



## Builder Confidence at All-Time High

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) set a **new high** this month, **breaking a record** that it set only 30 days earlier. The Index, a measure of builder confidence in the new home market, rose 5 points to 83 in September. A 6-point increase in August had shot the Index to **78**, tying it with the previous high set in December 1988.

"**Historic traffic numbers** have builders seeing positive market conditions, but many in the industry are worried about rising costs and delays for building materials, especially lumber," said NAHB Chairman Chuck Fowke. "More domestic lumber production or tariff relief is needed to avoid a slowdown in the market in the coming months."

"**Lumber prices** are now **up more than 170 percent since mid-April**, adding more than \$16,000 to the price of a typical new single-family home," said NAHB Chief Economist Robert Dietz. "That said, the suburban shift for home building is keeping builders busy, supported on the demand side by low interest rates. In another sign of this growing trend, builders in other parts of the country have reported receiving calls from customers in high-density markets asking about relocating."

Derived from a monthly survey that NAHB has been conducting for 35 years, the Index 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.

The components of the Index all established new highs in September. The component gauging current sales conditions rose 4 points to 88, the one measuring sales expectations in the next six months increased 6 points to 84 and the measure charting traffic of prospective buyers posted a 9-point gain to 73.

Regional scores are reported as three-month moving averages. The HMI in the Northeast increased 11 points to 76, the Midwest increased 9 points to 72, the South rose 8 points to 79 and the West increased 7 points to 85.



**Jason Wood**

Mortgage Advisor & VA  
Loan Specialist, VA Loan  
Guy

[www.valoanguyusa.com](http://www.valoanguyusa.com)

**P:** (760) 350-3989

**M:** (760) 217-0820

2714 Loker Ave. W.  
Carlsbad CA 92010\_\_\_\_  
317293

**VA Loan Guy®**



## Builder Confidence vs Housing Starts

