



**Northern
Colorado**
Home Builders Association

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www.nocohba.com

February 2022

Total Housing Starts Up 15.6% in 2021

While single-family starts dipped in December due to ongoing supply-side challenges, they still managed to post double-digit gains in 2021. Overall housing starts increased 1.4% in December to a seasonally adjusted annual rate of 1.70 million units, according to a report from HUD and the Census Bureau.

The December reading of 1.70 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 2.3% to a 1.17 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 10.6% to a 530,000 pace.

Total housing starts for 2021 were 1.6 million, a 15.6% gain over the 1.38 million total from 2020. Single-family starts in 2021 totaled 1.12 million, up 13.4% from the previous year. Multifamily starts in 2021 (5+units) were up 22.1% compared to the previous year.



On a regional and year-to-date basis (January through December of 2021 compared to that same time frame a year ago), combined single-family and multifamily starts are 22.2% higher in the Northeast, 10.9% higher in the Midwest, 15.3% higher in the South and 16.9% higher in the West.

Overall permits increased 9.1% to a 1.87 million unit annualized rate in December. Single-family permits increased 2.0% to a 1.13 million unit rate. Multifamily permits increased 21.9% to a 745,000 pace.

Message from our Chair



The State of Building

I'm honored to once again be Chairing the NOCO HBA Board. I've been building homes for more than 45 years and while there have been tough times in those 45 years, I'm not sure that I've seen conditions more difficult than they are right now. I'm sure that I'm not the only builder experiencing cost increases greater than I've ever seen and a supply chain that grows more choked by the day. This month will be the first time that I've ever closed a home without garage doors, those doors having been on order for more than 7 months.



Our current clients are having to make tough decisions, re-choosing materials including windows, interior finishes, and appliances with new product shortages appearing daily. Your HBA (local, state and national) is working diligently to try to correct the circumstances causing these hurdles in building. It's my greatest hope that before my current term is complete that we are at least on the road to recovery for our industry. Please stay connected to this organization as we are stronger in numbers in overcoming adversity.

-Doug Buer

EO Corner

The Northern Colorado Home Builders Association had a great 2021! Our Parade of Homes returned to a more traditional format with 19 entries! HighCraft Builders was the only entry to sweep all five judging categories (Design, Exterior, Master Bath, Kitchen and Overall Workmanship) to win the Golden Key Award for homes in the \$601k to \$800K class. Bridgewater Homes earned the People's Pick award for Favorite Home, Landmark Homes won the People's Pick award for Favorite Builder and Favorite Showroom went to Hughes Kitchen & Bath. With the Parade of Homes, two successful golf tournaments and an in-person Economic Housing behind us, we are looking forward to an even better 2022.

In March we will be re-launching our Sales & Marketing Council, and April 22-24 will mark the return of NoCo HBA's Home & Remodeling Show!!! In 2022 you will also be seeing a lot from our Membership, Workforce Development and Government Affairs Committees. We are also looking forward to working closely with the NoCo HBA Foundation to help serve the youth and families of Northern Colorado.

As you read through this newsletter you will notice a new format, timely information and updated content, thanks to our Office & Membership Manager, Dulce Alire. If you have any questions, or are interested in getting involved, please visit our website at atnocohba.com or call our office and talk to Dulce or me. We are always glad to help!

Sincerely,

A handwritten signature in blue ink, appearing to be "Dulce Alire". The signature is fluid and cursive, written in a professional style.

Administration Withdraws Vaccine Rule

The Biden Administration on Jan. 26 moved to formally withdraw its [vaccine and testing mandate](#) after the Supreme Court voted 6-3 to block OSHA from enforcing the mandate for employers with at least 100 workers.

NAHB urged OSHA to withdraw the rule after the decision. NAHB had earlier filed a Petition for Review challenging OSHA's rule and was pleased with the Supreme Court ruling, especially since it indicated that OSHA has the authority to "set workplace safety standards, not broad public health measures."

SCOTUS to Consider WOTUS

At the urging of NAHB and other business groups, the U.S. Supreme Court [has agreed to hear](#) a challenge to the Clean Water Act that would clarify an earlier ruling from the nation's highest court issued in 2006. In that case, *Rapanos vs. U.S.*, the Supreme Court issued a split 4-1-4 decision regarding the definition of "waters of the United States" (WOTUS) that led to two different tests to determine jurisdictional waters.

FHFA Raising Fees on Second Homes

In a move strongly opposed by NAHB, the Federal Housing Finance Agency (FHFA) in January announced increases for upfront fees that Fannie Mae and Freddie Mac will charge for [second home mortgage](#) loans and certain high balance mortgage loans that exceed standard conforming loan limits. These fees will significantly increase the purchase cost of a second home and some homes in high-cost areas. Beneficial pricing on the agencies' affordable loan products will not be increased.

Sawmills Failing to Keep Pace with Strong Demand

U.S. sawmills have failed to boost output at a pace sufficient to meet consumer demand for newly built homes. [The lumber industry](#) has cited ongoing challenges with labor as a key reason for the insufficient lumber production in the U.S. But Bureau of Labor Statistics data indicate that sawmill industry employment is higher than a year ago.

As of October 2021, the most recent data available, sawmill employment was 90,100. This is a 2.4% increase from October 2020, or a net gain of 2,100 jobs. Residential construction employment was up 4.0% or 118,500 net jobs over the same period.

IRS Extends Relief In Response to COVID

Last summer, NAHB and other groups requested the IRS extend some of the [COVID-19 relief](#) granted one year ago. On Jan. 11, the agency released Notice 2022-05, which grants the extensions we requested, along with additional relief in response to COVID-19 related challenges.

The relief includes extended compliance deadlines, as well as temporary waivers and revised compliance requirements.

Upcoming NoCo Events

The **NOCo HBA Home & Remodeling Show** is the one-stop shop for all housing needs! Its more than an event, it's an experience - where customers can find inspiration from the latest trends and innovations in building, remodeling design, landscaping and much more. With over 10,000 square feet of booths from industry experts, customers are sure to find what they are looking for! Don't miss out on participating in this year's event. For more information, call the HBA office at (970) 686.2798 or register for a booth [online](#).



NoCo HBA Quarterly Membership Meeting

Join NoCo HBA for its quarterly membership meeting. Come hear what's happening in 2022 with your local HBA, what events are on the horizon and meet your fellow HBA members.

Date: February 24, 2022

Time: 5:30PM-7:30PM

Location: HBA Office - 1907 Boise Ave #1, Loveland, CO

Free and open to HBA members only

Registration now open on MemberZone

Want to get more involved with NoCo HBA? Join a HBA committee.

Workforce Development: Second wednesday of the month at 3pm. In person at the HBA office.

Membership Committee: Third Wednesday of the month at 2pm. In person at 2798 Precision Drive #220, Fort Collins CO.

Government Affairs: First Tuesday of the Month at 2pm. In person at the HBA office.

Builders Council: First Friday of the month at 10:30am. Via Zoom.

If any of these are of interest to you, please contact Dulce at 970.686.2798 or dulce@nocohba.com and she will send you more information.



Happy Valentine's Day!

NoCo Building Permits

As a NoCo HBA Builder, your company is assessed \$55 every month for permits pulled by each building department. The type of permits we invoice for are Single Family and Basement Remodel. NoCo HBA tracks how many permits a builder is invoiced for each calendar year and the maximum amount is 300 or \$16,500. In addition, each month we post how many permits are pulled per local municipality. This information can be found on our website at:

<https://www.nocohba.com/nocopermits>



BAESSLER
HOMES

Baessler Homes, a community builder in Northern Colorado since 1968, has promoted Tanya Smith to be its new CFO. Tanya Smith previously served as the Vice President and Controller and led the accounting team for the past 7 years.

Smith succeeds Dave Paton who served as CFO of Baessler Homes for the past three and half years. Paton will begin retirement July 1st of this year. "We will certainly miss Dave and his dedication to excellence at Baessler Homes, and we congratulate him on his upcoming retirement" said Jamie Baessler, CEO of Baessler Homes.

Before Tanya Smith's time at Baessler Homes, her professional experience spanned from banking to entrepreneurial high-tech manufacturing. Tanya holds business degrees from Colorado State University and Regis University and has a passion for community service. Tanya is currently serving her second term on the Executive Board for the Northern Colorado Home Builders Association.

"We are thrilled to have Tanya as the new CFO," said Baessler. "She is a tremendous leader and incredibly talented team member. She has been a catalyst for the growth in our culture and continually lives out our values of mission, honor, responsibility and humility."

Smith is a member of the strategic leadership team for Baessler Homes, a company that built nearly 260 homes last year and continues to grow. "I am excited to collaborate with, support and coach the teams toward continued growth in operational and relational excellence" said Smith.

Smith and Baessler are confident this promotion will help continue the Vision of Baessler Homes: To build the most valuable home in the marketplace.

Trading Places: Students Starting to Shun Conventional Ed for Trade Ed

Below is an article submitted by Ian Simkiss of Centennial Leasing and Sales who is chair of the Workforce Development Committee.

Here is an excerpt and [link](#) for the full article:

America's current labor shortages have highlighted an important truth: we need more people with useable trade skills and less people with nearly worthless woke-laden diplomas and degrees. Students are beginning to understand this economic reality and are gravitating to schools and colleges that emphasize trade education.



Remodelers Show Confidence in Market at Close of 2021

The NAHB/Royal Building Products Remodeling Market Index (RMI) for the fourth quarter posted a reading of 83, up four points from the fourth quarter of 2020. The finding is a signal of residential [remodelers' confidence](#) in their markets, for projects of all sizes.

The NAHB/Royal Building Products RMI survey asks remodelers to rate five components of the remodeling market as “good,” “fair” or “poor.” Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor. “Higher home equity provided resources



for home owners to improve their existing homes, supporting high demand for remodeling,” said NAHB Remodelers Chair Steve Cunningham, CAPS, CGP, a remodeler from Williamsburg, Va. “Many remodelers are completely booked well into the future, however, supply chain problems continue to delay projects and make it difficult to work off the backlog.”

Construction Wages Rising

Average hourly earnings for residential building workers have been growing fast recently, driven by the tightening construction labor market.

The Bureau of Labor Statistics (BLS) in January reported that the unemployment rate declined to 3.9% in December, the lowest rate since the pandemic. As the labor market remains tight, wages have increased rapidly, particularly in the residential building sector. According to a recent BLS report, average hourly earnings for residential building workers were \$28.74 in November 2021, increasing 7% from \$26.87 a year ago.

Learn more at NAHB's [Eye on Housing](#) blog.

High Prices Detering Buyers

The share of adults planning a home purchase within 12 months has fallen for two consecutive quarters — dropping from 17% in the second quarter of 2021 to 16% and 15% in the third and fourth quarter, respectively — according to data from NAHB's Housing Trends Report.

The downward trend provides evidence that higher home prices and low housing availability (relative to demand) are leading some Americans to [postpone their homeownership plans](#).

Meanwhile, the share of these prospective buyers who are purchasing a home for the first time dropped for the first time since mid-2020 from 65% in the third quarter to 63% in the fourth quarter of 2021.

Welcome New Members

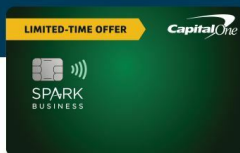
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**No preset spending limit does not mean unlimited spending. The amount you can spend can change over time based on your spending behavior, payment history, credit profile and other factors.

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NAHB's Economic Outlook for 2022

NAHB Chief Economist Robert Dietz recently provided this housing industry overview in the bi-weekly e-newsletter *Eye on the Economy*.

For the first time since the early 1980s, the U.S. economy is experiencing a period of elevated inflation. Because of supply-chain issues attributable to the pandemic and a significant rise in government spending, the consumer price index (CPI) measure of consumer inflation recorded a 7% year-over-year gain in December 2021 — the highest in nearly 40 years.

In contrast, during the 2010s, the CPI averaged an annual growth rate of just 1.8%. The Federal Reserve, having retired the call that these inflationary pressures would be “transitory,” is now clearly signaling tighter monetary policy ahead.

The NAHB forecast sees the Fed raising the federal funds rate three times in 2022 and accelerating the pace of the taper of asset-backed security purchases. These moves will continue to cause interest rates to rise over the course of 2022.

The 10-year Treasury rate already rose from 1.4% at the start of December to higher than 1.7% during the second week of January, and the average 30-year fixed-rate mortgage is expected to increase to 4% near the end of the year.



Combined with ongoing home price appreciation, higher rates will place additional pressure on housing affordability.

To subscribe for free to *Eye on the Economy*, please [visit nahb.org](https://www.nahb.org).

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Member Spotlight

Rocky Mountain Precast was founded in January of 2020 with our corporate office being in Ft. Collins Colorado and our manufacturing facility in Nunn Colorado. Rocky Mountain Precast sells, manufactures, installs and services Superior Walls (www.superiorwalls.com) precast products in Colorado, Wyoming, Kansas and Nebraska.

For residential **architects**, a precast wall is the smart foundation solution. Custom designed to your blueprint and built to demanding specifications, a precast foundation system meets or exceeds the industry's latest green building standards. Our products support green, sustainable construction and use by providing a continuous layer of insulation, reducing on site waste, and optimizing material usage.

For residential **builders**, a precast wall is the ultimate foundation solution. That's because precast foundations offer unmatched builder benefits for the most competitive foundation system available today. Precast insulated concrete wall panels are dimensionally accurate and install quickly to form a strong, energy-efficient foundation that meets code requirements.

A precast foundation project can typically be installed in just hours, not weeks. Wall panels are set in place by crane and secured together with bolts by trained crews; laser-leveled to be plumb, level, and square. Joints are sealed tightly and permanently with a special adhesive sealant.

Once completed and cured, precast wall products are delivered to the construction site. This factory-to-job site delivery promotes reliable scheduling, allowing projects to run more quickly and efficiently, with less waste and less downtime.

The building industry's leaders are building today's new homes with precast wall products. Certified trained crews install our wall systems typically in less than one day, in virtually any weather. A builder can save valuable time building a home with the dry, warm, smart, precast solution.

For your **home buyers**, a precast wall is the wise foundation solution. Make the most of your home buyers budget with a foundation system that offers them unmatched benefits in sustainability and efficiency while adding living space and comfort to their new home. Virtually endless design possibilities will ensure their new home and basement are custom fit to their needs. Precast foundations are dry, warm, and smart! For more information contact Tom Petersen at 970-413-2947 or tom@rockymountainprecast.com. Visit our website at: www.rockymountainprecast.com

NoCo HBA Foundation

The NOCO HBA Foundation exists to serve folks in need in our Northern Colorado community and really showcases the generosity of NOCO HBA members and their family, friends and neighbors. In the year-plus since we launched our new and improved charitable arm, we've commissioned two children's playhouses donated to Realities for Children; we've built 50 beds for Noco kids in need and another 54 beds for folks who lost their homes in the Marshall Fire.

We have recently completed our second annual Kids' Backpack Program, bringing Christmas to kids who might otherwise not see Santa, and we're promoting technical and trades education with our annual scholarship program, supporting post-secondary education in construction and construction-related fields.

Our wonderful projects need your support. Your cash donations monthly, quarterly, annually or by a project-specific donation allow us to keep going. Ask about how you can give without it costing you a cent through our Amazon Smile program, how to set up a monthly or quarterly donation to our general fund, or how to donate or sponsor specifically for one of our projects. Every dollar counts--we're all volunteer and every cent goes to our programs. Thanks to all of our donors!.



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