Southern Arizona Home Builders Association

NAHBNews

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NAHB National Association of Home Builders

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Single-Family Starts Rebound but Market Challenges Persist

Single-family housing starts rebounded in August, but production remains down 4.7% year-to-date as builders contend with rising construction costs, lot and labor shortages, and economic uncertainty.



Overall housing starts decreased 2.6% in August to a seasonally adjusted annual rate of 1.28 million units, according to a report from HUD and the U.S. Census Bureau.

The August reading of 1.28 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 increased 7.6% to a 918,000 seasonally adjusted annual rate and are up 5.2% compared to August 2025. The multifamily sector, which includes apartment buildings and condos, decreased 21.7% to an annualized 357,000 pace and are down 14.6% compared to August 2025.

On a regional and year-to-date basis, combined single-family and multifamily starts were 10% higher in the Northeast, 0.4% higher in the Midwest, 2.4% lower in the South and 3% lower in the West.

Overall permits decreased 2.7% to a 1.39-million-unit annualized rate in August. Single-family permits decreased 1.8% to an 878,000-unit rate and but are up 1.3% compared to August 2025. Multifamily permits decreased 4.3% to an annualized 516,000 pace but are up 7.5% compared to August 2025.

Looking at regional permit data on a year-to-date basis, permits were 12.5% higher in the Northeast, 2.7% higher in the Midwest, 3.5% lower in the South and 1.7% higher in the West.

HUD Clarifies Fair Housing Claims

HUD has **issued new guidance** clarifying that Fair Housing Act (FHA) design and construction accessibility violations are discrete acts, not continuing violations. HUD now considers these claims to arise during the design and construction process and end when construction is complete. The guidance rescinds HUD's prior position that accessibility claims could remain indefinitely while noncompliant features exist.

Improving Safety at Small Firms

Smaller residential construction firms (fewer than 20 employees) account for about 50% of all construction fatalities, though they employ just one-third of U.S. residential construction workers, **according to a study** by researchers at the University of Hawaii and Oregon State University. But opportunities exist to improve jobsite safety through more deliberate communication and well-considered project timelines.

Schedule pressure is the single most significant operational stressor affecting safety. The study lays out practices that firms can take to address this pressure and improve project safety.

New Definition of WOTUS Proposed

The Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps) have announced a supplemental proposed rule offering a new approach to defining "waters of the United States" (WOTUS) under the Clean Water Act. **The supplemental proposal** responds to comments the agencies received on their November 2025 proposed WOTUS rule, particularly concerns surrounding the proposed "wet season" concept.

Visit Official Showhomes Of the 2027 Builders' Show

Performance is playing a central role in the construction of The New American Home 2027, the flagship exhibit of the **International Builders' Show** (IBS). From the building envelope to the mechanical systems and solar installation, the project has been designed with lofty **energy-efficiency targets** in mind.

The build team is pursuing Emerald certification through the National Green Building Standard (NGBS), the program's highest certification level.

As one of the two official show homes at IBS, the home will be open for tours to registered attendees of the Builders' Show. IBS takes place Feb. 2-4, 2027, in Las Vegas. Register now at **BuildersShow.com**.

Serve on an NAHB Committee or Council

Members interested in serving the housing industry are encouraged to apply to one of NAHB's committees or council board of trustees for the 2027 leadership year. Appointments are for one-year terms, beginning at the 2027 Spring Leadership Meeting and ending at the 2028 IBS.

The **online application** is open and the deadline to apply is Nov. 8, 11:59 p.m. ET. You must be logged in to nahb.org to **see this page** or submit an application.

What Does the Fed Rate Hike Mean for Housing?



Facing persistent inflationary pressures, the Federal Reserve unanimously decided at its September policy meeting to raise the federal funds rate to a target range of 3.75% to 4%.

In its statement, the Federal Open Market Committee (FOMC) noted that "uncertainty remains elevated" due to "geopolitical developments" stemming from the war in Iran and widespread trade issues.

However, the FOMC slightly upgraded growth projections and stated that "economic activity is expanding at a solid pace." Fed Chair Kevin Warsh had noted that the demand for capital has increased, leading to higher market interest rates.

The Fed's decision is in response to inflation rising to a 3.4% year-over-year rate, well above its goal of 2%. The FOMC stated the rate hike will eventually help "deliver price stability."

Read NAHB Chief Economist Robert Dietz' **summary of the Federal Reserve's decision** in Eye On Housing.

More Women in the Workforce

Women accounted for 11.3% of the construction workforce in 2025, a 20-year high, according to data from the Census Bureau's Current Population Survey (CPS). The **number of women employed in the industry** rose to around 1.37 million, an increase of around 31,000.

Most women are employed in occupations like office support, management, and operations. In fact, women accounted for 78% of office support jobs within the industry. Women comprised just 4% of workers in construction and extraction occupations, 3% in installation, maintenance and repair occupations, and 6% in production occupations.

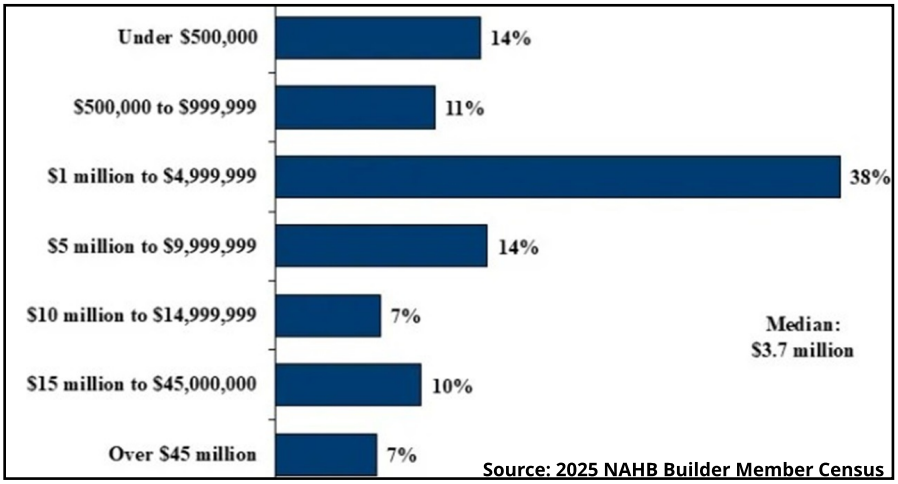
Home Vales: Almost $50 Trillion

The **market value of households' real estate assets** rose in the second quarter, reaching $49.8 trillion, according to the most recent release of U.S. Federal Reserve **Z.1 Financial Accounts**. This level is 2.3% higher than in the first quarter and is 2.5% higher than a year ago. This measure of market value estimates the value of all owner-occupied real estate nationwide.

Real estate secured liabilities of households' balance sheets, i.e. mortgages, home equity loans, and HELOCs, increased 1.1.% in the second quarter to $14.0 trillion. This level is 3.0% higher compared to the second quarter of 2025.

NAHB Builder Members' Median Revenue Unchanged in 2025

Roughly 38% of NAHB Builder members earned between $1 million and $5 million in total revenue in 2025, according to the most recent NAHB member census. Although it has consistently trended upward, the **median revenue** was unchanged from the previous year, holding at $3.7 million.



The annual census also showed that Builder members started a median of five housing units in 2025. As for staff size, the typical Builder member had six employees on their payroll in 2025.

NAHB conducts the annual census to better understand the composition and characteristics of its members. In 2025, 35% of NAHB's membership comprised Builder members, including single-family and multifamily builders, residential and commercial remodelers, commercial builders, land developers, and manufacturers of modular and/or log homes. Among these builders, 62% listed single-family home building as their primary business activity.



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