Southern Arizona Home Builders Association

NAHBNews

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NAHB National Association of Home Builders

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Single-Family Starts Down as Affordability Challenges Persist

Single-family housing starts declined in September as builders faced higher financing and building material costs and ongoing labor shortages.



Overall housing starts decreased 5.2% in September to a seasonally adjusted annual rate of 1.22 million units, according to a report from the HUD and the U.S. Census Bureau.

The September reading of 1.22 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 4.6% to an 859,000 seasonally adjusted annual rate and are up 2.6% compared to September 2025. The multifamily sector, which includes apartment buildings and condos, decreased 6.7% to an annualized 362,000 pace and are down 24.9% compared to September 2025.

On a regional and year-to-date basis, combined single-family and multifamily starts were 8.3% higher in the Northeast, 2% lower in the Midwest, 0.3% lower in the South and 6.3% lower in the West.

Overall permits decreased 0.2% to a 1.40-million-unit annualized rate in September. Single-family permits decreased 4% to an 845,000-unit rate and are down 4.8% compared to September 2025. Multifamily permits increased 6.1% to an annualized 555,000 pace and are down 0.2% compared to September 2025.

Looking at regional permit data on a year-to-date basis, permits were 10.6% higher in the Northeast, 2.2% higher in the Midwest and 3.2% lower in the South. The West saw no change.

U.S. Cuts Duties on Canadian Lumber

Following its annual review, the U.S. Department of Commerce lowered antidumping and countervailing **duties on Canadian softwood lumber** imports from about 35.16% to 24.75%.

On Oct. 13, the agency issued final antidumping and countervailing duty rates totaling 24.75%. Total duties on lumber imports are now at 34.75%, however, because the Trump administration imposed a separate 10% tariff on timber and softwood lumber after a Section 232 national security investigation.

President Signs Affordability Order

President Trump on Oct. 22 signed an executive order to lower single-family and mortgage costs.

The executive order instructs the Federal Housing Finance Agency (FHFA) director to launch a pilot program that proactively ends mortgage insurance premiums for borrowers who meet equity requirements. It also instructs the FHFA director to make the agency's title insurance waiver pilot permanent and expand it to more borrowers. The order also creates the Task Force on Manufactured Housing Innovation, co-chaired by the HUD secretary and the FHFA director.

NAHB Helps Fund Key Litigation

At its recent meeting during the NAHB Fall Leadership Meetings, the NAHB Legal Action Committee reviewed seven requests for **Legal Action Fund** assistance and recommended assistance in six. These funds support cases regarding impact fees, fuel-choice restrictions, water rights and construction-defect liability challenges. The next deadline for funding consideration is Wednesday, Jan. 6, 2027.

See Kevin O'Leary and Counting Crows at IBS

Make plans to see Kevin O'Leary and Counting Crows at the International Builders' Show® (IBS). When the show returns to Las Vegas Feb. 2-4, 2027, the Design and Construction Week **Opening Ceremony** will feature O'Leary, "Mr. Wonderful" from the hit show Shark Tank. The opening ceremony begins promptly at 8 a.m. on Tuesday, Feb. 2 in the Westgate. Doors open at 7 a.m.

At the end of the week, the IBS **Closing Concert** will feature 90s radio stalwarts Counting Crows. The show starts at 6 p.m. on Thursday, Feb. 4 in the Westgate. Doors open at 5 p.m., tickets required. NAHB Spikes receive two complimentary tickets if they recruit one new member over the previous year.

Builder Sentiment Falls on Rising Mortgage Rates

Rising mortgage rates, energy and material costs, and worsening labor and lot conditions have pushed builder sentiment to a 14-year low.

Builder confidence in the market for newly built single-family homes fell three points to 29 in October, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Oct. 19. The reading was the HMI's lowest since June 2012.

What a Building Code Study Gets Wrong About Affordability



A study from researchers at the Center for Risk and Insurance Research (CRIR) at the University of Alabama concludes that when a jurisdiction adopts new residential building codes, it has no effect on the sales prices of homes. But the **study's policy conclusions** go well beyond what its analysis can establish.

The study, funded by the International Code Council (ICC) and the insurance industry, does acknowledge that newer codes can add thousands of dollars to the cost of constructing a home. But the study implies that the construction industry absorbs additional costs.

The study's research design, however, cannot reliably isolate the effect of building codes on home prices. The analysis lacks direct data identifying whether each home in the sample was built under the old or new code. And its statistical controls do not adequately distinguish code impacts from differences associated with annual inflation, a home's age, construction vintage and other factors.

It is essential that policymakers have evidence that supports the claims being made. This study does not provide it.

Remodeler Revenue Grows 24%

According to the NAHB Member Census, 21% of NAHB Builder members in 2025 listed residential remodeling as their primary business. These firms tend to be relatively small, with a median of five employees and a median annual revenue of $2.1 million. That is a 24% increase compared to 2024 ($1.7 million). In terms of **remodelers' volume dollar amount**:

23% reported less than $500,000;

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

52% between $1.0 and $4.9 million;

9% between $5.0 and $9.9 million;

2% between $10.0 million and $14.9 million; and

1% reported $15.0 million or more.

Construction Jobs Outlook

Employment in the U.S. construction industry is projected to increase from approximately 8.27 million jobs in 2025 to 8.68 million in 2035, adding 410,700 jobs, or 5.0%, according to the U.S. Bureau of Labor Statistics. This growth exceeds the projected 3.5% increase in total U.S. employment, suggesting that construction will expand faster than the overall labor market over the next decade.

Residential building construction is projected to add 34,200 jobs, representing 3.7% growth.

Read this post from NAHB's Eye on Housing blog to see which construction jobs will see the biggest gains.

How Old Are America's Construction Workers?

The **median age of a construction worker** is 42 years old, which is one year older than the typical worker in the labor force, according to recent NAHB analysis of the 2024 American Community Survey data.



Rhode Island has the oldest median age construction worker at 47 years old, followed by Connecticut, New Hampshire, New Jersey and Illinois (44 years old). The central part of the United States, including the Mountain West, has the youngest median average aged construction workers, including Utah and Idaho at 39 years old.

Gen Z's influence in construction is growing rapidly, increasing from 6.4% of the workforce in 2019 to 16.8% in 2024. Millennials' share in the workforce also grew from 35.7% to 37.5%, while Gen X (-4.1%) and Baby Boomers (-7.8%) both decreased.

Compared to all industries, construction has a smaller share of younger workers, with just 10.7% of the workforce under age 25. All other industries have 13.7% of their workforce under 25.

Construction and building inspectors, plasterers and stucco masons share the highest median ages at 46. On the other end, solar photovoltaic installers are the youngest group in the construction trades with a median age of 27.



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