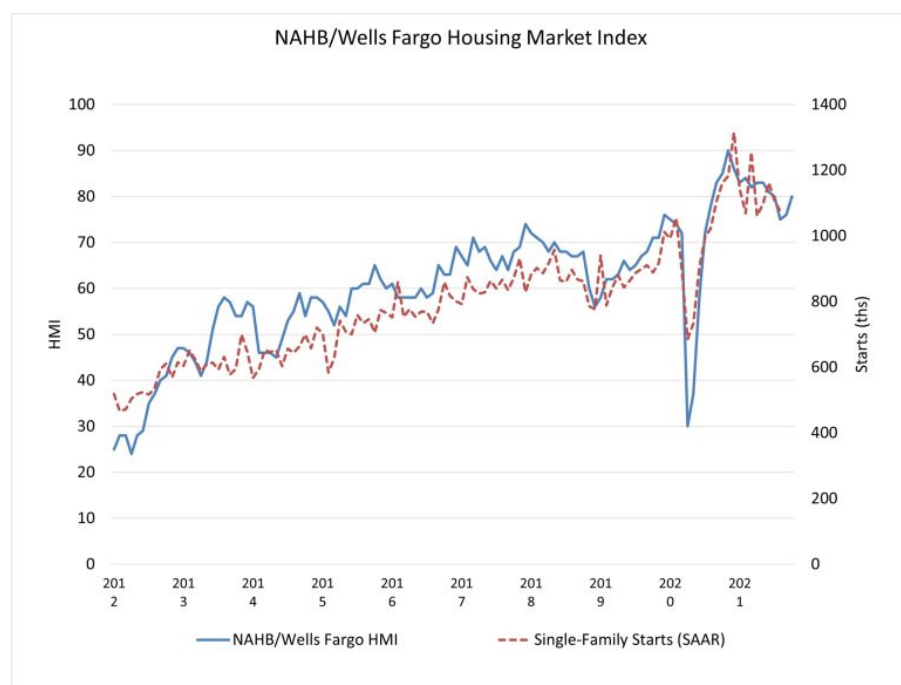




Supply Issues Aren't Hurting Builder Sentiment - Yet

Home builders apparently pushed aside current concerns about supply chain disruptions to display increased confidence in the new home market in October. The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) which gauges that confidence rose 4 points this month to 80.



Jason Wood

Mortgage Advisor & VA
Loan Specialist, VA Loan
Guy

www.valoanguyusa.com

P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.
Carlsbad CA 92010____
317293

VA Loan Guy®



However, NAHB economist Robert Dietz says that, despite the increase, "builders are getting **increasingly concerned about affordability hurdles ahead for most buyers**. Building material price increases and bottlenecks persist and interest rates are expected to rise in coming months as the Fed begins to taper its purchase of U.S. Treasuries and mortgage-backed debt." He urged policymakers to focus on fixing supply chain issues to spur more residential construction and help ease upward pressure on home prices.

The HMI is constructed from a monthly survey that NAHB has been conducting for 35 years among its new home builder members. They are asked to quantify their perceptions of current single-family home sales and those over 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.

All three of the component indices rose from their September levels. **The index gauging current sales conditions was up 5 points to 87** and the forward looking component gained 3 points to 84. The gauge of current buyer traffic increased 4 points to 65.

Looking at the three-month moving averages for regional HMI scores, the Midwest rose one point to 69, the Northeast held steady at 72, the South and West each were unchanged at 80 and 83, respectively.