

North Central News

The Newsletter of the North Central WV Home Builders Association



August 2020

New Home Sales Reach Highest Level Since Great Recession

Sales of newly built, single-family homes rose to their highest level since the Great Recession, up 13.8% to a seasonally adjusted annual rate of 776,000 units in June, according to recently released data from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The June rate is 6.9% higher than the June 2019 pace.

Inventory fell to a 4.7 months' supply, with 307,000 new single-family homes for sale, 7% lower than June 2019. The current months' supply is the lowest since 2016. Of the inventory total, just 69,000 are completed, ready to occupy. The median sales price was \$329,200. The median price of a new home sale a year earlier was \$311,800.

Regionally, year-to-date, [new home sales](#) were up in all four regions: 22% in the Northeast, 12.6% in the Midwest, 0.2% in the South, and 3.1% in the West.



Builders are dealing with a number of supply-side concerns such as rising material costs, particularly lumber, which recently surpassed its 2018 price peak. But low inventory levels point to construction gains ahead.

Residential construction remains one of the bright spots amid the current coronavirus-caused downturn. Economic indicators suggest housing is poised to lead the nation's economy back to full strength when the current crisis resolves.

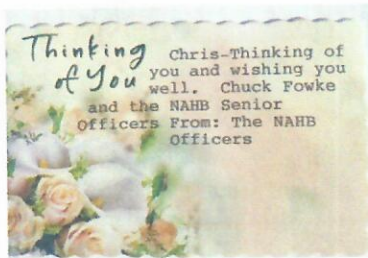
Lumber Prices Hit Two-Year High

The Random Lengths Framing Composite Price hit \$523 per 1,000 board feet for the week ending July 10, the first time prices have topped \$500 since July 2018. [Lumber prices](#) have risen 50% since April 17, 2020.

Several factors are driving rising prices. Some mills closed in the spring due to stay-at-home and social distancing measures. Mills that remained open vastly underestimated demand. Producers did not anticipate the massive uptick in demand from do-it-yourselfers during the pandemic. And housing weathered the storm much better than most anticipated.

Local member gets thoughtful surprise

Christine Pauley, local builder member, received a recent surprise from NAHB Chairman Chuck Fowke and the NAHB Senior Officers:



Christine is the wife of HBAWV State President, Kent Pauley.

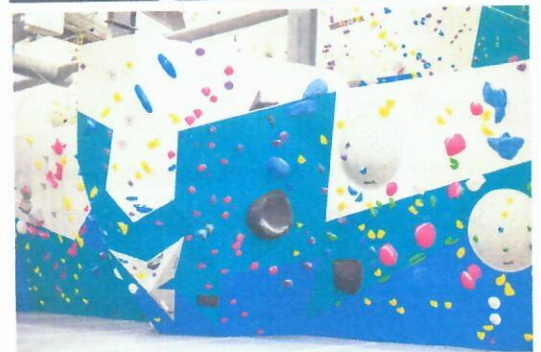
HUD Terminates Fair Housing Rule

HUD Secretary Ben Carson recently announced that his agency will terminate the Obama-era Affirmatively Furthering [Fair Housing \(AFFH\) regulation](#) issued in 2015, calling the rule "unworkable."

The Preserving Community and Neighborhood Choice final rule replaces the 2015 AFFH regulation and 1994 Analysis of Impediments (AI) requirements. NAHB is reviewing the final rule.

Local Builder 'Adds Addition'

"As a builder, this kind of project only comes along once or twice. As owner of Rising Sun Construction, we are proud to have taken the lead to construct this ambitious project. Even more special, is to have built a structure and a new business that you are part owner in. Myself and my business partner John Burkhart own and operate Gritstone Climbing and Fitness, LLC in Morgantown, WV. This was a unique project because of the special interior, the height and exterior design of the steel layout presented many challenges for construction and engineering. There was a lot we had to figure out along the way. Thankfully, we had a great team." -Mr. Chris Bailey



Subcontractors Largest Share of NAHB's Associate Membership

NAHB's 80,000 **Associate members** account for roughly two-thirds (68%) of total membership.

The largest share of Associate members – 43% – are subcontractors or specialty trade contractors, according to the 2019 annual member census conducted by NAHB's economics department.

Roughly 13% of Associate members work in professional specialties such as legal services, accounting, and engineering. About 11% work in retail dealerships. Another 8% are employed in various financial services, including banking,

title companies and insurance, and 4% work in wholesale dealerships or distributorships. Roughly 20% listed "other associate" as their primary activity.

The median annual company revenue among Associate members was \$2.2 million in 2019, down from a median of \$2.5 million in 2018. A quarter of Associates (25%) reported annual revenues under \$500,000. The largest group (32%) reported incomes of \$1 million to \$4.99 million.

The median age of Associates was 56. More than half of Associate members (53%) have earned a bachelor's degree or higher.

A New Look at Design Standards

Local governments use design regulations to ensure the health, safety and welfare of residents. But excessive regulations that price lower- and moderate-income families out of the market should not be prioritized over the need to address the housing affordability problem.

Examples of highly prescriptive **design standards** include prohibiting the use of exterior materials such as vinyl siding, mandating minimum roof pitch, and dictating the amount of surface area that must be dedicated to windows.

A new document from NAHB, "Residential Design Standards: How Stringent Regulations Restrict Affordability and Choice," explains how these standards harm low- and moderate-income families, and suggests policy alternatives.

NCWVHBA Membership Report

Our renewing members are the backbone of our Association... It is for that reason we would like to thank the following members for renewing:

Kent Snider, Morgantown Elect Contracting
Charles Preusch, Reliable Roofing Co.
Randy Shaffer, Impressive Homes, LLC
Michael Bennett, Lowes of Clarksburg
Rock Manchin, WCO Flooring America
Edna Swiger, West Union Bank
Aaron Dickerson, ALD Enterprises, LLC
Patrick Edwardson, Basement Systems of WV
Michael Callen, CDC Development Corp
Pat Cunningham, Central Supply Company
Nancy Spiker, Clear Mountain Bank
Rod Smith, Smith Econo Homes
Jimmy Barill, American Building Products

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Alt. National Director

Steve Spiker

National Director

Kent Pauley

Alt. National Director

Christine Pauley

ncwvhba.org

Calendar of Events

August 3-7 2020 is

Building Systems Week!!

2-3 Oct 2020: State Fall Board
Meeting, Marietta, OH

**Please update your address book:
Effective 1 August 2020, the new
mailing address for NCWVHBA:**

**392 Industrial Avenue
Morgantown, WV
26505**

Save with NAHB Member Discounts
www.nahb.org/ma

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