Excessive Multifamily Regulations

Ten associations representing America's housing providers, lenders and residents recently sent a **letter to the White House** urging caution over a series of counter-productive regulations that would hurt consumers and ultimately exacerbate the shortage of affordable housing nationwide.

Specific concerns about the administration's plans include treating rental housing fees like typical consumer fees and removing consumer friendly broadband bulk-billing pricing options for housing providers. The groups also believe it is critical that for-profit, non-profit and resident-owned manufactured housing communities be engaged in the effort to maintain affordable manufactured housing communities.

Differences Between Home Owner and Renter Wealth

Homeownership plays an integral role in a household's accumulation of wealth. While almost every family owned some assets in 2022, home owners own the vast majority of assets in aggregate.

Analysis of the Federal Reserve's Survey of Consumer Finances (SCF) shows that households that **owned a primary residence** own most other assets in sum, such as other residential real estate, vehicles, other non-financial assets, business interests, stocks and bonds, retirement accounts, and other financial assets.

The analysis found that home owners had a median net worth of $396,000, while renters had the median net worth of just $10,400. Net worth, the measure of households' wealth, is the difference between households' assets and liabilities.



In aggregate, home owners owned 16 times more stocks and bonds than renters, and 15 times more business interests and retirement accounts than renters.

On the debt side of home owners' balance sheets, the value of the primary home mortgage debt was the largest liability faced by home owners. For renters, the value of credit card and installment debt was the largest liability in their debt category.



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