Southern Arizona Home Builders Association
NAHBNews
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NAHB National Association of Home Builders

New Home Sales Up in First Month of 2024

Stable mortgage rates at the beginning of 2024 helped increase **new home sales in January**. Sales of newly built, single-family homes increased 1.5% in January to a 661,000 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. The pace of new home sales in January is up 1.8% from a year ago.



New single-family home inventory in January remained elevated at a level of 456,000, up 3.9% compared to a year earlier. This represents an 8.3-month supply at the current building pace. A measure near a six-month supply is considered balanced.

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 January reading of 661,000 units is the number of homes that would sell if this pace continued for the next 12 months.

A year ago, there were 72,000 completed, ready-to-occupy homes available for sale (not seasonally adjusted). By the end of January 2024, that number increased 19.4% to 86,000.

Completed, ready-to-occupy inventory remains at just 19% of the total inventory, while homes under construction account for 58% of the inventory. The remaining 23% of new homes sold in January were homes that had not started construction when the sales contract was signed.

House Passes Major Tax Bill

On a solid bipartisan vote of 357 to 70, the House approved the American Families and Workers Act of 2024. **NAHB strongly supports** the roughly $80 billion tax package, which contains a number of provisions of interest to the housing and business community. Specifically, the bill would:

Strengthen the Low-Income Housing Tax Credit (LIHTC); extend the 100% Bonus Depreciation; expand Section 179 Expensing; and increase the Threshold for Information Reporting on Forms 1099-NEC and 1099-MISC.

The bill's fate in the Senate is uncertain.

Duties on Canadian Lumber to Rise

The U.S. Department of Commerce has signaled that it **plans to raise tariffs** later this year on imports of Canadian softwood lumber products from the current rate of 8.05% to about 14% following its annual review of existing tariffs.

Although NAHB is disappointed by this action, this decision is part of the regularly scheduled review process the United States employs to ensure adequate relief to American companies and industries impacted by unfair trade practices.

New Rule for Cooking Appliances

The Department of Energy issued a final rule that adopts **new energy conservation standards** for consumer conventional cooking products. The rule, which goes into effect on Jan. 31, 2028, will require modest improvements in a small portion of models that are projected to save Americans roughly $1.6 billion on their utility bills over 30 years. DOE projects approximately 97% of gas stove models and 77% of smooth electric stove models on the market already meet these standards.

IBS 2024 Attracts Largest Attendance in 15 Years

More than 76,000 builders, remodelers, developers and other home building professionals filled the exhibit halls of the Las Vegas Convention Center as NAHB hosted the **80th International Builders' Show® (IBS)**, the largest annual light construction show in the world, Feb. 27-29. This milestone attendance represents more than 100 countries and the highest level since 2009.

Attendees visited more than 1,800 exhibitors over 678,000 net square feet.

Rates, Inflation, Workforce Are Top Builder Challenges

High interest rates were a significant issue for 90% of builders in 2023, and 77% expect them to be a problem in 2024, according to the **January 2024 survey for the NAHB/Wells Fargo Housing Market Index (HMI)**. The second most widespread problem in 2023 was rising inflation, cited by 83% of builders, with 52% expecting it to be a problem in 2024.

Concerns over the cost and availability of labor have increased significantly in recent years, rising from only 13% of builders in 2011 to its peak at 87% in 2019. Roughly 75% expect the cost and availability of labor to remain a significant issue in 2024.

Nation's Home Builders Elect Leadership for 2024

NAHB Members elected four senior officers to **top leadership positions** within the federation at the conclusion of the International Builders' Show in Las Vegas.

Taking the helm as NAHB's Chairman of the Board is Carl Harris, a Wichita, Kan. small-volume spec and custom home builder with more than 40 years of experience in the home building, remodeling and light commercial construction industry.

Also moving up on the association's leadership ladder was Buddy Hughes, a Lexington, N.C. home builder and developer, with his election to First Vice Chairman. Bill Owens, a Worthington, Ohio, remodeler and home builder, was elected as Second Vice Chairman. Bob Peterson, a Fort Collins, Colo. remodeler and home builder, joined the NAHB leadership ladder with his election as Third Vice Chairman. 2023 NAHB Chairman Alicia Huey, a Birmingham-Ala. custom home builder, remains on the leadership ladder as the 2024 Immediate Past Chairman. Rounding out the association's leadership is NAHB President and Chief Executive Officer Jim Tobin, from Washington, D.C.



Carl Harris

Reviving Skills Training in Schools

NAHB members fondly remember shop class or their vocational education, which in recent years has evolved into Career and Technical Education (CTE). CTE encompasses various in-demand careers for the 21st century, including the building trades. A lack of skilled workers is a persistent challenge for the residential construction industry. **NAHB's national partnership** with the Association for Career and Technical Education (ACTE) will help address the pressing need for qualified professionals.

ACTE is the nation's largest not-for-profit association committed to the advancement of education that prepares youth and adults for successful careers.

NAHB Celebrates 'The Nationals'

NAHB honored outstanding residential real estate sales, marketing and design, individual achievement and global excellence at the National Sales and Marketing Awards gala (known as "The Nationals"). **The Nationals**, sponsored by Wells Fargo Home Mortgage, were presented during the NAHB International Builders' Show in Las Vegas. Awards were also presented for the Best of 55+ Housing Industry Awards, NAHB Honors and Global Innovation Awards. Among the top award winners were NAHB Custom Home Builder of the Year, Sean Sullivan of Living Stone Design + Build, Asheville, N.C., and NAHB Remodeler of the Year, Elliott Pike of ELM Construction, LLC, Vestavia, Ala.

Colorado Housing Facility Is 500,000th Home Certified to NGBS

Bluebird, a permanent supportive housing facility in Boulder, Colo., recently became the 500,000th home certified to the National Green Building Standard. Bluebird is a housing tax credit project providing permanent supportive housing to those experiencing homelessness.

The NGBS Green program, administered by Home Innovation Research Labs, is a comprehensive and rigorous certification that recognizes homes for their commitment to sustainability. Achieving this milestone highlights the growing commitment of home owners, builders and communities across the nation to create more sustainable and resilient living spaces.

"We are thrilled to reach the monumental achievement of certifying the 500,000th green home in the NGBS Green program," said Michelle Foster, Vice President of Sustainability at Home Innovation Research Labs. "This accomplishment underscores the industry's commitment to the design and construction of sustainable buildings that have a smaller impact on the planet and a big impact on the resident's lives. Bluebird also showcases the positive impact that sustainable housing can have on our communities."





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