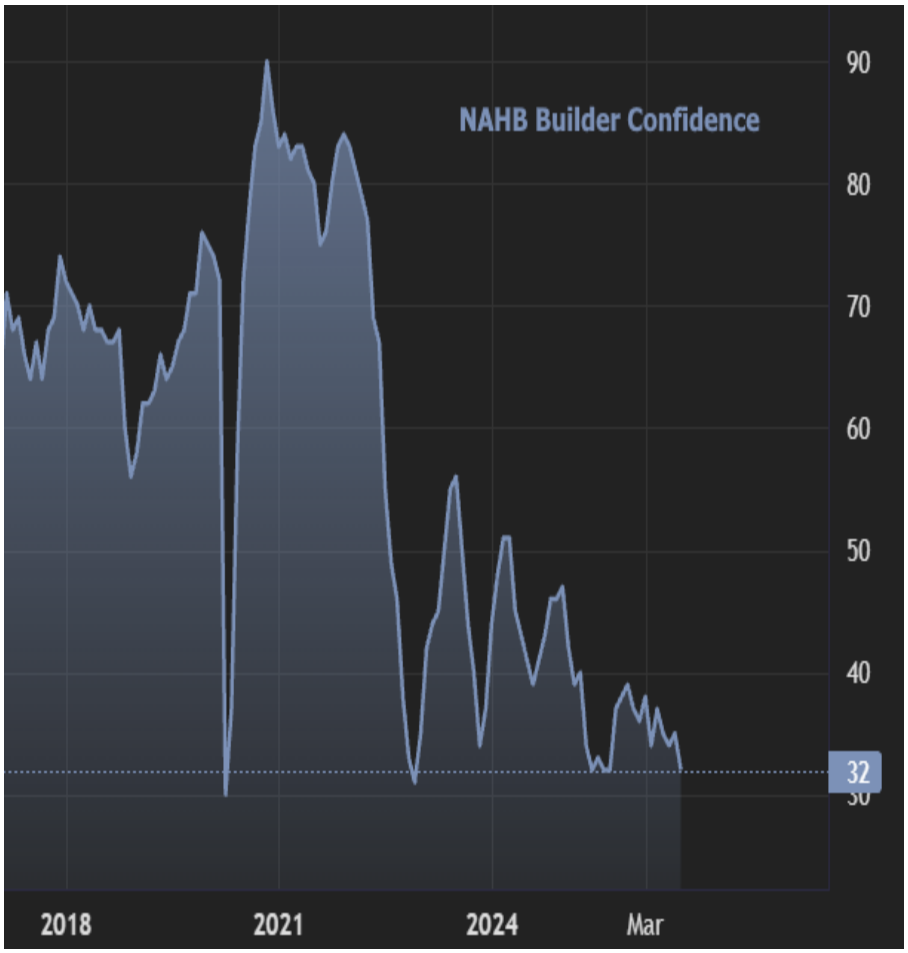
HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Labor, Land, and Rising Costs Push Builder Confidence to 3 Year Lows

Builder sentiment took a meaningful step backward in September, with higher mortgage rates, rising construction costs and worsening labor shortages weighing on the market for newly built homes. The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) fell three points to **32**, matching September 2025 as the lowest level in over 3 years.



Breakdown of various component indices:

HMI Component	August	September	Change
Current sales conditions	39	**35**	-4
Sales expectations	43	**37**	-6
Prospective buyer traffic	23	**23**	Unchanged

"Buyer traffic has weakened across much of the country, largely because of rising mortgage rates," said NAHB Chairman Bill Owens. Owens also pointed to higher material costs, rising gas and diesel prices and persistent labor shortages as ongoing challenges for builders.

NAHB Chief Economist Robert Dietz added that builders also reported difficulty finding available lots, with **42%** rating current lot availability as poor and another 38% rating it as fair.



Darren Crampton
Mortgage Loan Originator and Construction Specialist, Edge Home Finance
www.DarrenLoans.com
M: (407) 963-7654
9624 Weatherstone Court
Windermere FL 34786
2241230

EDGE HOMEFINANCE

EQUAL HOUSING LENDER

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Builders increased their use of pricing incentives in September. The share reporting price cuts rose to **38%** from 35% in August, while the average price reduction remained at **6%** for the sixth consecutive month. Sales incentives were also more common, with **66%** of builders reporting their use, up from 63% in August and the highest share since December.

Region	August	September	Change
Northeast	44	**39**	-5
Midwest	45	**44**	-1
South	32	**31**	-1
West	27	**28**	+1

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.