



**Northern
Colorado**
Home Builders Association

1907 N Boise Ave, Suite 1, Loveland, CO 80538

(970) 686 - 2798

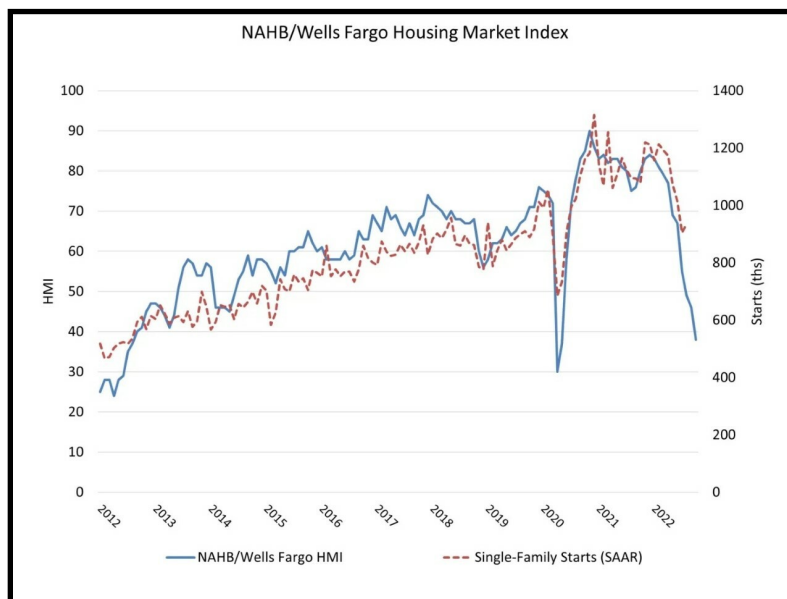
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November 2022

Builder Confidence Declines for 10th Straight Month

In a further signal that rising interest rates and building material bottlenecks are weakening the housing market, builder sentiment fell for the 10th straight month in October and traffic of prospective buyers fell to its lowest level since 2012 (excluding the two-month period in the spring of 2020 at the beginning of the pandemic).

Builder confidence in the market for newly built single-family homes dropped eight points in October to 38—half the level it was just six months ago—according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today. This is the lowest



confidence reading since August 2012, with the exception of the onset of the pandemic in the spring of 2020.

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI

gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

New Independent Contractor Rule

On October 13th, the U.S. Department of Labor (DOL) issued a [proposed rule](#) that will change the way DOL determines whether workers should be classified as employees or as independent contractors under the Fair Labor Standards Act (FLSA). If finalized, the proposal will replace the current standard, one that NAHB supports because it gives regulated employers and small businesses, including home builders and specialty trade contractors, a clearer and simpler federal test for determining worker status.

NAHB Webinars Look at IRA Impacts

The Inflation Reduction Act (IRA) has spurred many questions within the home-building industry regarding the number of new energy tax incentives and updates to many tax provisions. NAHB has conducted two webinars about it. One looked broadly at how the IRA may affect housing. The second webinar focused on the IRA's energy tax incentives. Watch [replays of both webinars](#).

Materials Prices See Slight Decline

Led by a decline in softwood lumber and steel mill prices, overall building material prices fell in September with the notable exception of ready-mix concrete, which continues to grow at a rapid clip. And while gypsum prices edged lower last month, they are up more than 20% over the past year.

In tandem with a slowing housing market and economy, the [prices of building materials](#) decreased 0.3% in September (not seasonally adjusted) according to the latest Producer Price Index (PPI) report.

Builders' Show and DCW Just Keep Getting Better

The opportunities for construction and design professionals continue to grow in conjunction with the 2023 Builders' Show in Las Vegas with the addition of another co-dated wholesale buying event to [Design & Construction Week](#) (DCW). Las Vegas Market will co-date with DCW, which features the NAHB International Builders' Show® (IBS) and the NKBA Kitchen & Bath Industry Show (KBIS). Las Vegas Market is the leading home furnishings and gift market in the western U.S. IBS takes place Jan. 31-Feb. 2, 2023. [Register now](#).

Newsletter Focuses on Workforce Development

Is your association leading workforce development initiatives locally or planning for future events? Try the Workforce Development Champions Corner, a [bi-monthly e-newsletter](#) about promoting skilled trades.

It provides workforce development advocates the latest resources, including marketing materials, activity ideas and notifications for future opportunities to connect with peers and share best practices. Complete the [e-newsletter subscription form](#) on nahb.org to subscribe.

Builder Businesses Grew Significantly in 2021

The business of the typical NAHB builder grew significantly between 2020 and 2021, according to results from NAHB's latest member census. The [2021 NAHB census](#) shows that the median gross revenue of an NAHB builder in 2021 was an all-time high of \$3.3 million, up 26.9% from the previous year.



According to the 2021 NAHB census:

14% of NAHB's builder members reported a dollar volume of less than \$500,000,

13% reported between \$500,000 and \$999,999,

38% reported between \$1 million and \$4.9 million,

15% reported between \$5 million and \$9.9 million,

6% reported between \$10 million and \$14.9 million, and

13% reported \$15 million or more.

NAHB reinstated its member census during the industry-wide downturn of 2008, when median annual revenue of builder members was only around \$1 million. Although their median revenue has increased recently, most NAHB builders remain relatively small businesses by conventional standards.

Parents Like Skills Training

The Madison Area Builders Association worked with the Boys & Girls Clubs of Dane County to provide a summer program full of engaging skilled trades activities for local students. Nearly 100 elementary, middle and high school students participated in job site tours, building projects and hands-on activities.

Parents also expressed enthusiasm for the well-rounded program. Many parents told the BGC that they want their child to participate in skilled trades activities next summer.

To learn more about NAHB's partnership with the Boys and Girls Clubs, visit the [partnership page on nahb.org](#).

Remodeling Index Sees Decline

The National Association of Home Builders (NAHB) released its [NAHB/Westlake Royal Remodeling Market Index \(RMI\)](#) for the third quarter, posting a reading of 77, declining 10 points compared to the third quarter of 2021.

An index number above 50 indicates that a higher share view conditions as good than poor.

Twenty-three percent of remodelers said the market had gotten worse in the third quarter of 2022, compared to only 10 percent who said it had gotten better.

After a decline in 2022, NAHB expects a small increase in remodeling activity in 2023.



Welcome New Members

Universal Lending
Cosentino
Zenith Home Loans
Mission Home Colorado
Quantum Fiber

**** Our apologies for mis-spelling our newest member: 3 Tree Design House ****



Thank you for Renewing

Landmark Homes
Water Valley Land Company
C3 Real Estate
Centennial Leasing & Sales
Westmark Homes Colorado
Creative Rehab Consultants
Shear Engineering
Sage Homes LLC
Custom On-Site Builders
LP Building Solutions
Primary Residential Mortgage-
Billy Campbell
Paragon Granite & Marble
Doddridge Construction Corp
Fireplace Warehouse Design & Showroom
Leila Russell with ReMax
Jared Buer with Buer Homes
Kristie Schoellerman with Buer Homes
Shana Morgan with C3 Real Estate
Fireplace Warehouse Design & Showroom
Sutherlands
McHugh construction

Strategies to Recession-Proof Your Business

As many builders learned during the previous downturn, weathering a recession often requires embracing lean business processes. But finding ways to deliver value on essential services while eliminating waste is easier said than done.

NAHB members Robert Carroll, owner of Carroll Construction, and Jake Harris, CEO of BuildWallet, and shared some lean-business strategies during [a recent presentation](#) as part of NAHB's Young Professionals Week. The webinar covered a wide range of strategies businesses can use during uncertain financial times.

"Recessions are pivotal times to focus on business fundamentals, particularly during these periods of high inflation and rising interest rates," Carroll said. "Businesses that

are prepared will have the best chance of succeeding and maximizing opportunities to grow."



One of the methods discussed during the presentation focused on member-to-member collaboration.

"What I love about the NAHB Federation is the collective knowledge that is shared among the membership," Harris said. "This is a community full of proven, talented professionals who can offer real-world solutions. The members who take advantage of that can drive real value for their businesses."



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Members Save Millions
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Thank you to our Golf & Parade of Homes Award Sponsors



HBA Volunteer Spotlight

Thank you to our volunteers who give of their time and expect nothing in return.

Colleen Judge - Maverick Builders
Luis Holguin - Gateway Mortgage
Torrie Barr - Academy Mortgage
Krista Laber - Academy Mortgage
Jen Ammerman - FNBO
Krista Roberts - FNBO
Cassy Kamtz - Kamtz Cabinets
Kristie Schollerman - Buer Homes
Doug Buer - Buer Homes



Wednesday, November 16th from 3:00-6:00PM

Baessler Homes New Corporate Office
33105 County Rd 33, Greeley, CO 80631

APPETIZERS | DRINKS | RAFFLE | GIVEAWAYS