

Westside Builder

The Newsletter of the Westside Home Builders Association



DO
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MEMBER.



February
2022

General Membership Meeting Tuesday, February 8 from 11:30am to 1pm

At: Atlanta's Finest Catering 13997 Veterans Memorial Hwy., Winston, Ga. 30187

1 CEU for Builders - Program: SecurityNational Mortgage/Cynthia Hall

Total Housing Starts Up 15.6% in 2021

While single-family starts dipped in December due to ongoing supply-side challenges, they still managed to post double-digit gains in 2021. Overall housing starts increased 1.4% in December to a seasonally adjusted annual rate of 1.70 million units, according to a report from HUD and the Census Bureau.

The December reading of 1.70 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 2.3% to a 1.17 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 10.6% to a 530,000 pace.

Total housing starts for 2021 were 1.6 million, a 15.6% gain over the 1.38 million total from 2020. Single-family starts in 2021 totaled 1.12 million, up 13.4% from the previous year. Multifamily starts in 2021 (5+units) were up 22.1% compared to the previous year.

On a regional and year-to-date basis (January through December of 2021 compared to that same time frame a year ago), combined single-family and multifamily starts are 22.2% higher in the Northeast, 10.9% higher in the Midwest, 15.3% higher in the South and 16.9% higher in the West.

Overall permits increased 9.1% to a 1.87 million unit annualized rate in December. Single-family permits increased 2.0% to a 1.13 million unit rate. Multifamily permits increased 21.9% to a 745,000 pace.



Administration Withdraws Vaccine Rule

The Biden Administration on Jan. 26 moved to formally withdraw its [vaccine and testing mandate](#) after the Supreme Court voted 6-3 to block OSHA from enforcing the mandate for employers with at least 100 workers.

NAHB urged OSHA to withdraw the rule after the decision. NAHB had earlier filed a Petition for Review challenging OSHA's rule and was pleased with the Supreme Court ruling, especially since it indicated that OSHA has the authority to "set workplace safety standards, not broad public health measures."

SCOTUS to Consider WOTUS

At the urging of NAHB and other business groups, the U.S. Supreme Court [has agreed to hear](#) a challenge to the Clean Water Act that would clarify an earlier ruling from the nation's highest court issued in 2006. In that case, *Rapanos vs. U.S.*, the Supreme Court issued a split 4-1-4 decision regarding the definition of "waters of the United States" (WOTUS) that led to two different tests to determine jurisdictional waters.

FHFA Raising Fees on Second Homes

In a move strongly opposed by NAHB, the Federal Housing Finance Agency (FHFA) in January announced increases for upfront fees that Fannie Mae and Freddie Mac will charge for [second home mortgage](#) loans and certain high balance mortgage loans that exceed standard conforming loan limits. These fees will significantly increase the purchase cost of a second home and some homes in high-cost areas. Beneficial pricing on the agencies' affordable loan products will not be increased.

Sawmills Failing to Keep Pace with Strong Demand

U.S. sawmills have failed to boost output at a pace sufficient to meet consumer demand for newly built homes. [The lumber industry](#) has cited ongoing challenges with labor as a key reason for the insufficient lumber production in the U.S. But Bureau of Labor Statistics data indicate that sawmill industry employment is higher than a year ago.

As of October 2021, the most recent data available, sawmill employment was 90,100. This is a 2.4% increase from October 2020, or a net gain of 2,100 jobs. Residential construction employment was up 4.0% or 118,500 net jobs over the same period.

IRS Extends Relief In Response to COVID

Last summer, NAHB and other groups requested the IRS extend some of the [COVID-19 relief](#) granted one year ago. On Jan. 11, the agency released Notice 2022-05, which grants the extensions we requested, along with additional relief in response to COVID-19 related challenges.

The relief includes extended compliance deadlines, as well as temporary waivers and revised compliance requirements.

WHBA Member OF THE MONTH



Arbor Design Group designs and builds homes to your specifications, as well as remodel current home sites. We have years of experience in Carroll County and the surrounding area.

We provide full design consultation – from floorplans to decorative features – in order to help you build your dream home. We'll be there to provide our expertise at every step of the journey.

WE WILL PLAN FOR YOUR LIFESTYLE AND DETERMINE WHAT KIND OF HOME FITS BEST – WHETHER YOU ARE BUILDING YOUR FIRST HOUSE, STARTING A FAMILY OR PREPARING FOR RETIREMENT.

ONCE WE HAVE A PLAN, WE WILL DESIGN YOUR HOUSE EXACTLY AS YOU WANT. YOU CAN BRING YOUR OWN DESIGN IDEAS, PICK FROM ONE OF OURS OR ALLOW US TO COME UP WITH SOMETHING ORIGINAL JUST FOR YOU.

ONCE YOU ARE HAPPY WITH YOUR DESIGN, THE BUILDING BEGINS. WE OFFER A STRESS-FREE BUILDING SERVICE JUST FOR YOU. SIT BACK, RELAX, HAVE FUN WITH THE PROCESS AND LET US DO THE WORK.



Remodelers Show Confidence in Market at Close of 2021

The NAHB/Royal Building Products Remodeling Market Index (RMI) for the fourth quarter posted a reading of 83, up four points from the fourth quarter of 2020. The finding is a signal of residential [remodelers' confidence](#) in their markets, for projects of all sizes.

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. “Higher home equity provided resources



for home owners to improve their existing homes, supporting high demand for remodeling,” said NAHB Remodelers Chair Steve Cunningham, CAPS, CGP, a remodeler from Williamsburg, Va. “Many remodelers are completely booked well into the future, however, supply chain problems continue to delay projects and make it difficult to work off the backlog.”

Construction Wages Rising

Average hourly earnings for residential building workers have been growing fast recently, driven by the tightening construction labor market.

The Bureau of Labor Statistics (BLS) in January reported that the unemployment rate declined to 3.9% in December, the lowest rate since the pandemic. As the labor market remains tight, wages have increased rapidly, particularly in the residential building sector. According to a recent BLS report, average hourly earnings for residential building workers were \$28.74 in November 2021, increasing 7% from \$26.87 a year ago.

Learn more at NAHB's [Eye on Housing](#) blog.

High Prices Detering Buyers

The share of adults planning a home purchase within 12 months has fallen for two consecutive quarters — dropping from 17% in the second quarter of 2021 to 16% and 15% in the third and fourth quarter, respectively — according to data from NAHB's Housing Trends Report.

The downward trend provides evidence that higher home prices and low housing availability (relative to demand) are leading some Americans to [postpone their homeownership plans](#).

Meanwhile, the share of these prospective buyers who are purchasing a home for the first time dropped for the first time since mid-2020 from 65% in the third quarter to 63% in the fourth quarter of 2021.

Leadership List

OFFICERS

President, Blake Hudson
Vice-President, Mike Lee
Secretary/Treasurer, Joe Irons
Past President, Blake Wilson

BOARD OF DIRECTORS

Derrick Thompson
Cory Lord
Cynthia Hall
David Barnett

LIFE DIRECTORS

Larry Boggs
Jeff Matthews
Robbie Robinson

EXECUTIVE OFFICER

Greg Wallace

Calendar of Events

February 8, 2022

Board Of Directors Meeting
10:45 am - 11:30 am
General Membership Meeting
11:30 am - 1 pm

March 8, 2022

Board Of Directors Meeting
10:45 am - 11:30 am
General Membership Meeting
11:30 am - 1 pm

April 12, 2022

Board Of Directors Meeting
10:45 am - 11:30 am
General Membership Meeting
11:30 am - 1 pm

LOCATION:

Atlanta's Finest Catering
13997 Veterans Memorial Hwy,
(Bankhead Hwy)
Winston GA 30187

NAHB's Economic Outlook for 2022

NAHB Chief Economist Robert Dietz recently provided this housing industry overview in the bi-weekly e-newsletter *Eye on the Economy*.

For the first time since the early 1980s, the U.S. economy is experiencing a period of elevated inflation. Because of supply-chain issues attributable to the pandemic and a significant rise in government spending, the consumer price index (CPI) measure of consumer inflation recorded a 7% year-over-year gain in December 2021 — the highest in nearly 40 years.

In contrast, during the 2010s, the CPI averaged an annual growth rate of just 1.8%. The Federal Reserve, having retired the call that these inflationary pressures would be “transitory,” is now clearly signaling tighter monetary policy ahead.

The NAHB forecast sees the Fed raising the federal funds rate three times in 2022 and accelerating the pace of the taper of asset-backed security purchases. These moves will continue to cause interest rates to rise over the course of 2022.

The 10-year Treasury rate already rose from 1.4% at the start of December to higher than 1.7% during the second week of January, and the average 30-year fixed-rate mortgage is expected to increase to 4% near the end of the year.



Combined with ongoing home price appreciation, higher rates will place additional pressure on housing affordability.

To subscribe for free to *Eye on the Economy*, please [visit nahb.org](https://www.nahb.org).

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Westside HBA Earns \$550 from recent Membership Drive

This year has been both an exciting and challenging one for NAHB membership. More than ever before, the events of the last 21 months have demonstrated the importance of a strong, engaged membership and I applaud your efforts in prioritizing a culture of membership at your association.

I personally want to congratulate you for the success of your 2021 Membership Drive. On behalf of the National Association of Home Builders and the NAHB Membership Committee, we would like to thank you and the members of Westside HBA for your hard work in recruiting new members and retaining current members, resulting in net growth for your association.

From April 1st through June 30th, your HBA had a net growth of 11 in Builder and Associate members! This outstanding effort has earned your association a check for \$550, which will be sent in the near future.

We are proud of the efforts that have been made across our Federation to grow membership this year. Thank you again for your commitment and for keeping our Federation strong. We look forward to seeing what your HBA continues to accomplish in 2022.

Sincerely,

Dianne Beaton



Members Save Millions

Start saving at [nahb.org/savings](https://www.nahb.org/savings)

