Southern Arizona Home Builders Association

NAHBNews

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NAHB National Association of Home Builders

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Lack of Resales Boost New Home Sales in September

A lack of inventory in the resale market helped new home sales post a double-digit percentage gain in September, even as mortgage rates remained at a 23-year high.



Sales of newly built, single-family homes in September increased 12.3% to a 759,000 seasonally adjusted annual rate, according to recently released data by HUD and the U.S. Census Bureau. The pace of new home sales in September was up 33.9% from a year ago.

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 September reading of 759,000 units is the number of homes that would sell if this pace continued for the next 12 months.

New single-family home inventory in September was 435,000, down 5.4% compared to a year ago. This represents a 6.9 months' supply at the current building pace. A measure near a 6 months' supply is considered balanced. Completed, ready to occupy inventory is up 39.6% from a year ago, however that inventory type remains just 17% of total new home inventory.

The median new home sale price in September was $418,800, down 3.3% from last month, and down 12.3% compared to a year ago. Pricing is down due to builder incentive use and a shift toward building slightly smaller homes.

Regionally, on a year-to-date basis, new home sales are up in all four regions: up 12.8% in the Northeast, 0.5% in the Midwest, 5.4% in the South and 2.5% in the West.

Bank Regulators Update CRA

Federal banking agencies recently issued a final rule to strengthen and modernize the regulations implementing the Community Reinvestment Act (CRA). The CRA encourages federally insured banks to help meet the credit needs of the communities in which they do business, especially low- and moderate-income communities.

The final rule contains provisions that NAHB requested in public comments that will help bank examiners evaluate a bank's community development investments in affordable housing.

TSCA Rule Could Affect Builders

The EPA published a notice in the Federal Register on Oct. 11 that requires manufacturers, including importers, to report to EPA regarding per- and polyfluoroalkyl substances (PFAS) uses, production volumes, byproducts, disposal, exposures and existing information on environmental health effects if they manufacture or import these substances. Builders, developers, trades and retailers could be **subject to recordkeeping requirements** for PFAS under the rule.

DOE Recognizes NAHB Members

The Department of Energy's Housing Innovation Awards recognize builders for their commitment to building high-performance, energy efficient homes.

Several NAHB members were recognized among these top builders as part of the Energy and Environmental Building Alliance (EEBA) High Performance Home Summit, which took place recently in Salt Lake City. **Check out the list** of the NAHB members that received the award.

Five Great Reasons To Attend Builders' Show

The International Builders' Show (IBS) is the largest residential construction trade show of the year. IBS is an extraordinarily valuable experience for young professionals. Here are five great reasons to attend:

1. Learning Opportunities
2. Networking
3. Innovative New Products
4. Inspiration
5. Look at the Industry's Future

IBS will take place in Las Vegas from Feb. 27-29. Learn more and register at **BuildersShow.com**.

NAHB, NYSBA Join Lawsuit Against New York Gas Ban

NAHB and the New York State Builders Association (NYSBA) have **joined a coalition** challenging a New York law that prohibits fossil fuels in new buildings of seven stories or lower – except for large commercial and industrial buildings – by Dec. 21, 2025. All other new buildings would be subject to the ban by Dec. 31, 2028.

The lawsuit, Mulhern Gas Co. v. Rodriguez, claims that the gas ban violates the Energy Policy and Conservation Act (EPCA), which restricts states or localities from regulating the energy use of certain appliances.

Study Looks at Characteristics of America's Home Buyers



A new study of the 2021 American Housing Survey (AHS) by NAHB Economics focuses on two groups of home buyers: Those who bought a brand-new home (new home buyers) and those who purchased a home for the first time (first-time home buyers).

Roughly 10.2 million households bought and moved to a new home in the two years leading up the 2021 survey.

In the 2021 AHS, the median household income for all recent home buyers was $97,700. Median household income among all home buyers grew 13% from $60,000 in 2001 to $68,000 in 2007 and then fell 4% $64,998 in 2011. After the Great Recession, household income accelerated, jumping by about 50% from $64,998 in 2011 to $97,700 in 2021. Not surprisingly, new home buyers consistently show higher median income than first-time home buyers ($112,100 vs $90,000 in 2021).

According to the 2021 AHS, the median age of all home buyers was 41. The median age of first-time buyers was 33 and the median age of new home buyers was 45.

Mortgage Rates Hammer Builders

Stubbornly high mortgage rates that have climbed to a 23-year high and have remained above 7% for the past two months continue to take a heavy toll on builder confidence, as sentiment levels have dropped to the lowest point since January 2023.

Builder confidence in the market for newly built single-family homes in October fell four points to 40 from a downwardly revised September reading, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released recently. This is the third consecutive monthly drop in builder confidence.

Remodeler Sentiment Softens

The **NAHB/Westlake Royal Remodeling Market Index (RMI)** posted a reading of 65 for the third quarter, down three points compared to the previous quarter. The Current Conditions Index averaged 72, down five points from the previous quarter. The Future Indicators Index fell three points to 57. Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor.

"While there is still demand for remodeling, we are seeing some customers pull back a bit, especially for larger projects, due to higher prices and increased interest rates," said NAHB Remodelers Chair Alan Archuleta, a remodeler from Morristown, N.J.

Cybersecurity Growing Concern for Construction Industry

Data breaches are taking an increasing toll on U.S. businesses, and construction firms – especially general contractors – are becoming a more popular target for cyber criminals.

The FBI's Internet Crime Complaint Center reported that in 2022 it received more than 800,000 complaints of cyber crimes with losses of around $10.3 billion, up sharply from $6.9 billion in 2021. Phishing was the most common type of complaint received with more than 300,000 reported while business email impersonation scams cost companies more than $2.7 billion last year.

A recent survey revealed that 59% of architecture, engineering and construction firms have experienced a cybersecurity threat in the past two years, including 70% of general contractors. Contractors are not seen as the ultimate target of cyber criminals, however. Most attacks are targeting client data.



Home builders are beginning to see this practice firsthand, as a string of recent data breaches has hit the industry.

For more on how home builders can protect their businesses' and clients' data, visit the **Data Privacy and Cybersecurity** page on nahb.org.



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