

North Central News

The Newsletter of the North Central WV Home Builders Association



August 2021

New Home Sales Fall in June Amid Supply Chain Challenges

Sales of newly built, single-family homes fell 6.6% in June to a seasonally adjusted annual rate of 676,000, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The June number follows downward revisions to the May estimate and marks the lowest rate since April 2020. Despite the recent cooling trend, [new home sales](#) are up 13.5% on a year-to-date basis.

Some slowing in June can be attributed to builders issuing fewer sales contacts in order to manage supply-chains amid longer delivery times and higher construction costs.

Inventory ticked up slightly, but remains low at a 6.3-month supply, with 353,000 new single-family homes for sale, 46.5% higher than June 2020. Inventory of homes available for sale, but not begun construction was up 84% year-over-year, a clear sign of supply-side limitations in the building market. In contrast, completed, ready-to-occupy inventory is down 44% year-over-year, to just 36,000 homes.



The median sales price was \$361,800, up 6% from the \$341,100 median sales price posted a year earlier.

Regionally, on a year-to-date basis, new home sales rose in all four regions, up 19.5% in the Northeast, 23.9% in the Midwest, 15.6% in the South and 4.1% in the West. These significant increases are due in part to lower sales volume during the Covid crisis 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.

NAHB Publishes 2021 IECC Residential Code Adoption Kit

NAHB has published a code adoption kit for the 2021 International Energy Conservation Code (IECC). The kit will help jurisdictions make informed decisions as they consider adoption of the new 2021 IECC residential model energy code.

The 2021 ICC family of model building codes was released earlier this year and is now available to jurisdictions for review and adoption. The development of the 2021 IECC was marked by controversy as a result of a disputed online ballot being heavily influenced by block voting from non-code enforcement government officials informed by a single voting guide. In the end, several problematic code changes wound up in the 2021 IECC.

An analysis published by Home Innovation Research Labs clearly establishes that many of these changes are not cost effective for home owners and will negatively impact housing affordability with negligible energy savings benefit.

Many of these changes result in a negative monthly cash flow for the home owner (i.e., the combined total for the mortgage and energy bill is higher), and a negative net present value, a metric sometimes used by economists to evaluate a life-cycle benefit of an investment.

Like other ICC “model” codes, the IECC is designed to be amended by jurisdictions to account for local considerations, such as geography, climate and regional practices. The process for adoption of new building codes varies between jurisdictions based on schedule, governing bodies involved and the degree to which the provisions are amended.

The [NAHB code adoption kit](#) will serve as a resource for HBAs and other stakeholders as they evaluate the 2021 model codes.

Remodeling Industry Confidence Improves Year over Year

The NAHB/Royal Building Products Remodeling Market Index (RMI) for the second quarter posted a reading of 87, up 14 points from the second quarter of 2020. The finding is a signal of residential remodelers’ confidence in their markets for projects of all sizes.

“Remodelers in many parts of the country are experiencing very strong demand for their services,” said NAHB Remodelers Chair Steve Cunningham, CAPS, CGP, a remodeler from Williamsburg, Va. “So far, remodelers have been able to accommodate most customers, but as the backlog of projects in the pipeline grows, there is a tendency for them to take longer to start and complete.”

The [NAHB/Royal Building Products RMI](#) survey asks remodelers to rate five components of the remodeling market as “good,” “fair” or “poor.” Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor.



DEADLINE EXTENSION - 31 Aug 21!

HBAWV proudly announces that there is a new application submission process for this year's Best of West Virginia. ALL applicants will submit through the on-line Judgify Awards Management System - **NO** paper submissions will be accepted.

The link can be accessed on the HBAWV website: www.hbawv.org

***Incentive for NCWVHBA Members:* NCWVHBA will pay for up to your first two submission packets!! That's a \$150 Value to YOU!!

Small Business Norm for Industry

New NAHB research shows that despite declining self-employment rates and the rising top builder market share, residential construction remains the industry of independent entrepreneurs. Close to 80% of home builders and specialty trade contractor firms are self-employed independent contractors.

Even among firms with paid employees, the industry continues to be dominated by **small businesses**, with 63% of home builders and two out of three specialty trade contractors generating less than \$1 million in total business receipts. The new estimates are based on the 2017 Economic Census data.

About 37% of home building companies reporting annual sales in excess of \$1 million.

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:

Richard Crosby, **Wildwood Property Management**

Devon Criss, **Jefferds Corp**

Melanie Thompson, **Huntington National Bank**

Carl Sickles, **Affordable Landscaping Supplies**

Kate Groves, **B&K Direct Floors, Inc**

Gary Maust, **Empire 2000, LLC**

Melissa Matteson, **Samson Glass and Mirror**

Yolanda Sarrage, **The Joyce Agency**

Adelheid Schaupp, **Empire 2000, LLC**

Randy Shaffer, **Impressive Homes, LLC**

Aaron Dickerson, **ALD Enterprises, LLC**

Pat Cunningham, **Central Supply Company**

Rod Smith, **Smith Econo Homes**

Alexander Barone, **United Security Agency**

WELCOME to our newest members:

William Scherfel, **Monster Smash, LLC**

RECRUIT
IN 2021
NAHB Membership

Leadership List

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Chris Bailey

1st Vice-President

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Lisa Novak

State Area Vice-President

William Burdett

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Christine Pauley

National Delegate

Kent Pauley

ncwvhba.org

Calendar of Events

5 Aug 21: Board of Directors Meeting

19 Aug 21: General Membership Meeting, Via Veneto, Bridgeport

2 Sept 21: Board of Directors Meeting

16 Sept 21: General Membership Meeting

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INSURANCE

**NEW DISCOUNT JUST
RELEASED**

New member discount for policies effective **September 1, 2021 through August 31, 2022 will be 7.3%.**

**Christmas Toy Fund:
Walmart Registry for Good**

POC: Terri Boone (304) 599-0880
ncwvhba@gmail.com

Members Save Millions

Start saving at nahb.org/savings

NAHB.