

North Central News

The Newsletter of the North Central WV Home Builders Association



July 2024

Higher Rates Continue to Sideline Home Buyers

Mortgage rates that averaged 7.06% in May per Freddie Mac, the highest monthly average since last November, put a damper on [new home sales](#) in May.

Sales of newly built, single-family homes in May fell 11.3% to a 619,000 seasonally adjusted annual rate from a sharp upwardly revised reading in April, according to newly released data from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The pace of new home sales in May is down 16.5% from a year earlier and is the lowest pace since November 2023.

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 May



reading of 619,000 units is the number of homes that would sell if this pace continued for the next 12 months.

New single-family home inventory in May remained elevated at a level of 481,000, up 12.9% compared to a year earlier. This represents an 9.3

months' supply at the current building pace, which has been supported by the ongoing shortage of resale homes.

Due to declines in new home size and some builder use of incentives, the median new home price fell to \$417,400, down almost 1% from a year ago.

Regionally, on a year-to-date basis, new home sales are up 6.0% in the Northeast, 25.2% in the Midwest and 6.3% in the West. New home sales are down 7.6% in the South.

NAHB Takes Message to Congress

More than 900 business professionals engaged in all facets of residential construction trekked to Capitol Hill recently to call on Congress to ease the chronic headwinds that are fanning the nation's housing affordability crisis and impeding builders from boosting housing production.

In more than [250 individual meetings](#) with their representatives and senators, these housing advocates urged lawmakers to act on three of the key issues outlined in NAHB's [10-point housing plan](#) to promote housing affordability.

Seeking Action on Insurance Rates

NAHB joined a broad coalition of groups representing America's housing providers, lenders and residents [to send policymakers a letter](#) outlining a number of bipartisan policies to address the causes of rising insurance premiums across the nation's housing market. The letter focused in particular on the significant negative impacts such increases have had on all stakeholders, including, but not limited to, single-family, multifamily, and affordable housing developers, lenders, investors, owners and renters.

NAHB Joins Suit on Overtime Rule

NAHB has joined other business groups in a lawsuit challenging recent changes to the Department of Labor's overtime rules. The complaint, filed in the U.S. District Court for the Eastern District of Texas, alleges that the Department of Labor exceeded its statutory authority and acted arbitrarily and capriciously. [NAHB joined the lawsuit](#) to prevent DOL from exempting itself from the notice and comment process, which would establish a dangerous precedent.

Treasury Releases Rules For Energy Tax Credits

The Inflation Reduction Act modified and extended many energy tax incentives used in residential construction, including requiring taxpayers to meet prevailing wage and/or apprenticeship requirements in order to claim the full value of the tax credit. The Treasury Department and Internal Revenue Service (IRS) have now released final regulations on [these labor requirements](#).

The prevailing wage requirements apply to multifamily projects claiming the Section 45L New Energy Efficient Home Tax Credit.

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:

Daran Fetty, [Grafton Ace Hardware](#)

Randy Shaffer, [Impressive Homes](#)

Christine Pauley, [Key Realty Company](#)

Kimberly Rosenkrans, [Kitchens and Baths by Design](#)

Michael Bennett, [Lowes of Clarksburg](#)

Bryan Greer, [Mastic Home Exteriors](#)

Kris Hershberger, [Middletown Home Sales](#)

Denise Thomas, [New England Truss & Joist](#)

Rocky Simmons, [Vision Homes](#)

HBI Report Shows Growing Demand for Construction Labor

Additional skilled construction workers will be needed to reduce the nation's housing deficit during the second part of this decade, a shortfall NAHB estimates to total 1.5 million homes. The latest [Construction Labor Market Report](#) from the Home Builders Institute (HBI) provides an overview of the current state of the nation's construction labor market.

Key findings in the report include:

- There are currently 8.2 million payroll construction workers.
- The estimated, required amount of construction worker hiring is approximately



723,000 per year, according to NAHB analysis of BLS data and projections.

- The number of open construction sector jobs was above 400,000 at the start of the year.

- Average hourly wages in the overall construction industry

have increased 5% over the last year, with average wage levels exceeding national private sector averages.

- Women make up a growing share of the construction employment, reaching 10.9% in 2022. This is a noticeable increase from 9.1% in 2017 and just below the record high share of 11% recorded in 2021.

Seeking a Boost to LIHTC

NAHB has developed a 10-point housing plan to help tame shelter inflation and ease the housing affordability crisis by removing barriers that hinder the construction of new homes and apartments. One of the points NAHB advocates for in its plan is the passage of federal tax legislation to expand production of affordable and attainable housing – specifically expanding the Low-Income Housing Tax Credit (LIHTC), which focuses on housing for lower-income households. NAHB has been [advocating for LIHTC](#) expansion through bipartisan legislation – namely the Affordable Housing Credit Improvement Act.

EPA, Corps Extend WOTUS Memo

The Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps) have issued a nine-month extension for their [coordination memoranda](#) on “waters of the United States” (WOTUS) for the 2023 Conforming Rule and the pre-2015 regulatory regime. The memo — which was set to expire on June 27 — establishes a process by which the Corps and EPA will coordinate on Clean Water Act jurisdictional matters to ensure accurate and consistent implementation of the regimes where each regulatory regime is operative. All jurisdictional determinations (JDs) impacting wetlands and isolated features are being coordinated by the Corps and EPA.

Leadership List

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Calendar of Events

1 Aug 24: Board of Directors Meeting
Location: Morgantown

15 Aug 24: General Membership Event
Location: Muriale's, Fairmont

September - Associate Members
Appreciation Month

5 Sept 24: Board of Directors Meeting

9-13 Sept 24: NAHB Professional
Women in Building Week

October - Careers in Construction
Month

SAVE THE DATE: 8-9 Nov 24, HBAWV
Annual Convention

POC: Terri Boone (304) 599-0880 | info@ncwvhba.org



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

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Survey Shows Americans Want Action on Housing

Eight out of 10 Americans say their city and county officials should do more to encourage the production of housing that is affordable to low- and moderate-income households, [according to a recent survey](#) conducted by the polling firm Morning Consult on behalf of the National Association of Home Builders (NAHB). Morning Consult conducted the national online survey of 20,041 respondents from April 16-23, 2024. The survey has a margin of error of $\pm 1\%$.

Four out of five (80%) said policymakers should consider the impacts of new laws



and regulations on housing affordability, and another 65% said they support a proposal to replace the mortgage interest deduction with an annual tax credit for mortgage interest that could be widely claimed by middle-class homeowners.

The poll, which cuts across regional, demographic, political and socioeconomic lines, found that 56% of respondents agree it is important to create more medium-density housing that is affordable to moderate-income households, younger households and first-time home buyers.

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