

North Central News

The Newsletter of the North Central WV Home Builders Association



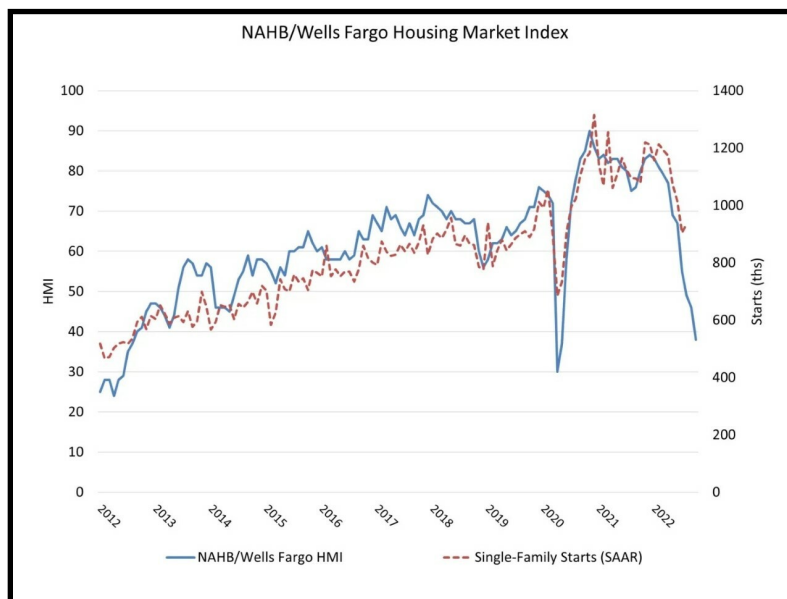
November 2022

Builder Confidence Declines for 10th Straight Month

In a further signal that rising interest rates and building material bottlenecks are weakening the housing market, builder sentiment fell for the 10th straight month in October and traffic of prospective buyers fell to its lowest level since 2012

(excluding the two-month period in the spring of 2020 at the beginning of the pandemic).

Builder confidence in the market for newly built single-family homes dropped eight points in October to 38—half the level it was just six months ago—according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today. This is the lowest



confidence reading since August 2012, with the exception of the onset of the pandemic in the spring of 2020.

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.

New Independent Contractor Rule

On Oct. 13, the U.S. Department of Labor (DOL) issued a [proposed rule](#) that will change the way DOL determines whether workers should be classified as employees or as independent contractors under the Fair Labor Standards Act (FLSA). If finalized, the proposal will replace the current standard, one that NAHB supports because it gives regulated employers and small businesses, including home builders and specialty trade contractors, a clearer and simpler federal test for determining worker status.

Materials Prices See Slight Decline

Led by a decline in softwood lumber and steel mill prices, overall building material prices fell in September with the notable exception of ready-mix concrete, which continues to grow at a rapid clip. And while gypsum prices edged lower last month, they are up more than 20% over the past year.

In tandem with a slowing housing market and economy, the [prices of building materials](#) decreased 0.3% in September (not seasonally adjusted) according to the latest Producer Price Index (PPI) report.

Christmas Toy Fund:

[Walmart Registry for Good](#)

Find us on 

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:

Jimmy Barill, [American Building Products](#)

Michael Callen, [CDC Development Corp.](#)

Pat Cunningham, [Central Supply Co.](#)

Kenneth Cook, [Cook Brothers Construction](#)

Thomas Luckini, [Luckini Construction](#)

John Keener, [Mountaineer Inspection Services](#)

William Burdett, [Parker Rose Custom Homes](#)

Pete Davis, [Pete Davis, Inc](#)

Jennifer Shelford, [The Countertop Store by Vangura](#)

Steve Spiker, [Veritas Contracting, LLC](#)

Donna Martino, [WV Housing Development Fund](#)

[WELCOME](#) to our newest member(s):

Leland Tennant, [6G Solutions, LLC](#)

Builder Businesses Grew Significantly in 2021

The business of the typical NAHB builder grew significantly between 2020 and 2021, according to results from NAHB's latest member census. The [2021 NAHB census](#) shows that the median gross revenue of an NAHB builder in 2021 was an all-time high of \$3.3 million, up 26.9% from the previous year.



NAHB reinstated its member census during the industry-wide downturn of 2008, when median annual revenue of builder members was only around \$1 million. Although their median revenue has increased recently, most NAHB builders remain relatively small

businesses by conventional standards. According to the 2021 NAHB census: **14%** of NAHB's builder members reported a dollar volume of less than \$500,000, **13%** reported between \$500,000 and \$999,999, **38%** reported between \$1 million and \$4.9 million, **15%** reported between

\$5 million and \$9.9 million, **6%** reported between \$10 million and \$14.9 million, and **13%** reported \$15 million or more. In comparison, the Small Business Administration's size standards classify most types of construction businesses as small if they have average annual receipts of less than \$39.5 million.

Parents Like Skills Training

The Madison Area Builders Association worked with the Boys & Girls Clubs of Dane County to provide a summer program full of engaging skilled trades activities for local students. Nearly 100 elementary, middle and high school students participated in job site tours, building projects and hands-on activities.

Parents also expressed enthusiasm for the well-rounded program. Many parents told the BGC that they want their child to participate in skilled trades activities next summer.

To learn more about NAHB's partnership with the Boys & Girls Clubs, visit the [partnership page on nahb.org](#).

Remodeling Index Sees Decline

The National Association of Home Builders (NAHB) released its [NAHB/Westlake Royal Remodeling Market Index \(RMI\)](#) for the third quarter, posting a reading of 77, declining 10 points compared to the third quarter of 2021.

An index number above 50 indicates that a higher share of remodelers view conditions as good than poor.

Twenty-three percent of remodelers said the market had gotten worse in the third quarter of 2022, compared to only 10% who said it had gotten better.

After a decline in 2022, NAHB expects a small increase in remodeling activity in 2023.

Leadership List

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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

3 Nov 22, Board of Director's Mtg
Location: Morgantown

17 Nov 22, Annual Meeting of
Membership & Elections
Location: Oliverio's, Bridgeport

1 Dec 22, Board of Director's Mtg
Location: Morgantown

3 Dec 22, Annual Christmas Party
Location: **The "O" by Oliverios**,
Bridgeport
Entertainment: **George Dorne
Band**

5 Dec 22, Toy Shopping
Location: Clarksburg Walmart

****SAVE THE DATE:**
**10-12 March 2023 Morgantown
Home Show**

Members Save Millions

Start saving at nahb.org/savings

NAHB.

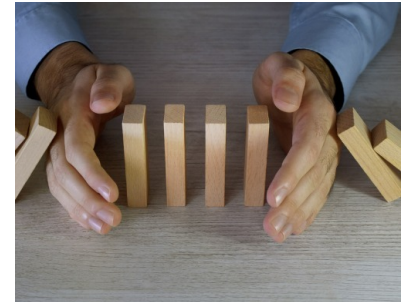
Strategies to Recession-Proof Your Business

As many builders learned during the previous downturn, weathering a recession often requires embracing lean business processes. But finding ways to deliver value on essential services while eliminating waste is easier said than done.

NAHB members Robert Carroll, owner of Carroll Construction, and Jake Harris, CEO of BuildWallet, shared some lean-business strategies during [a recent presentation](#) as part of NAHB's Young Professionals Week. The webinar covered a wide range of strategies businesses can use during uncertain financial times.

"Recessions are pivotal times to focus on business fundamentals, particularly during these periods of high inflation and rising interest rates," Carroll said. "Businesses that

are prepared will have the best chance of succeeding and maximizing opportunities to grow."



One of the methods discussed during the presentation focused on member-to-member collaboration.

"What I love about the NAHB Federation is the collective knowledge that is shared among the membership," Harris said. "This is a community full of proven, talented professionals who can offer real-world solutions. The members who take advantage of that can drive real value for their businesses."



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



Drew Harding NMLS #2070516
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Morgantown, WV 26501
dharding@summitfgi.com

Contact Drew today!
304-581-6500

*Credit is Subject to Credit Approval. Flood and property insurance may be required. The bank will take a security interest in the property purchased or property identified in the loan. Other terms, conditions and restrictions may apply. Contact us to learn more.



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BUSINESS
WITH AN
NAHB
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Members Save Millions
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