

# North Central News

The Newsletter of the North Central WV Home Builders Association



December 2023

## High Mortgage Rates Slow October New Home Sales

Elevated mortgage rates that averaged 7.62% in October, the highest rate since 2000, depressed buyer demand and pushed down [new home sales](#) in October.

Sales of newly built, single-family homes in October fell 5.6% to a 679,000 seasonally adjusted annual rate, following a notable downward revision in September, according to newly released data from HUD and the U.S. Census Bureau. The pace of new home sales in October was up 17.7% 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 October reading of 679,000 units is the number of homes that would sell if this pace continued for the next 12 months.



New single-family home inventory in October increased to the highest level since January, up 8.3% from the previous month, to 439,000. This represents a 7.8 months' supply at the current pace. A measure near a 6 months' supply is

considered balanced. Of total new and existing inventory, newly-built homes made up 30% of all single-family homes available for sale in October, compared to a 12% historical average.

The median new home sale price in October was \$409,300, down 3.1% from September, and down 17.6% compared to a year ago. Roughly 33% of sales were priced between \$300,000 to less than \$400,000, compared to a year ago when just 20% of sales were in that range.

Regionally, on a year-to-date basis, new home sales are up 9.5% in the Northeast, 5.8% in the South and 2.5% in the West, while sales are down 0.3% in the Midwest.

## NAHB Offers Free Videos for HBAs

NAHB has new, customizable videos available to help home builders associations and members become a trusted resource for housing-related information in their community.

NAHB provides a [monthly housing-related video](#) in an easy-to-download format for members and HBAs. The short videos, narrated by NAHB's housing industry avatars, contain information related to home buying, home maintenance, remodeling, trends and green/sustainability. The videos are available for logo and website address customization at no cost.

## FHFA Raises Loan Limits

The Federal Housing Finance Agency (FHFA) recently announced that the maximum baseline [conforming loan limits](#) for mortgages acquired by Fannie Mae and Freddie Mac in 2024 will rise to \$766,550, an increase of \$40,350 from 2023.

Higher loan limits will be in effect in higher-cost areas as well. The new ceiling loan limit in high-cost markets will be \$1,149,825, which is 150% of \$766,550. The previous ceiling was \$1,089,300.

## Businesses Comment on Heat Rule

A panel of small business owners from varied industries, including construction, recently discussed the contours of a potential [heat illness and injury standard](#) from OSHA. The final report on the panels had specific recommendations for OSHA to consider when writing a proposed rule. OSHA convened Small Business Advocacy Review (SBAR) Panels to get feedback from small businesses on the impact a heat safety standard might have on their operations.

## 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**

Kenneth Cook, **Cook Brothers Construction**

Kent Pauley, **Lanta Contractors, Inc**

William Burdett, **Parker Rose Custom Homes**

Ron Martin, **Pest Management Services, Inc**

Kris Lilly, **Preferred Surfaces**

Alexander Barone, **United Security Agency**

Steve Spiker, **Veritas Contracting, LLC**

Donna Martino, **WV Housing Development Fund**

## WELCOME to our newest NCWVHBA Members:

Wyatt Westen, **Preferred Surfaces**

Andrue Csutoros, **TriState Tree Service**

## Multifamily Developer Confidence Weak in Third Quarter

Confidence in the market for new multifamily housing was in negative territory for the third quarter, according to NAHB's [Multifamily Market Survey](#) (MMS) released in November.

The MMS produces two separate indices. The Multifamily Production Index (MPI) had a reading of 38 – well below the break-even point of 50 – for the third quarter while the Multifamily Occupancy Index (MOI) reading was 82.

The MPI measures builder and developer sentiment about current production conditions in the apartment and condo



market on a scale of 0 to 100. The MOI measures the multifamily housing industry perception of occupancies in existing apartments on a scale of 0 to 100.

Both the MPI and the MOI are scaled so that a number below 50 indicates that more respondents report conditions are poor than report conditions are good.

“The relatively weak MPI is consistent with the declining production levels seen in the second half of 2023 and NAHB’s projection that they will be lower still in 2024,” said NAHB Chief Economist Robert Dietz.

## Square Foot Prices Outpace Inflation

Median [square foot prices](#) (excluding improved lot values) for new for-sale single-family detached (SFD) homes started in 2022 increased 18% to \$155, according to NAHB’s analysis of the latest Survey of Construction data. Increases for square foot prices in new custom SFD homes were similarly high, averaging 19% to a national median of \$156 per square foot. Both increases were more than double the U.S. inflation rate of 8% that same year. The rise in median contract prices per square foot undoubtedly reflect fast rising construction and labor costs that pummeled home building in the post-pandemic environment. This analysis excludes the highly variable cost of the developed lot.

## BSC Honors Industry Advocate

Matt Belcher, principal at Verdatek Solutions, has been honored with the S.A. Walters Award. Named after the man who became the first chairman of what is known today as the Building Systems Councils (BSC), the [S.A. Walters Award](#) is the highest honor the councils bestow. The award recognizes a lifetime of achievement in systems-built housing.

Belcher has been actively involved in the St. Louis and eastern Missouri area construction industry for four decades, including serving as a top building codes official. He promotes building practices that yield homes that are safer, healthier, more energy-efficient and more resilient.

## Leadership List

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William Burdett

1st Vice-President

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Nate Martin

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Aaron Dickerson

[www.ncwvhba.org](http://www.ncwvhba.org)

## Calendar of Events

5&6 Jan 24, HBAWV Winter Board Mtg  
Location: Charleston, WV

11 Jan 24, Board of Directors Meeting

18 Jan 24, General Membership Mtg  
Location: Muriale's, Fairmont  
Program: TBD

15-17 March 2024, Morgantown Home Show  
Location: Mylan Park Morgantown

17 May 2024, 2nd Annual Golf Classic  
Location: Green Hills Country Club,  
Fairmont

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Encova new member discount for policies effective **September 1, 2023** through **August 31, 2024** will be **2.6%**.



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## Two HBA EOs Share Tips for Helping Student Chapters

NAHB's student chapter program aims to give high school students across the country early exposure to the home building industry. Two HBA executive officers shared tips and strategies that their HBAs have used to uplift and educate their chapters looking for ways to help their local student chapters.

"The key is the communication between the faculty rep and the staff of the HBA," said Corey Deal, EO for the Greater Atlanta HBA. "Once you have that link, it's easier to connect the builders who want to participate."

Sarah Foster, EO for the HBA of the Upper Peninsula, said whenever her association signs up a new student chapter she asks instructors what supplies are needed.

Her members have sent safety glasses, carpenter pencils, tape measures and, in some cases, even machinery to local high schools.



Aside from donations, Foster said that it is important for home builders, remodelers and other HBA members to have face-to-face visits with the schools in their area.

NAHB's [Student Chapter Toolkit](#) has all the information necessary to start a new student chapter.



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