

HOUSING CONNECTION

Mortgage and Real Estate News That Matters

A message from Tan & Samantha Tunador:

If you are ready to explore homeownership, let's open up a conversation to help you navigate the best route for you with down payment & monthly payment options. Finance programs are unique like you and one size does not fit all. The next step is a simple online application so that we can get you preapproved and ready to look for the perfect home. Unlike shopping for a car or rental applications, the credit pull to buy a home is not a derogatory. Homeownership and wealth building is the goal for all. Would you like to schedule time to chat? If you are a Realtor, would you like this calculator co-branded?

Builder Confidence Technically Higher But Still Sideways in The Big Picture

Builder sentiment improved slightly in August, but confidence in the market for newly built single-family homes remained subdued as elevated mortgage rates, rising construction costs and broader economic uncertainty continued to weigh on the industry. The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) increased one point to **35**, marking the **16th consecutive month** the index has remained below 40.



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National Association of Home Builders NAHB Housing Market Index



This latest reading reflects all the familiar challenges facing builders, including affordability pressures, elevated material costs and weak demand for spec homes, with rising gas and diesel prices emerging as a new face among the usual suspects.

Current sales conditions improved two points to **39**, while sales expectations over the next six months held steady at **43**. Traffic of prospective buyers also remained unchanged at **23**, indicating that buyer activity continues to lag despite the modest improvement in overall builder sentiment.

“While builder sentiment edged higher in August, builders continue to contend with high construction costs and broader economic uncertainty,” said NAHB Chairman Bill Owens. Owens noted that rising gas and diesel prices are pushing up material costs, while spec home building remains weak. He also pointed to the Midwest as a bright spot, with new home sales in the region up more than 2% so far in 2026.

NAHB Chief Economist Robert Dietz said the latest survey continues to show signs of weakness in the home building market. He noted that custom home builders continue to report stronger conditions than spec builders, while smaller markets and smaller builders are also outperforming their larger counterparts.

Builders continued to offer pricing incentives, although at a lower pace. In August, **35%** of builders reported cutting prices, down from 37% in July and matching the June level. The average price reduction held steady at **6%**, while the use of sales incentives remained unchanged at **63%**.

Regional three-month moving averages were mixed. The Northeast declined one point to **44**, while the Midwest held steady at **45**. The South fell two points to **31**, while the West was unchanged at **27**. Overall, the report suggests that builder confidence has stabilized somewhat, but affordability and construction costs continue to limit demand and keep sentiment well below historically healthy levels.