Southern Arizona Home Builders Association

NAHBNews

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March New Home Sales Up Despite Higher Rates



Despite higher interest rates, **new home sales** rose in March due to limited inventory of existing homes. However, the pace of new home sales will be under pressure in April as mortgage rates moved above 7% this month, which is expected to moderate sales and increase the use of builder sales incentives this spring.

Sales of newly built, single-family homes in March rose 8.8% to a 693,000 seasonally adjusted annual rate from a downwardly revised reading in February, according to recent data from HUD and the U.S. Census Bureau. The pace of new home sales in March is up 8.3% from a year earlier.

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 March reading of 693,000 units is the number of homes that would sell if this pace continued for the next 12 months.

New single-family home inventory in March remained elevated at a level of 477,000, up 2.6% from February. This represents an 8.3 months' supply at the current building pace, which has been supported by the ongoing shortage of resale homes. Inventory of newly-built single-family homes is up 10.2% on a year-over-year basis.

The median new home sale price in March was $430,700, up nearly 6% from February, and down 1.9% compared to a year ago.

Regionally, on a year-to-date basis, new home sales are up 15.1% in the Northeast, 17.8% in the Midwest and 28.1% in the West. New home sales are down 6.6% in the South.

Legal Victory on Impact Fees

The U.S. Supreme Court in April handed down a unanimous ruing that California home owners, builders and developers may challenge improper local impact fees for housing development even if the fees are authorized by legislation.

The decision in the case of Sheetz v. El Dorado County is **a major victory** for the home owner involved in the case as well as home builders and developers, especially in California. NAHB and the California Building Industry Association (CBIA) submitted two amicus briefs in the case supporting the home owner.

Codes Mandate Harms Affordability

HUD and the U.S. Department of Agriculture (USDA) announced recently that they will **insure mortgages for new homes** only if they are built to the 2021 International Energy Conservation Code (IECC). NAHB believes this will bring no benefit to home buyers. Studies have shown that building to the 2021 IECC can add up to $31,000 to the price of a new home and take up to 90 years for a home buyer to realize a payback on the added cost of the home.

DOE Issues Decarbonization Plan

The U.S. Department of Energy has released a blueprint for **decarbonizing buildings**, including homes. The goal of the plan is to reduce carbon emissions from buildings 90% by 2050 compared with the 2005 baseline, with an interim goal of a 65% reduction by 2035. Although the blueprint was created in consultation with other federal agencies and includes many state, local and federal policy ideas, it is a non-binding document that does not make specific regulatory proposals.

DOE Heeds NAHB Concerns In Final Transformer Rule

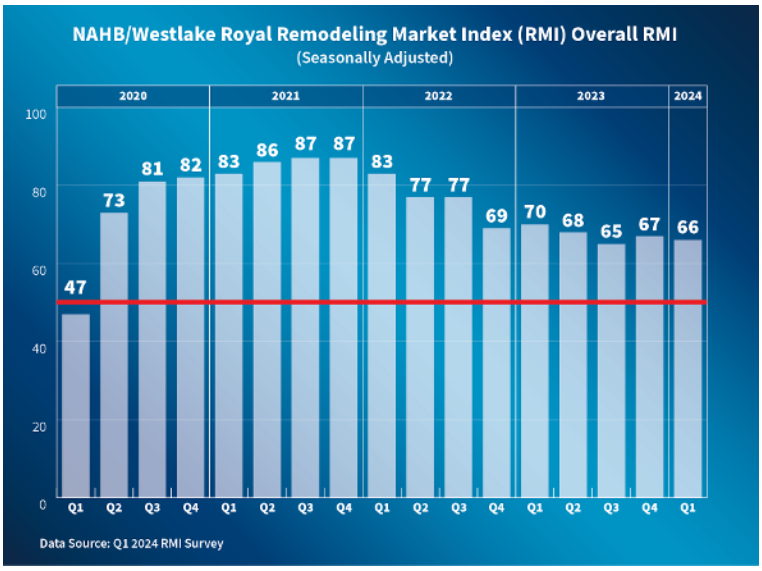
The Department of Energy's (DOE) newly issued final energy efficiency rule for distribution transformers explicitly **heeds NAHB's call** to ensure that it would not impede the production of badly needed transformers. DOE's original rule would have effectively required all distribution transformers to shift from the industry standard grain-oriented electrical steel (GOES) cores to amorphous steel cores and marginally increased energy efficiency standards for transformers. DOE significantly amended the final rule to ensure that 75% of transformers can continue to use the industry's standard GOES cores.

Plan to Take Part in NAHB's Legislative Conference

Make plans to participate in NAHB's **2024 Legislative Conference** on Wednesday, June 12 in Washington, D.C. The meetings, held on Capitol Hill, are a critical part of NAHB's efforts to make sure lawmakers understand the home builders' perspective on key issues. The Legislative Conference will be conducted in conjunction with NAHB's Spring Leadership Meetings, June 11-14. The day begins at the Marriott Marquis with a briefing on key issues. NAHB will provide bus transportation between the Marriott Marquis and Capitol Hill.

Remodeling Market Sentiment Remains Positive in Q1

NAHB recently released its NAHB/ Westlake Royal Remodeling Market Index (RMI) for the first quarter of 2024, posting a reading of 66, down one point compared to the previous quarter.



The NAHB/ Westlake Royal RMI survey asks remodelers to rate five components of the remodeling market as "good," "fair" or "poor." Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor.

The overall RMI is calculated by averaging the three components of the Current Conditions Index and the two components of the Future Indicators Index. The Current Conditions Index averaged 74. The Future Indicators Index averaged 59.

Offsite Construction Video Series

NAHB has launched a new **Offsite Construction Video Series** that explores essential topics in modular, panelized, concrete, log and timber frame home construction. Subscribers will gain access to a new 15-minute on-demand video examining a foundational aspect of prefabricated building systems. The first installment features Sam Rashkin, author of Housing 2.0: A Disruption Survival Guide, discussing zero-energy homes and how to integrate critical components to achieve energy performance targets.

Register to receive each video via email as soon as it's available. This series is free for NAHB members and $50 for non-members.

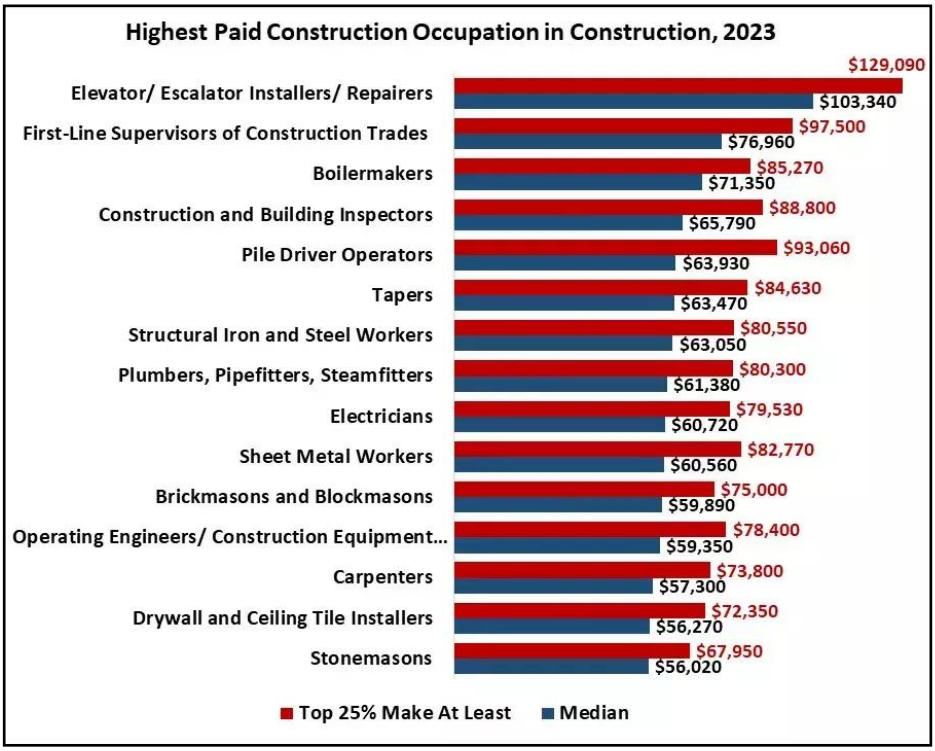
NAHB Offers Jobsite Safety App

NAHB, a leader in safety and health education and compliance assistance for residential construction, has released **a new mobile tool** called the NAHB Jobsite Safety Handbook. This application — available in both the Apple and Google Play app stores — was built to help home builders, contractors and workers identify safe work practices.

The app features resources for both classroom learning and on-the-job compliance, such as NAHB's full Jobsite Safety Handbook, more than 50 safety video toolbox talks, all NAHBNow safety content, and an interactive quiz for users to test their safety knowledge. The app's content is available in 15 languages.

Highest Paid Occupations in Construction Trades

Half of payroll workers in construction earn more than $58,500 and the top 25% make at least $79,450, according to the latest 2023 Bureau of Labor Statistics Occupational Employment and Wage Statistics and **analysis by NAHB**.



In comparison, the U.S. median wage is $48,060, while the top 25% makes at least $76,980.

Among construction trades, elevator installers and repairers top the list, with half of them earning over $103,340 a year, and the top 25% making at least $129,090. First-line supervisors of construction trades are next on the list with median salaries of $76,960, with the top 25% highest paid supervisors earning more than $97,500.



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