

Southern Arizona Home Builders Association

NAHBNews



April 2025

February Housing Starts Solid Despite Rising Costs

Limited existing inventory helped single-family starts to post a solid gain in February, but builders are still grappling with elevated construction costs stemming from tariff issues and persistent shortages related to buildable lots and labor.



On a regional and year-to-date basis, combined single-family and multifamily starts were 4.7% lower in the Northeast, 21.5% lower in the Midwest, 8.3% lower in the South and 20.2% higher in the West.

Overall permits decreased 1.2% to a 1.46-million-unit

Overall housing starts increased 11.2% in February to a seasonally adjusted annual rate of 1.50 million units, according to a report from HUD and the Census Bureau.

The February reading of 1.50 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts increased 11.4% to a 1.11 million seasonally adjusted annual rate, the highest pace since February 2024. The multifamily sector, which includes apartment buildings and condos, increased 10.7% to an annualized 393,000 pace.

annualized rate in February and were down 6.8% compared to February 2024.

Single-family permits decreased 0.2% to a 992,000-unit rate and were down 3.4% compared to the previous year. Multifamily permits decreased 3.1% to a 464,000 pace.

The number of single-family homes under construction in February was down 6.7% from a year ago, at 640,000 homes. In February, the count of apartments under construction increased 0.3% to an annualized 772,000 pace. It marks the first gain after 18 months of consecutive declines. But it was down 20% from a year ago.

EPA to Seek New WOTUS Rule

In a move strongly supported by NAHB, EPA Administrator Lee Zeldin has announced that the EPA will work with the U.S. Army Corps of Engineers to solicit public input and [craft a new regulation](#) for the waters of the U.S. (WOTUS) rule that reduces red tape, cuts overall permitting costs and lowers the cost of business in communities across the country while protecting the nation's navigable waters from pollution.

EPA will also undertake a rulemaking process to revise the 2023 definition of WOTUS.

NAHB Warns Congress on SALT

As Congress considers extending the 2017 Tax Cuts and Jobs Act (TCJA), an area of emerging concern is a proposal to cap or eliminate the ability of a business [to deduct state and local tax \(SALT\) payments](#) – including property tax payments – from its federal taxes.

NAHB recently joined 17 real estate groups in sending a letter to Congress warning that pursuing this strategy would significantly harm the real estate industry, reduce investment and lower property values.

HUD Delays Rule on 2021 IECC

In a win for NAHB and the housing industry, the Trump administration has announced a [six-month delay](#) before the Department of Housing and Urban Development (HUD) begins enforcing the compliance dates for adopting the 2021 International Energy Conservation Code (IECC) and ASHRAE 90.1-2019 as the minimum energy-efficiency standards for certain single-family and multifamily housing programs.

Watch Video Highlights From 2025 IBS Meetings

NAHB members who were unable to join us in Las Vegas this February for the leadership meetings at the 2025 IBS [can watch the highlights](#) on [nahb.org](#), including: NAHB Chief Economist Dr. Robert Dietz provides a post-election economic outlook and Department of Housing and Urban Development (HUD) Secretary Scott Turner addresses the Leadership Council and vows to work with builders to cut regulations and boost housing supply.

60% of U.S. Households Can't Afford \$300K Home

NAHB has updated its [housing affordability graph](#) for 2025, and the latest data show that 76.4 million households — 57% out of a total of 134.3 million — are unable to afford a \$300,000 home.

The graph is based on conventional underwriting standards that assume the cost of a mortgage, property taxes and property insurance should not exceed 28% of household income. For example, the minimum income required to purchase a \$200,000 home with a mortgage rate of 6.5% is \$61,487. At the base of the graph are 52.87 million U.S. households with insufficient incomes (below \$61,487) to be able to afford a \$200,000 home.

A Look at the 2024 Best in American Living Awards

Projects and professionals in all sectors of the residential housing industry – including single-family production, multifamily development, remodeling and offsite construction – were honored at the 2024 [Best in American Living™ Awards](#) (BALA)

ceremony during the 2025 International Builders' Show. The awards are sponsored by SMEG. The winners include:

Home of the Year

Midtown Modern Tudor, Memphis, Tenn.

Best Single-Family Community

Galt Commons Garden Hamlet, Kennesaw, Ga.



HOY: Midtown Modern Tudor

Best Multifamily

Built-for-Sale/Condominium

New Talley Station, Decatur, Ga.

Best Entire Home Remodel Over \$750,000

Winterthur, Sandy Springs, Ga.

Best in Log Homes

The Colantonio Residence, Haliburton, Ontario

Remodeler of the Year

Mike Pressgrove, Topeka, Kan.

Best Multifamily Development Firm

Mill Creek Residential, Boca Raton, Fla.

Tariff Worries Weigh on Markets

The uncertain timing and scale of tariffs, combined with the last legs of the fight against inflation, have rattled financial markets. Equity markets are in correction territory as investors react to a flurry of public finance proposals, including the largest proposed tariff hikes since World War II. A special question for the March Housing Market Index revealed that builders estimate the recent tariff actions will have an average cost impact of \$9,200 per home.

At the same time, efforts to extend the 2017 tax cuts are well underway, and the administration has made moves to reform burdensome regulatory rules. Read [a full summary](#) from NAHB Chief Economist Robert Dietz.

NGBS Reaches Major Milestone

The Home Innovation Research Labs closed out 2024 by certifying its [600,000th green home](#) in the National Green Building Standard (NGBS) program. It was also the first year over 100,000 homes were certified in a year. NGBS provides home builders with a national standard to define and measure sustainable multifamily and single-family homes, developments and remodeling projects. It is administered by the Home Innovation Research Lab and gives consumers a level of confidence they are purchasing an independently verified green home. The 600,000th certified home was a renovation of a single-family residence in Baton Rouge, La, completed by Consilium Holdings.

Highlighting Winning Teams from Student Competition

Students from 76 schools participated in the [NAHB Student Competition](#) in February during the Builders' Show (IBS). The winners were announced during NAHB's Student Chapters Awards Ceremony at IBS on Feb. 28.



Associate Programs - Construction Management

First Place: Kirkwood Community College (IA)

Second Place: College of Southern Idaho

Third Place: North Dakota State College of Science

Four-Year College (Production Homes)

First Place: Texas A&M University

Second Place: Michigan State University

Third Place: University of Denver (Graduate)

Four-Year College (Custom/Small Build)

First Place: University of Denver

Second Place: Louisiana State University

Third Place: Purdue University (Team Black)

Secondary School Programs - Architecture

First Place: York County School of Technology (PA)

Secondary School Programs - Construction Management

First Place: Bartow High School (FL)

Second Place: Baldwin Preparatory Academy (AL)

Third Place: Green Mountain High School (CO)



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