



Builder Confidence Hits 7 Month Low in March

The National Association of Homebuilders/Wells Fargo Housing Market Index (aka "builder confidence") hasn't been in a purgatory of sorts, ever since the big interest rate spike in the 2nd half of 2022. Builders aren't nearly as downbeat as they were during the Great Financial Crisis years, but nowhere remotely as confident as the during the post-pandemic highs.

The index has now spent more than 2 years muddling sideways in an increasingly narrow range. The latest reading, reported this week, was worse than economists were expecting, largely due to a bigger decrease in buyer traffic. Even so, the headline confidence level remains in the same consolidation pattern (marked by the arrows in the following chart).



Philip Bennett
President, Bennett Capital
Partners Mortgage Brokers

bcpmortgage.com

P: (800) 457-9057

M: (305) 407-0747

1101 Brickell Ave STE 800
Miami FL 33131

Pers# 1098318

Corp# 2046862



Other details from this month's survey noted by the NAHB:

- Builders say tariffs should increase the cost of the typical home by \$9200.
- Policy uncertainty is contributing to indecision, both on the part of buyers and developers.
- 29% of builders cut prices in March, up from 26% in February.
- The prospect of regulatory relief has helped offset the negative implications from new fiscal policies to some extent.