

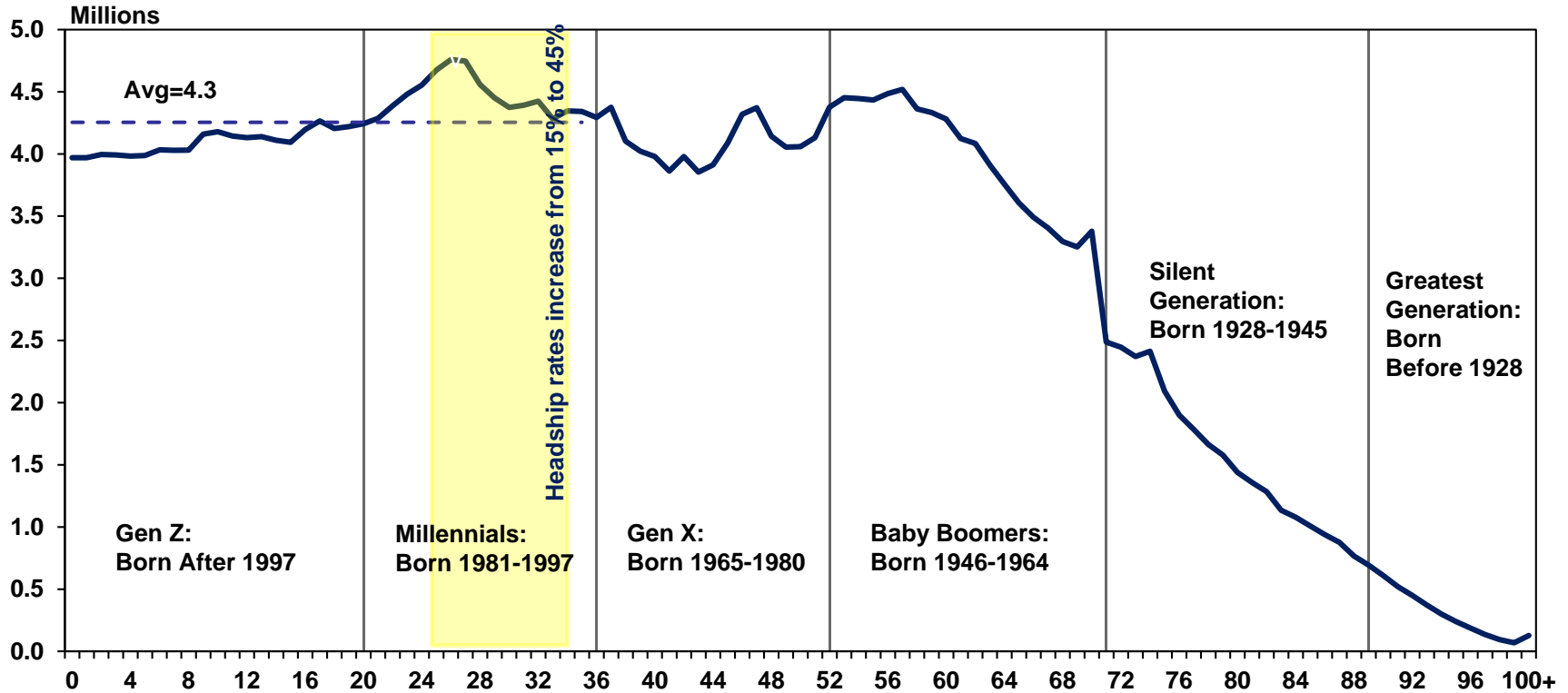
# Housing Supply and Affordability

*Consumer Federation of America*  
*November 30, 2018*

*Robert Dietz, Ph.D.*  
*NAHB Chief Economist*

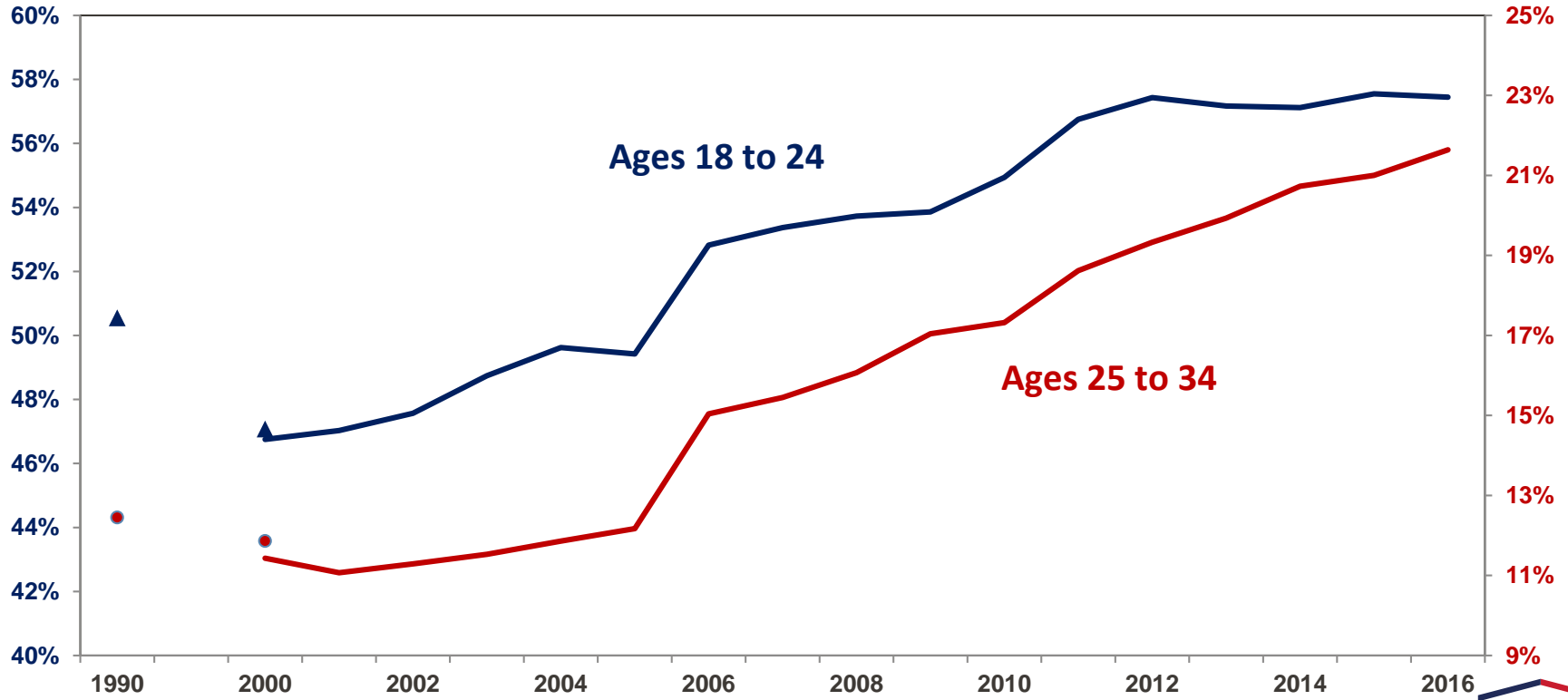


# Rising Population Entering Housing Demand Years: 2017



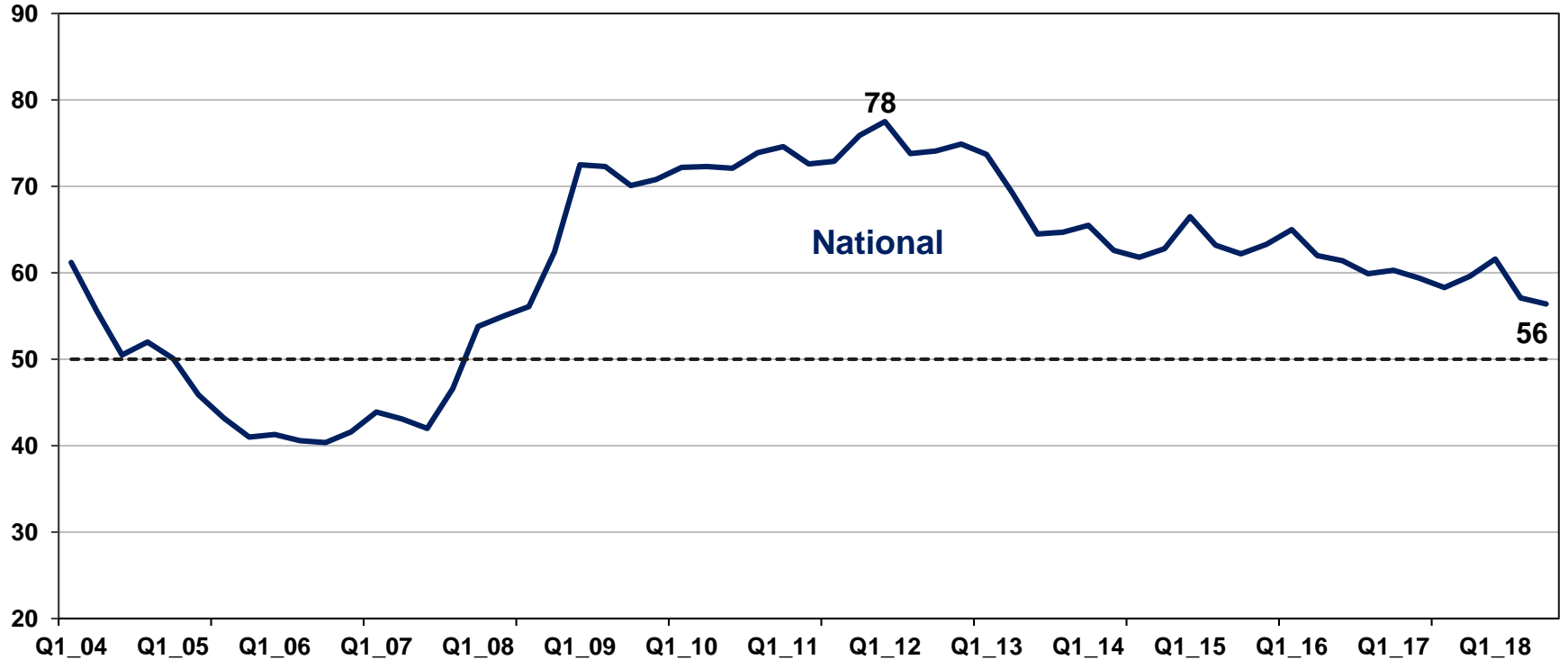
# Share of Young Adults Living with Parents

*Almost doubled*



Source: US Census 1990, 2000, PUMS, 2000-2016 ACS, PUMS, NAHB Estimates.

# Housing Affordability – NAHB/Wells Fargo HOI



Source: NAHB/Wells Fargo Housing Opportunity Index.

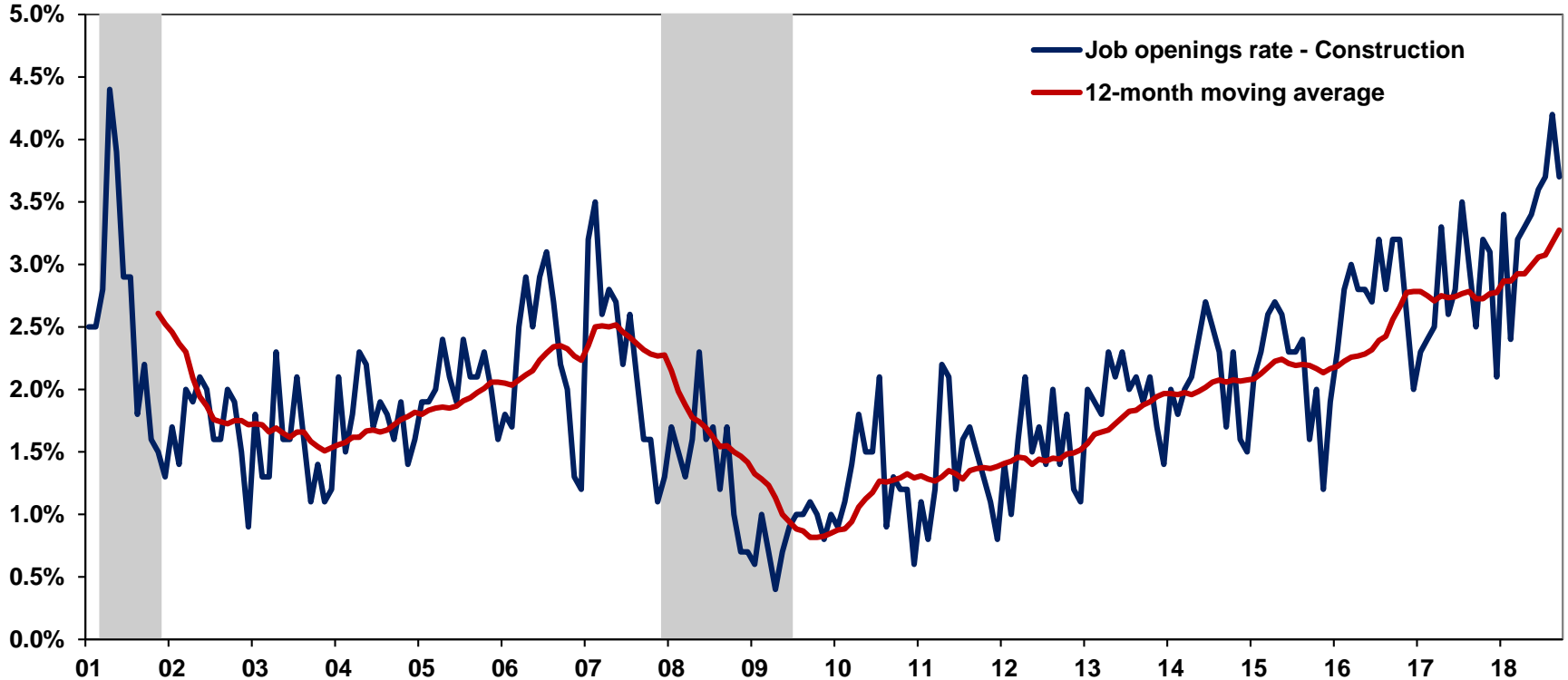


# Supply-Side Factors



# Labor

*Elevated count of unfilled construction jobs*



Source: U.S. Bureau of Labor Statistics (BLS).

# Building Materials – Lumber Prices

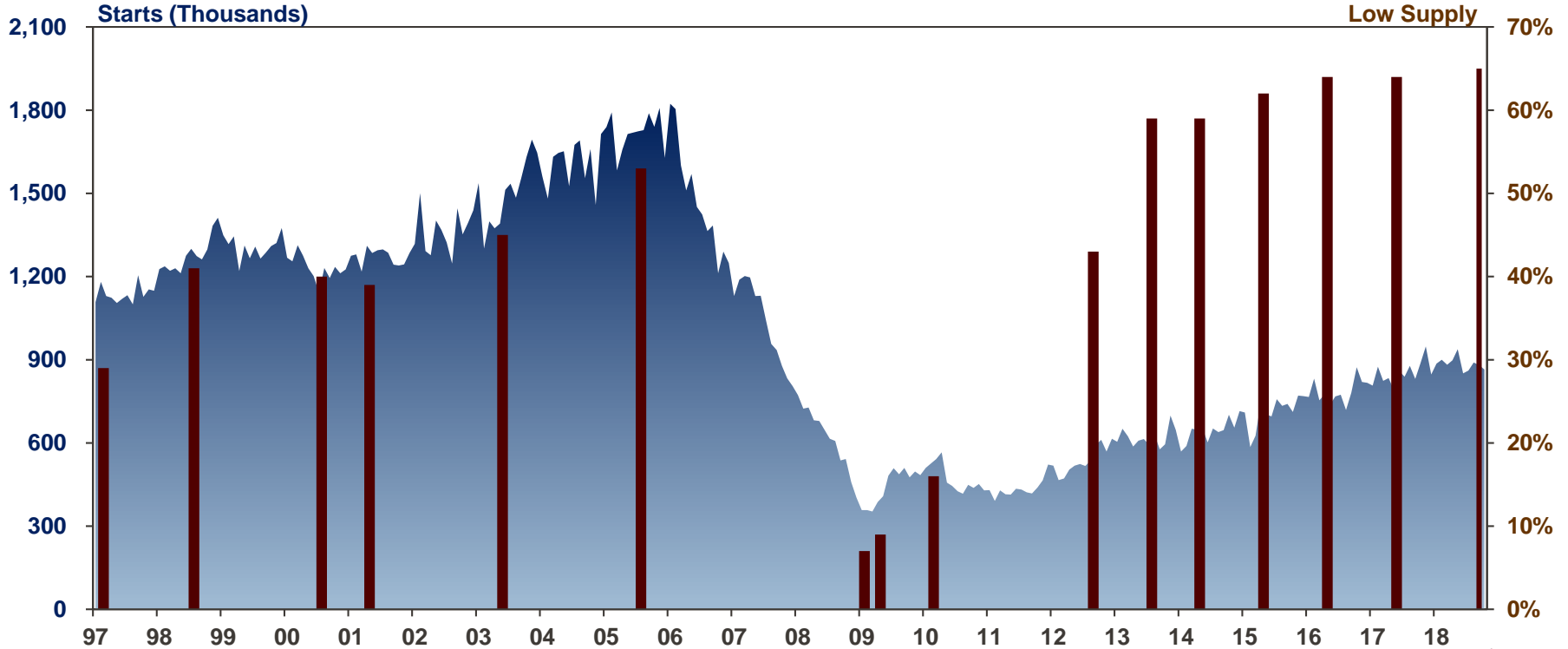
Since January 2017, lumber prices decreased 5%; 63% at peak



Source: NAHB Analysis; Random Lengths Composite Index.

# Lots

*Housing Starts (Area) and Low/Very Low Lot Supply (bars)*

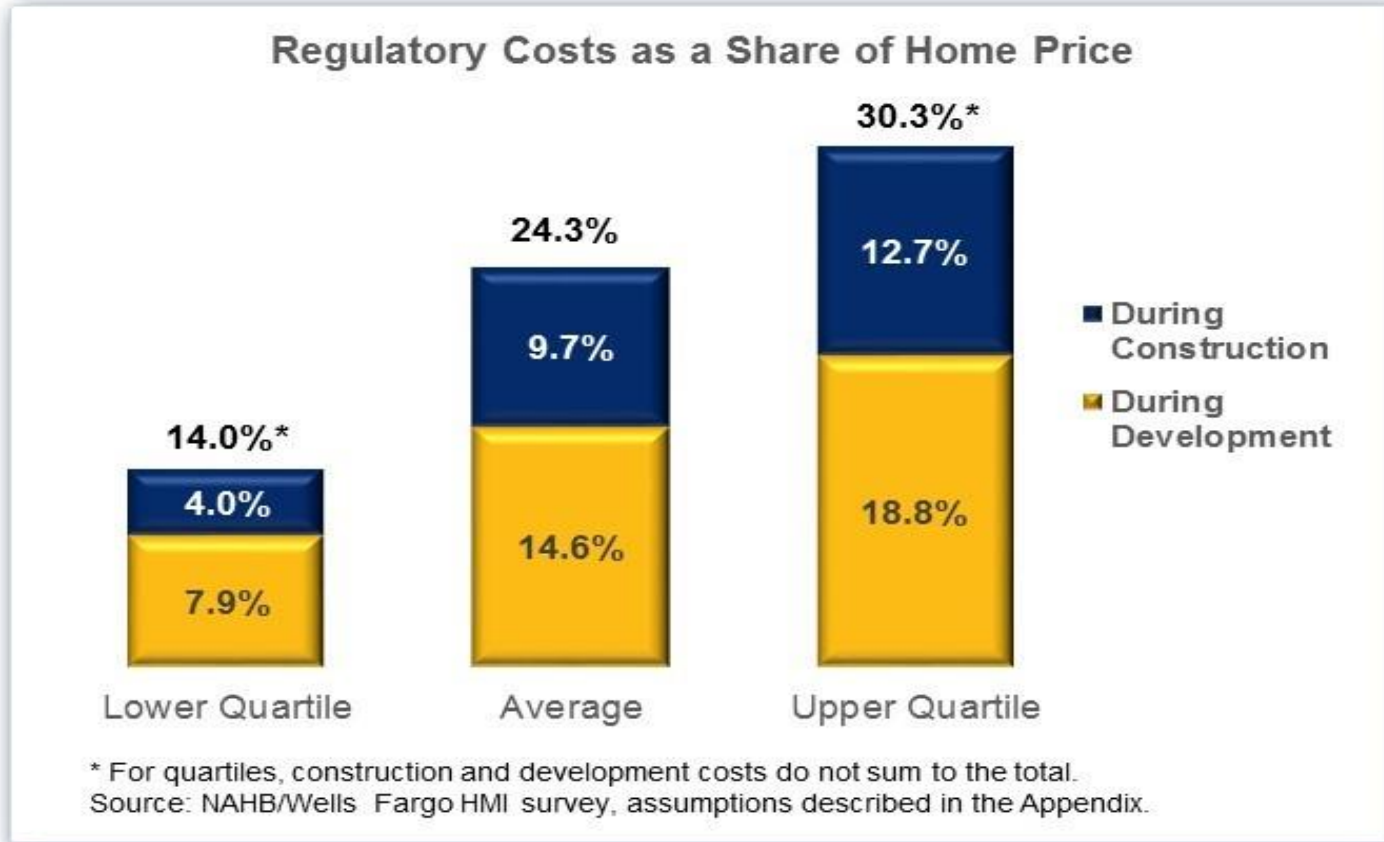


Source: Census Bureau and NAHB/Wells Fargo HMI survey.



# Regulatory Costs Rising – Up 29% Over Last 5 Years

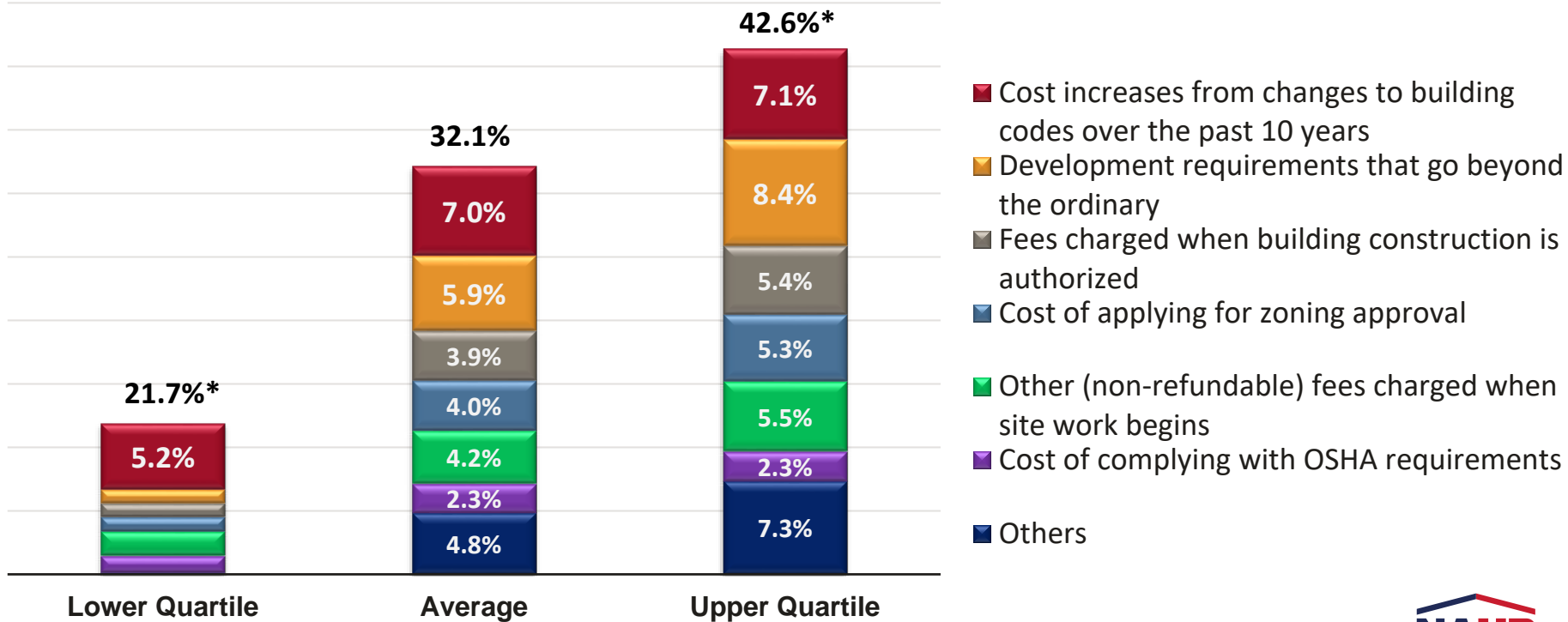
*Total effect of building codes, land use, environmental and other rules*



# Regulations - 32% of Multifamily Development Costs

NAHB-NMHC research

## Government Regulations as a Share of Multifamily Development Costs



Note: \* For quartiles, all types of costs do not sum to the total.

Source: NAHB/Wells Fargo HMI survey.

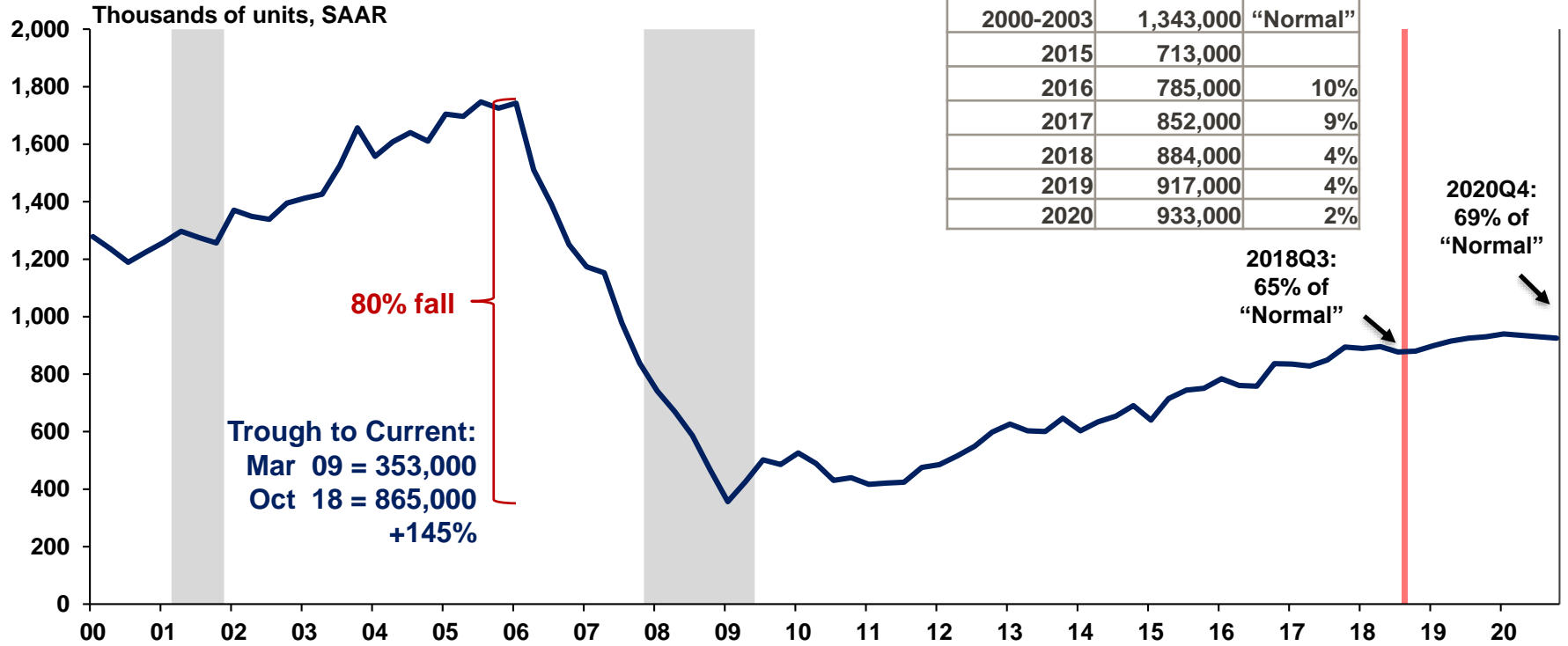


# Construction Outlook



# Single-Family Starts

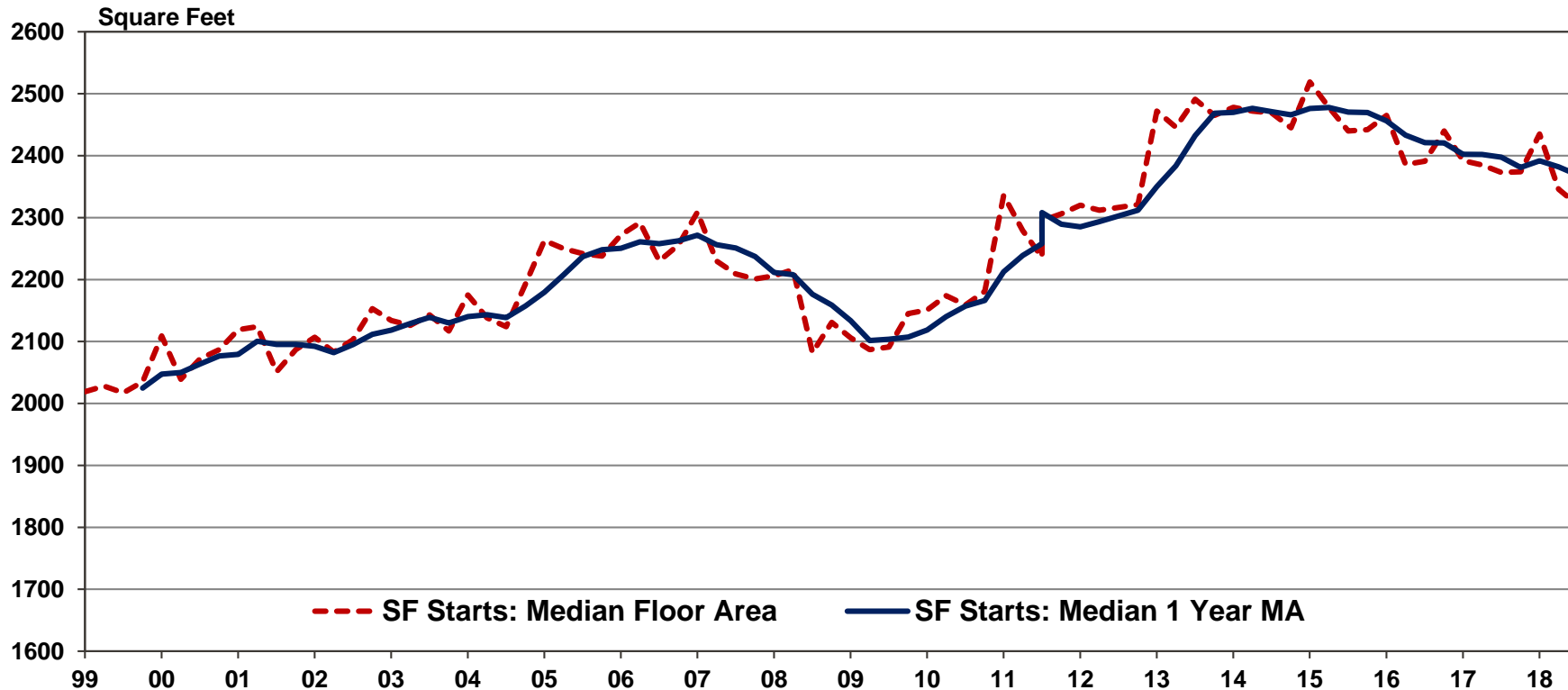
Slowing growth ahead



Source: U.S. Census Bureau (BOC) and NAHB Forecast.

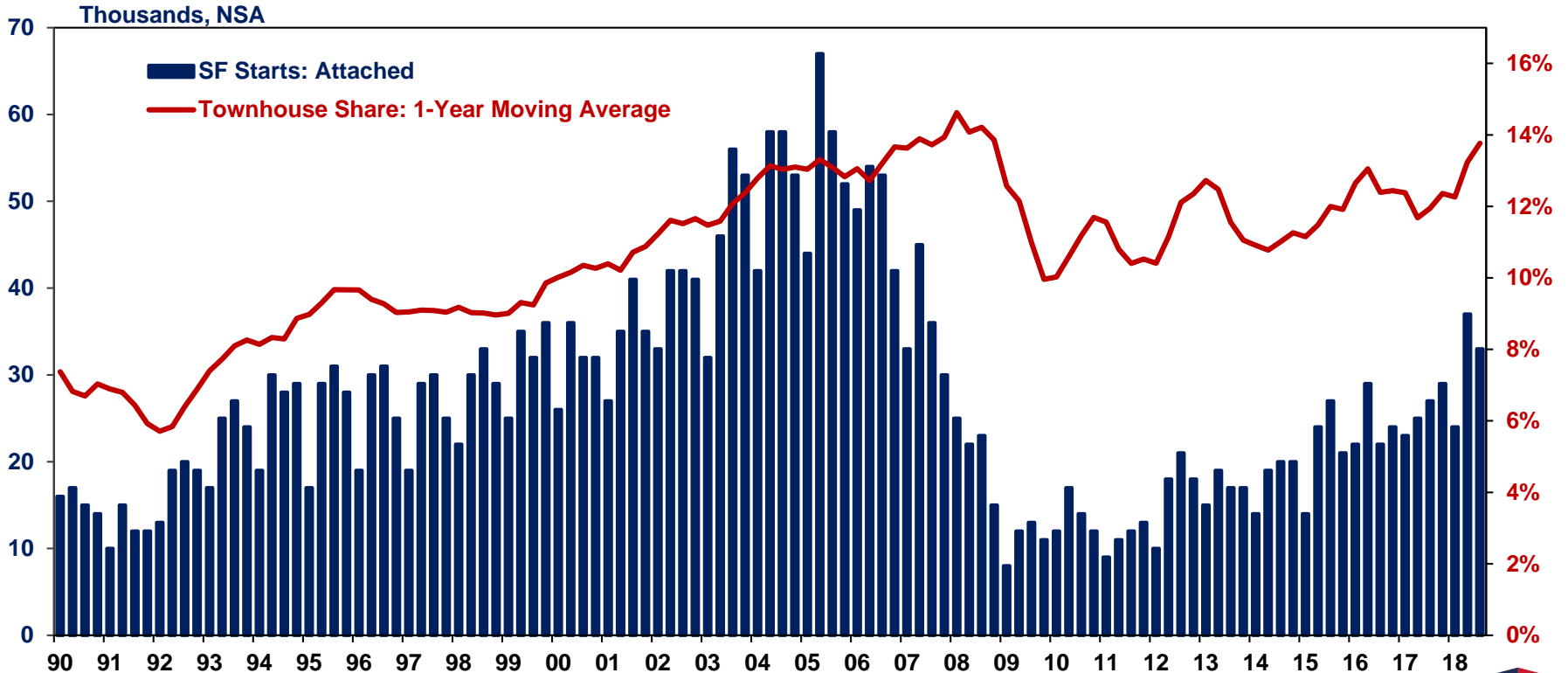
# Typical New Home Size

*Decline after market shift*



Source: U.S. Census Bureau (BOC).

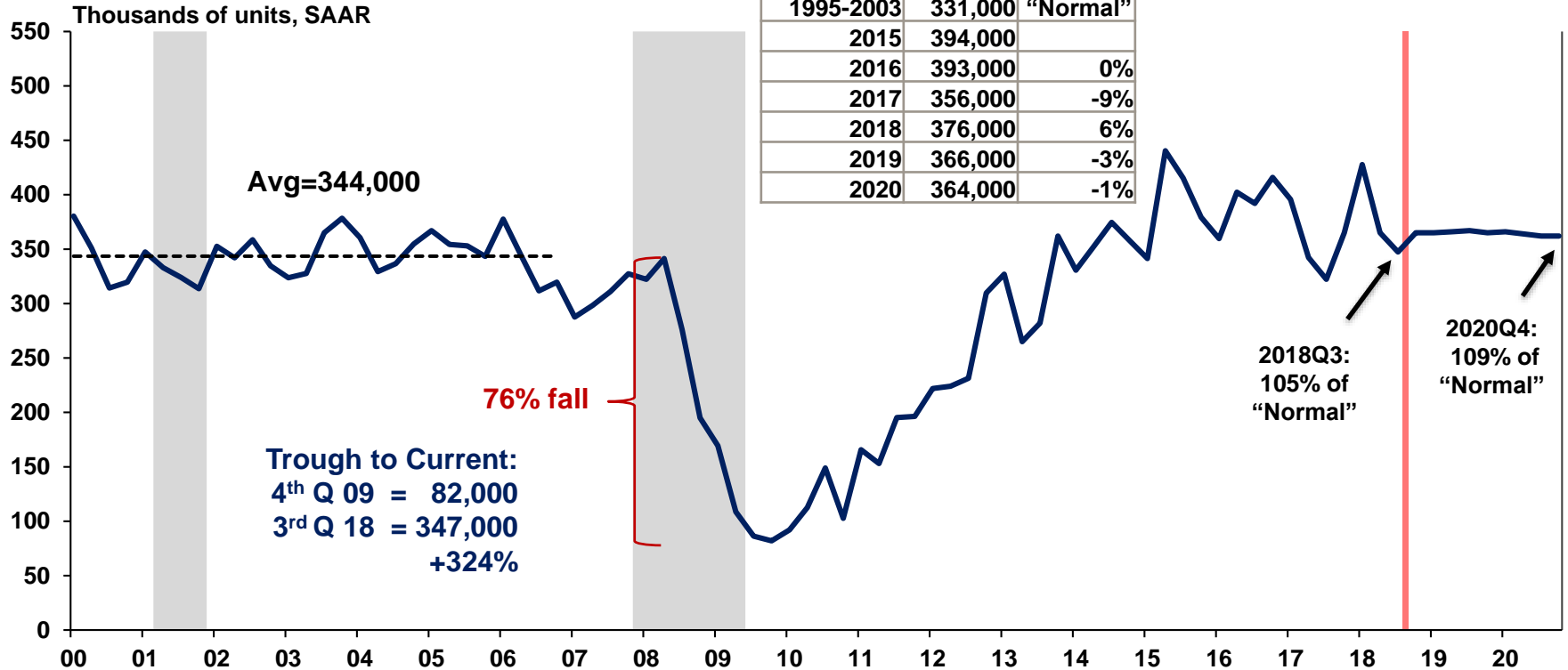
# Townhouse Market Expanding



Source: U.S. Census Bureau (BOC).

# Multifamily Housing Starts

## Leveling off



Source: U.S. Census Bureau (BOC) and NAHB Forecast.

# Thank you

*Questions?*

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Economic Leadership Sponsor

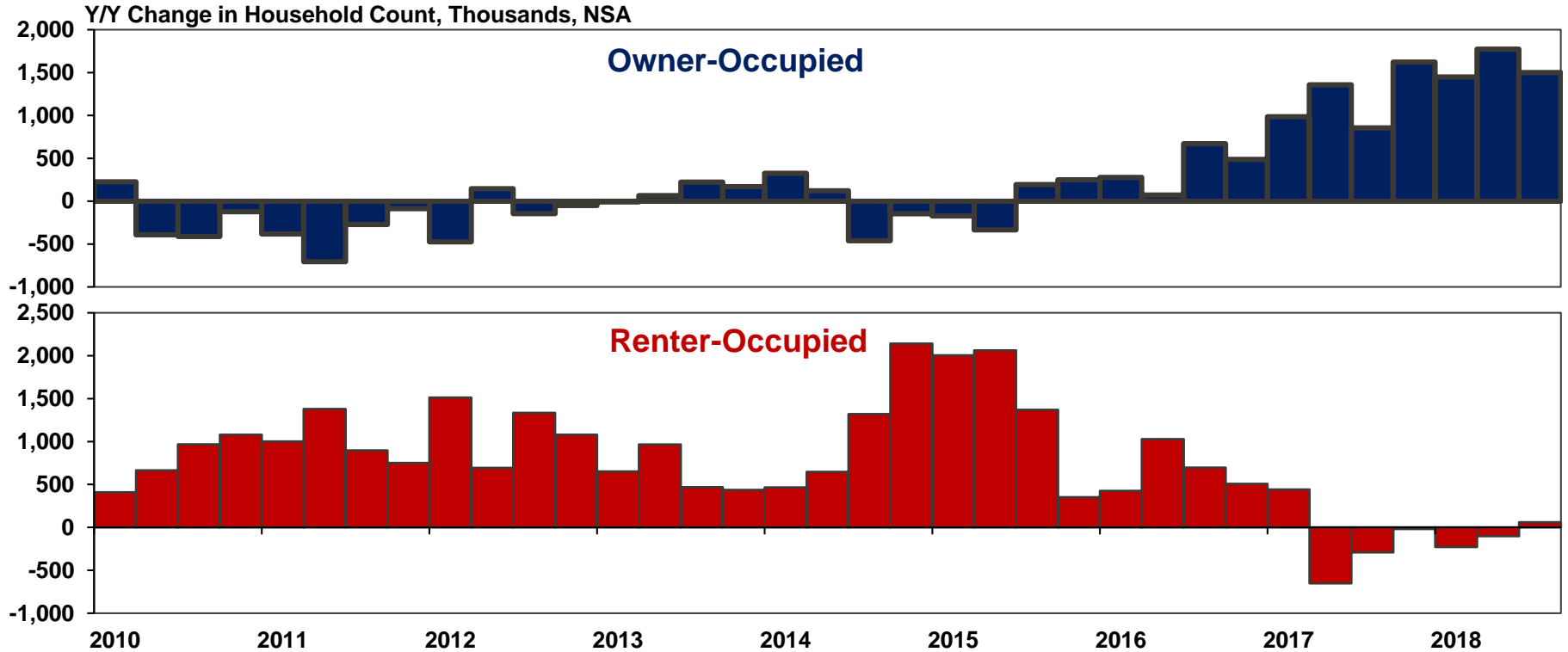


*eyeonhousing.org*  
*housingeconomics.com*



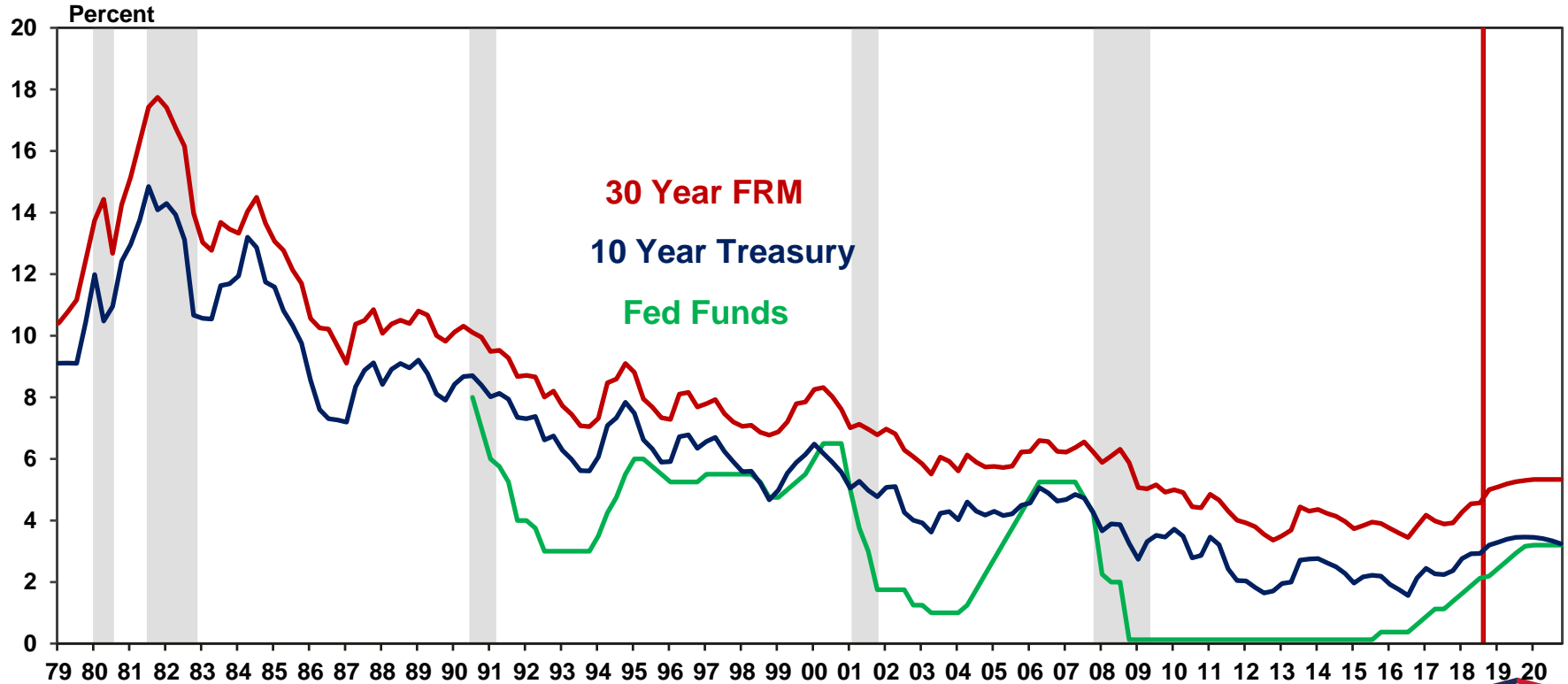
# Household Formation

*Demand for home ownership strengthening*



Source: U.S. Census Bureau (BOC): Housing Vacancies & Homeownership.

# Interest Rates – Increases Ahead



Source: U.S. Board of Governors of the Federal Reserve System (FRB) and NAHB forecast.