

North Central News

The Newsletter of the North Central WV Home Builders Association



October 2022

Builder Confidence Falls for Ninth Straight Month

In another sign that the slowdown in the housing market continues, builder sentiment fell for the ninth straight month in September as the combination of elevated interest rates, persistent supply chain disruptions and high home prices continue to take a toll on affordability.

Builder confidence in the market for newly built single-family homes fell three points in September to 46, the lowest level since May 2014 with the exception of the spring of 2020, according to the NAHB/Wells Fargo Housing Market Index (HMI). The HMI is projecting ongoing decline for the volume of single-family housing starts.

In another indicator of a weakening market, 24% of builders reported reducing home prices, up from 19% last month. Due to tightening monetary policy, mortgage rates increased above 6% last week, the highest level since 2008, which is pricing buyers out of the market. More than half of the builders in our survey reported using incentives



to bolster sales, including mortgage rate buydowns, free amenities and price reductions.

Derived from a monthly

survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as “good,” “fair” or “poor.” The survey also asks builders to rate traffic of prospective buyers as “high to very high,” “average” or “low to very low.” Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

NAHB Urges Action on Supply Chain

NAHB CEO Jerry Howard participated recently in a White House meeting on actions to address housing supply and affordability challenges across the country. The Sept. 21 meeting featured a diverse group of affordable housing leaders, including National Economic Council Director Brian Deese and HUD Secretary Marcia Fudge.

Howard [urged the administration](#) to take steps to ease building material supply chain disruptions that are causing housing construction delays and higher home building costs.

Codes Victory over Nuisance Tripping

A coalition of HVAC manufacturers and home builders has won an appeal to remove certain requirements in the 2020 National Electric Code (NEC) that were causing [air conditioner units to trip](#) due to an incompatibility of equipment.

The ground-fault circuit interrupter (GFCI) mandate in the 2020 NEC will be halted until Sept. 1, 2026, to give manufacturers time to engineer a solution.

More Women Joining Construction Workforce

Women make up 11% of the construction workforce, the highest share on record, according to the most recent data from the 2021 Current Population Survey. [Job gains by women](#) have been outpacing overall job gains in construction in recent years. As a result, the share of women in construction increased from 9.1% to 11% from 2017 to 2021.

As the home building industry faces an ongoing shortage of skilled labor, NAHB has made it a priority to bring women into the workforce.

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:

Gary Maust, [Empire 2000, LLC](#)

Kent Snider, [Morgantown Electrical Contracting, LLC](#)

John West & Tom Board, [O.C. Cluss Lumber Co.](#)

Rod Smith, [Smith Econo Homes](#)

Alexander Barone, [United Security Agency](#)

Joe Hall, [J&J Contracting](#)

Jeffrey Zinn, [Gerald C Zinn & Son, Inc.](#)

James Chaplin, [Chaplin Construction, Inc.](#)

Andy Cook, [First Greene Mortgage](#)

Ron Gnegy, [Rigidply Rafters](#)

Anthony Deal, [Insurance Centers, Inc.](#)

Michael Mazelon, [Royal Glass, LLC](#)

Mike Walton, [ABC Supply Co.](#)

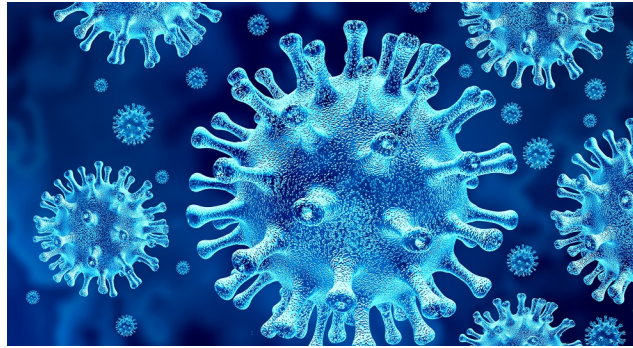
Aaron Dickerson, [Kitchens and Baths by Design](#)

Bill George, [Veritas Contracting, LLC](#)

Lisa Novak, [First Exchange Bank](#)

Report Considers Social Effects of Work from Home

During the COVID-19 outbreak in the early months of 2020, many businesses across the United States closed and millions of workers experienced the work from home trend out of



necessity. This sudden and massive work from home experiment generated major lifestyle changes for workers, homeowners, business owners, and our communities.

A new NBER working paper, “Working from Home Around the World,” provides some insight into the big shift to working from Home (WFH) and discusses implications for

workers, organizations, cities, and the pace of innovation. [The study surveyed](#) full-time workers who had finished primary school in 27 countries as of mid-2021 and early

2022 and found several explanations of how and why the pandemic catalyzed the big shift to WFH. The pandemic has driven a mass, compulsory social experiment in WFH, which generated a tremendous flow of new information and greatly altered perceptions about the feasibility and productivity of WFH.

Multifamily Permits Surge

High mortgage rates and building production bottlenecks continue to act as a drag on the single-family housing market even as overall housing starts posted a double-digit gain in August due to a [surge in multifamily production](#). Overall housing starts increased 12.2% to a seasonally adjusted annual rate of 1.58 million units in August from a downwardly revised July reading, according to a report from HUD and the U.S. Census Bureau.

On a regional and year-to-date basis, combined single-family and multifamily starts are 4.6% higher in the Northeast, 2.4% lower in the Midwest, 5.6% higher in the South and 1.5% lower in the West.

Fed Rate Hikes Slow Housing

Continuing its tightening of financial conditions to bring the rate of inflation lower, the Federal Reserve’s monetary policy committee raised the federal funds target rate by 75 basis points, increasing that target to an upper bound of 3.25%. This marks the third consecutive meeting with an increase of 75 basis points.

While committing to an increasingly hawkish policy path that will slow demand and reduce inflation, [the Fed also noted](#) that the economy is only growing at a “modest” pace. Among the clear signs of economic slowing are just about every housing indicator, including nine straight months of declines for home builder sentiment.

Leadership List

President
Chris Bailey

1st Vice-President
William Burdett

2nd Vice-President
Ken Downey

Associate Vice-President
Tom Board

Secretary
Terri Boone

Treasurer
Lisa Novak

State Area Vice-President
William Burdett

National Delegate
Kent Pauley

Alt. National Delegate
Chris Bailey

ncwvhba.org

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Calendar of Events

6 Oct 22, Board of Director's Mtg
Location: Morgantown

7-8 Oct, **Southern WV HBA Home show**

Location: Beckley, WV

13-15 Oct, **HBAWV Convention**

Location: Parkersburg, WV

20 Oct 22, General Membership Meeting

Location: **Phoenix Public House**, Morgantown

****SAVE THE DATE:**

17 Nov 22, Annual Meeting of Membership & Elections

3 Dec 22, Annual Christmas Party

Location: **The "O" by Oliverios**, Bridgeport

Entertainment: **George Dorne Band**

Christmas Toy Fund:

Walmart Registry for Good

Members Save Millions

Start saving at nahb.org/savings

NAHB.

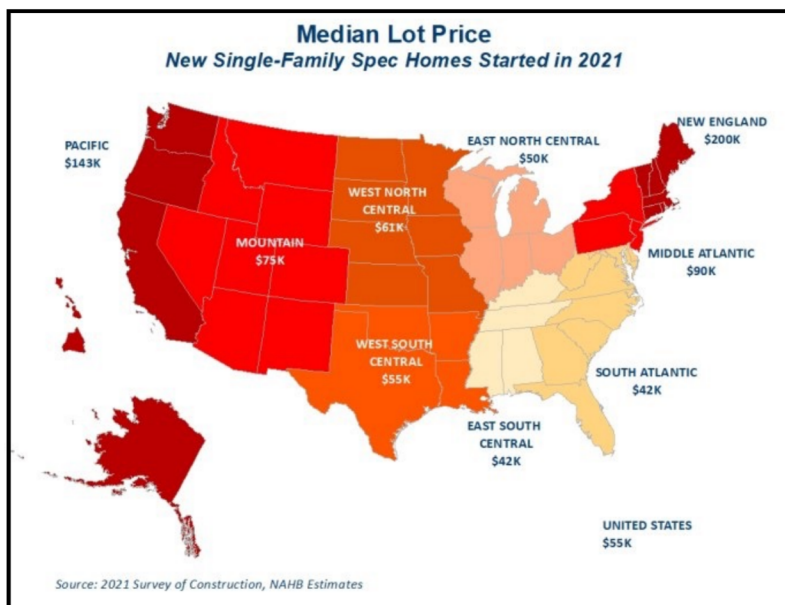
Single-Family Lot Values Reach Record Highs

Lot values for single-family detached housing starts in 2021 increased across the nation, with the national value and six out of nine Census division values setting new records. The U.S.

median lot price

now stands at \$55,000, according to NAHB's analysis of the Census Bureau's Survey of Construction (SOC) data.

In the New England and Pacific divisions, lot



values surged 67% and 39%, respectively, and reached new historic highs, even after adjustments for inflation. As a result, half of single-family detached (SFD) homes started in New England were built on lots

valued at or more than \$200,000.

In the Pacific division, which has the smallest lots, median lot value reached \$143,000 in 2021, the second most expensive value in the nation. As a result, Pacific division lots stand out for being the most expensive in the nation in terms of per acre costs.

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Our home loan experts will customize a solution to fit your mortgage needs. Please call anytime to discuss our home lending options.

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