

Southern Arizona Home Builders Association

# NAHBNews



July 2023

## New Home Sales See Significant Increase in May

A lack of existing inventory coupled with solid consumer demand helped to boost [new home sales in May](#) to their highest level since February 2022.

Sales of newly built, single-family homes in May increased 12.2% to a 763,000 seasonally adjusted annual rate, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

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 May reading of 763,000 units is the number of



homes that would sell if this pace continued for the next 12 months.

New single-family home inventory in May was 428,000, down 2.9% compared to a year ago. This is down to a more balanced 6.7 months' supply at the current building pace, despite tight existing

home supply conditions. A measure near a six months' supply is considered balanced.

The median new home sale price in May was \$416,300, down 7.6% compared to a year ago.

Regionally, on a year-to-date basis, new home sales are up 0.8% in the Northeast and 1.6% in the South. New home sales are down 2.5% in the Midwest and 20.7% in the affordability-challenged West.

## Leg Con Brings 700 Members to DC

More than 700 builders, remodelers and associates representing all facets of residential construction visited Capitol Hill in June to [call on Congress](#) to take steps to ease the nation's housing affordability crisis and make housing and homeownership a national priority.

NAHB's 2023 Legislative Conference included more than 250 individual meetings with representatives and senators, during which housing advocates urged lawmakers to act on three issues: transformers, energy codes, and funding for workforce development.

## HUD Secretary Fudge Addresses NAHB

"We are all on the same team. We need you now more than ever." That is the message that U.S. Housing and Urban Development [Secretary Marcia Fudge](#) delivered to NAHB members in a special address during NAHB's recent Leadership Meeting in the nation's capital. "Without you, I cannot do my work," said Fudge. Noting an estimated shortage of 3.8 million homes, Fudge said that the entire government has to have a stake in addressing the housing affordability crisis.

## Addressing Substance Abuse

Everyone agrees that substance abuse is a safety issue on jobsites. But how should you address an employee you suspect is impaired?

[NAHB has resources](#) that can help identify and address substance abuse issues and create a path for return to work, including resources for tackling Opioids in the Home Building Industry and a video toolbox talk on Substance Misuse.

## IRS Issues Guidance on Energy Tax Questions

The [Internal Revenue Service](#) released a draft regulation and a list of frequently asked questions regarding the new election taxpayers may take to [transfer certain energy tax incentives](#) to other parties. For purposes of residential construction, this option generally applies to the Investment Tax Credit (Sections 48 and 48E) and the Production Tax Credit (Sections 45 and 45Y).

## Thousands Visit Innovative Housing Showcase

Recent visitors to the National Mall had a unique opportunity to see the latest housing innovations firsthand through the third annual [Innovative Housing Showcase](#), presented by NAHB and HUD, and learn more about how these innovations can support efforts to improve housing affordability and sustainability.

Dozens of exhibitors showcased innovative building technologies — including full-size prototype homes — to address housing affordability and disaster relief challenges, create high-performance, sustainable homes, and provide attainable solutions to new and existing buildings.

## OSHA Offers Enforcement Update During NAHB Meeting

In September 2022, OSHA broadened the scope of its Severe Violators Enforcement Program (SVEP) and expanded its criteria for placement in the program, resulting in more employers being placed on the SVEP list.

Scott Ketcham, director of OSHA's Office of the Directorate of Construction, visited the recent spring meeting of NAHB's Construction Safety and Health Committee in Washington, D.C., to [provide more detail](#) about the SVEP update and discuss his office's other safety initiatives.

Among the changes: the SVEP was expanded to include all OSHA standards and will be applied for all types of hazards. The update also lowered the bar for an

employer to be placed in the SVEP to just two willful or repeated violations or failure-to-abate notices based on serious violations. As before, the SVEP carries elevated penalties and stricter inspection requirements for employers placed in the program.

SVEP focuses on "recalcitrant employers who demonstrate indifference to the health and safety of their employees through willful, repeated, or failure-to-abate violations."



### Housing Hall of Fame Inductees

The National Housing Center Board of Governors recently inducted [five honorees](#) into the National Housing Hall of Fame. The five were: 2016 NAHB Chairman Ed Brady, Stillman Knight, a long-time NAHB member and former Assistant Secretary of HUD for Multifamily Housing Programs, 2017 NAHB Chairman Granger MacDonald, Dwight Schar, founder of NVHomes, and 2015 NAHB Chairman Tom Woods.

The National Housing Center Board of Governors also recently voted to induct former NAHB President and CEO Jerry Howard into the National Housing Hall of Fame during a special ceremony at the 2024 IBS.

### Focus on Trench Safety

Trenching accidents almost always involve an unthinkable event that can lead to injury or death: Being buried alive. But every trench failure is avoidable with proper planning, training and safety measures. To prevent cave-ins, jobsites should use OSHA's ["Slope It, Shore It, Shield It"](#) method:

**SLOPE** or bench trench walls,  
**SHORE** trench walls with supports, or  
**SHIELD** trench walls with trench boxes.

NAHB has a video toolbox talk that builders can use to present to their workers and subcontractors, and additional resources in the NAHB Trenching and Excavation Toolkit.

# Housing Markets Cool, But Affordability Remains Elusive

The annual [State of the Nation's Housing](#) report from the Harvard Joint Center for Housing Studies (JCHS) highlights the growing housing affordability crisis, despite a slowdown in housing prices.

"Rent growth slowed over the past year, and home prices declined in a number of areas," said Daniel McCue, a JCHS senior research associate, in a press release. "Nonetheless, housing costs remain well above pre-pandemic levels thanks to the substantial increases over the last few years."

Higher interest rates have also eroded housing affordability in the past year, with payments on the median-priced home increasing from \$2,500 to \$3,000. As a result, mortgages originated to first-time home buyers dropped 22% in 2022,

including a 40% year-over-year drop in the fourth quarter.

Inventory has also had an impact on home prices, as single-family housing starts dropped 10.8% last year.

Although multifamily construction has remained strong, the JCHS report indicates that rising vacancy rates, along with higher interest rates and tighter lending standards, suggest a forthcoming slowdown in multifamily construction.



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