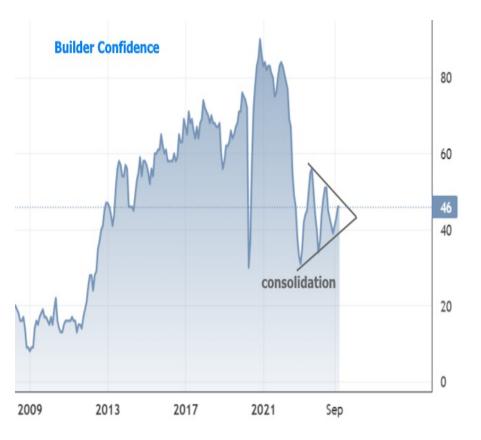
Mortgage and Real Estate News That Matters

Builder Confidence Remains Low, But Sales Expectations Are Increasing

The National Association of Home Builders (NAHB) and Wells Fargo publish the Housing Market Index (HMI) each month. The industry refers to this as "builder confidence" and December's number came out today. It was right in line with November's, and it suggests builders are increasingly honing in on a relatively gloomy baseline in the bigger picture.



There are several ways to approach the languishing of the index, with the easiest being some combination of single family construction (which capture the initial drop in 2022) and multifamily construction (which, along with persistently high rates, helps explain why the index may not have recovered). Both are charted below.



John "Demo" Lender VP of Lending, Demo Mortgage Co.

mbslive.net
P: (704) 555-1212
M: (407) 555-1234
10014 Normal Blvd.
Charlotte NC 28044
NMLS: 123456



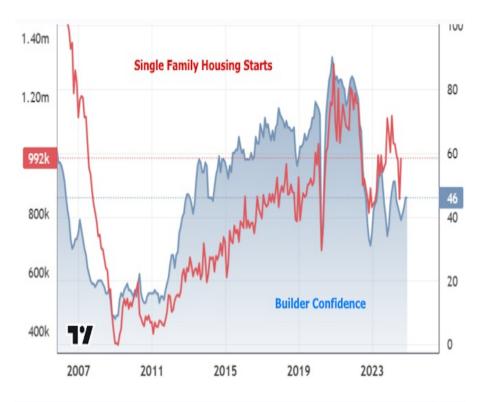


Christina "Demo" Realtor

Managing Partner, Real Estate Company, LLC.

mbslive.net P: (704) 555-1212 M: (980) 555-1212 social+test@mbslive.net 12954 S. Broad St. Charlotte NC 28031

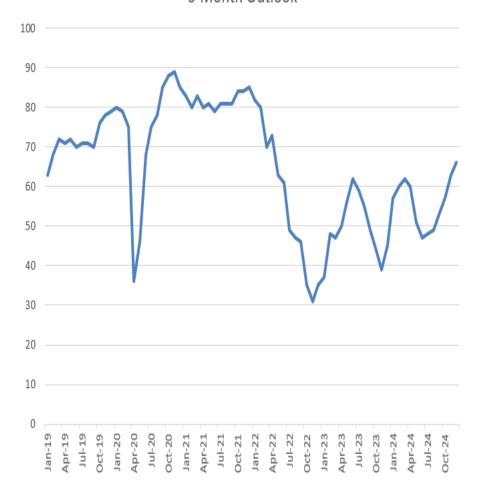






Ultimately, actual construction figures are a better indicator of the housing market than sentiment surveys, but the latter can offer some insight to trends and future opportunities. On that note, the component of the builder survey that tracks the outlook for 6 months into the future continues moving to the highest levels since 2022. As seen the following chart, it's less "sideways" and better described as gently trending higher.

6-Month Outlook



Other highlights from today's release:

- 31% of builders cut prices in December, vs 31% in Nov
- Average price reduction was also unchanged at 5%
- Sales incentives were used in 60% of transactions, also unchanged from Nov