

Housing Affordability in Texas and Nationwide

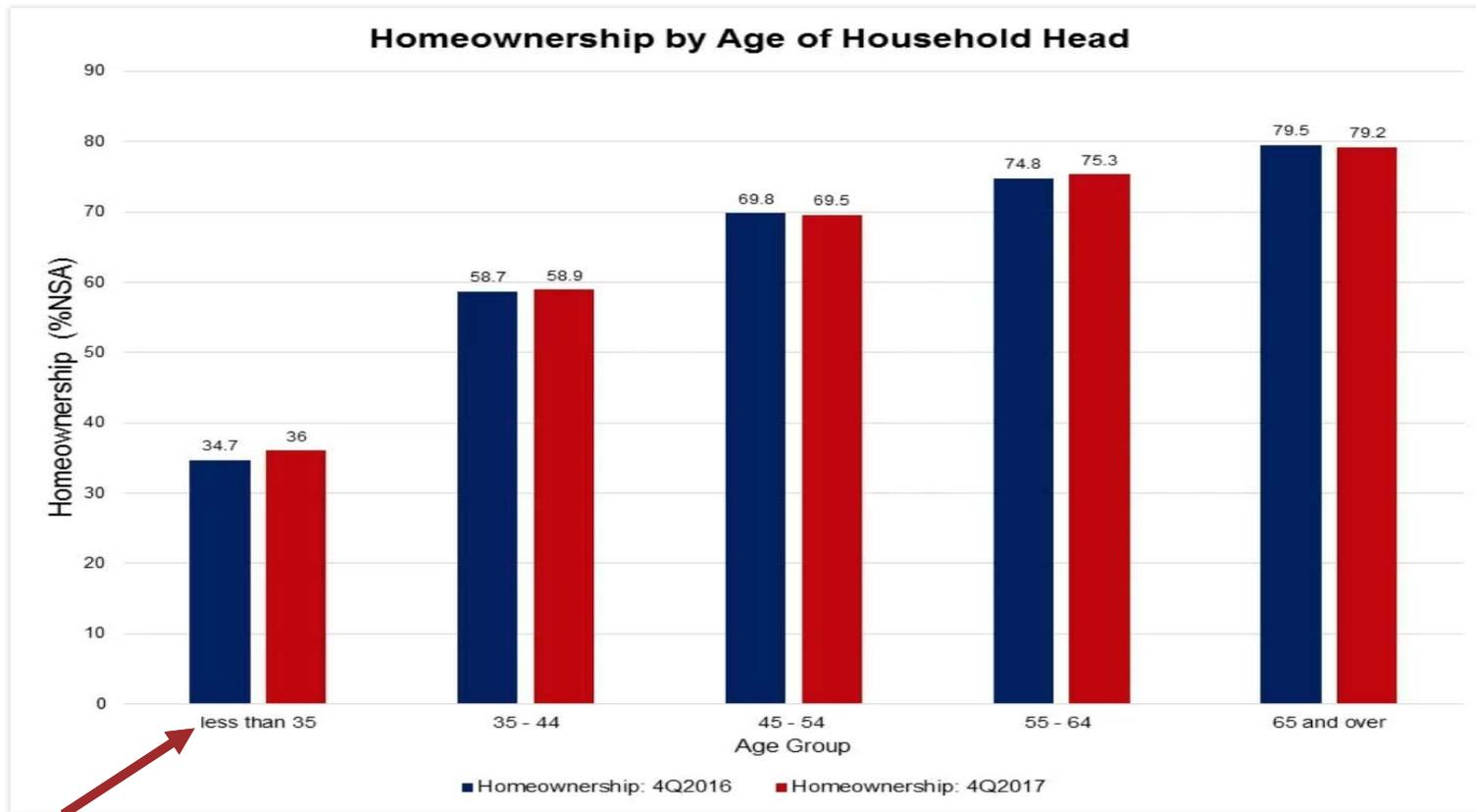
Federal Reserve Bank of Dallas
February 23, 2018

Granger MacDonald
Immediate Past Chairman
National Association of Home Builders



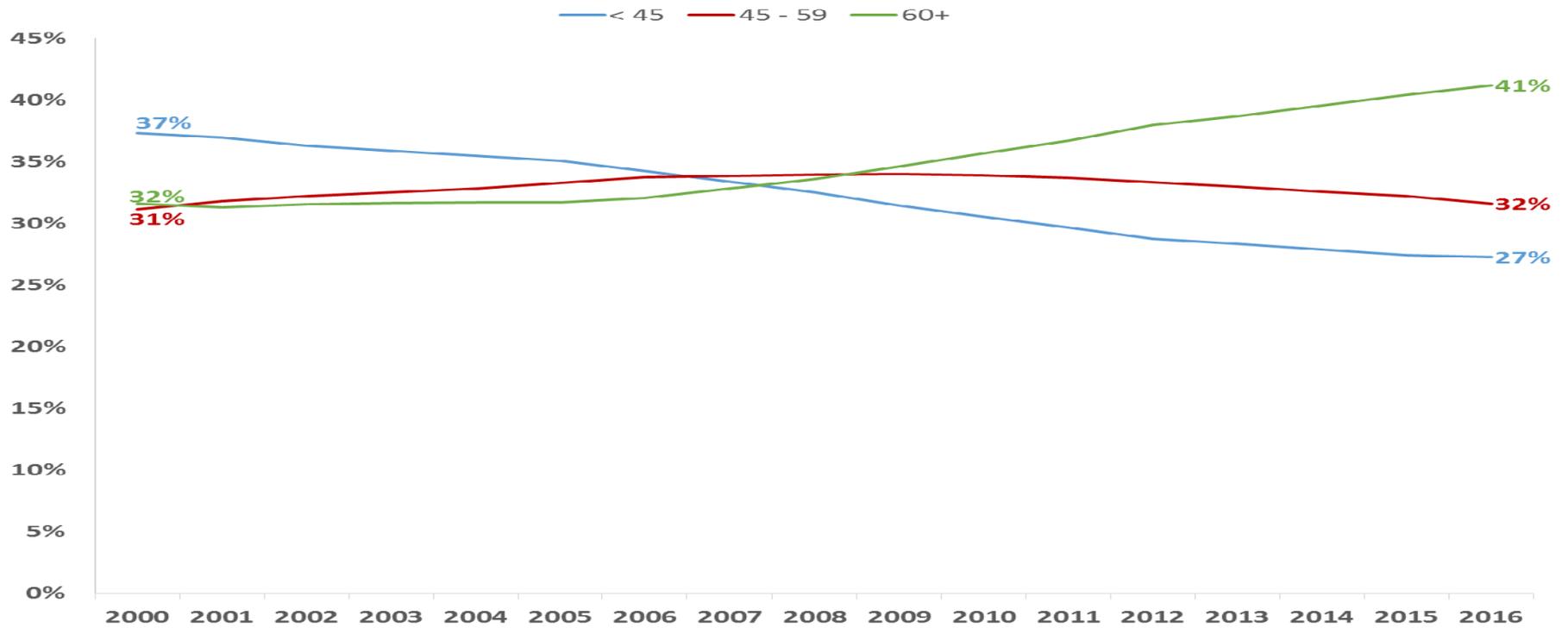
Millennial Homeownership Rates Tick Up

Rates grew from 34.7% in 2016 to 36% in 2017.



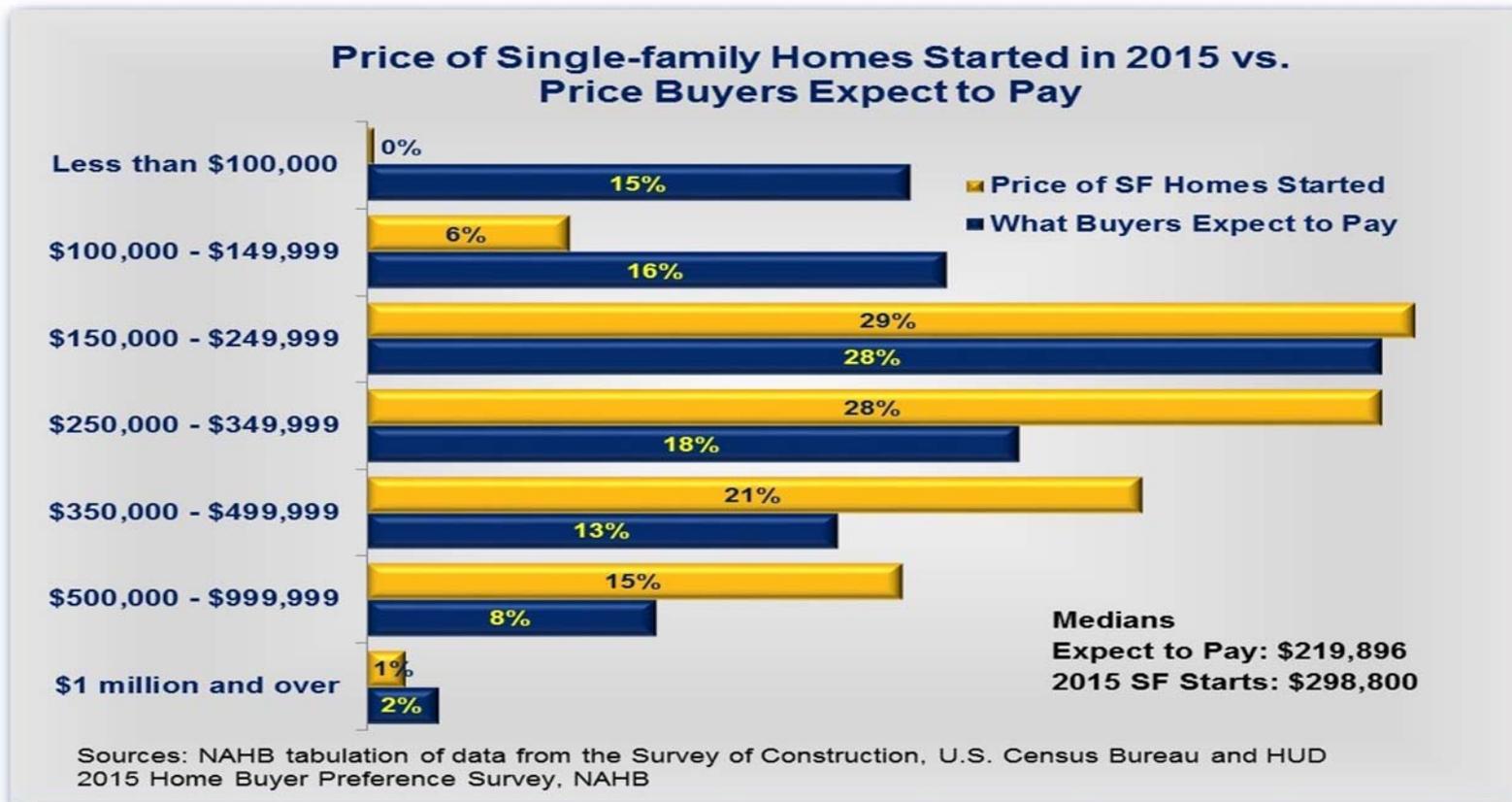
Owner Occupied Households

Younger households now account for smallest portion.



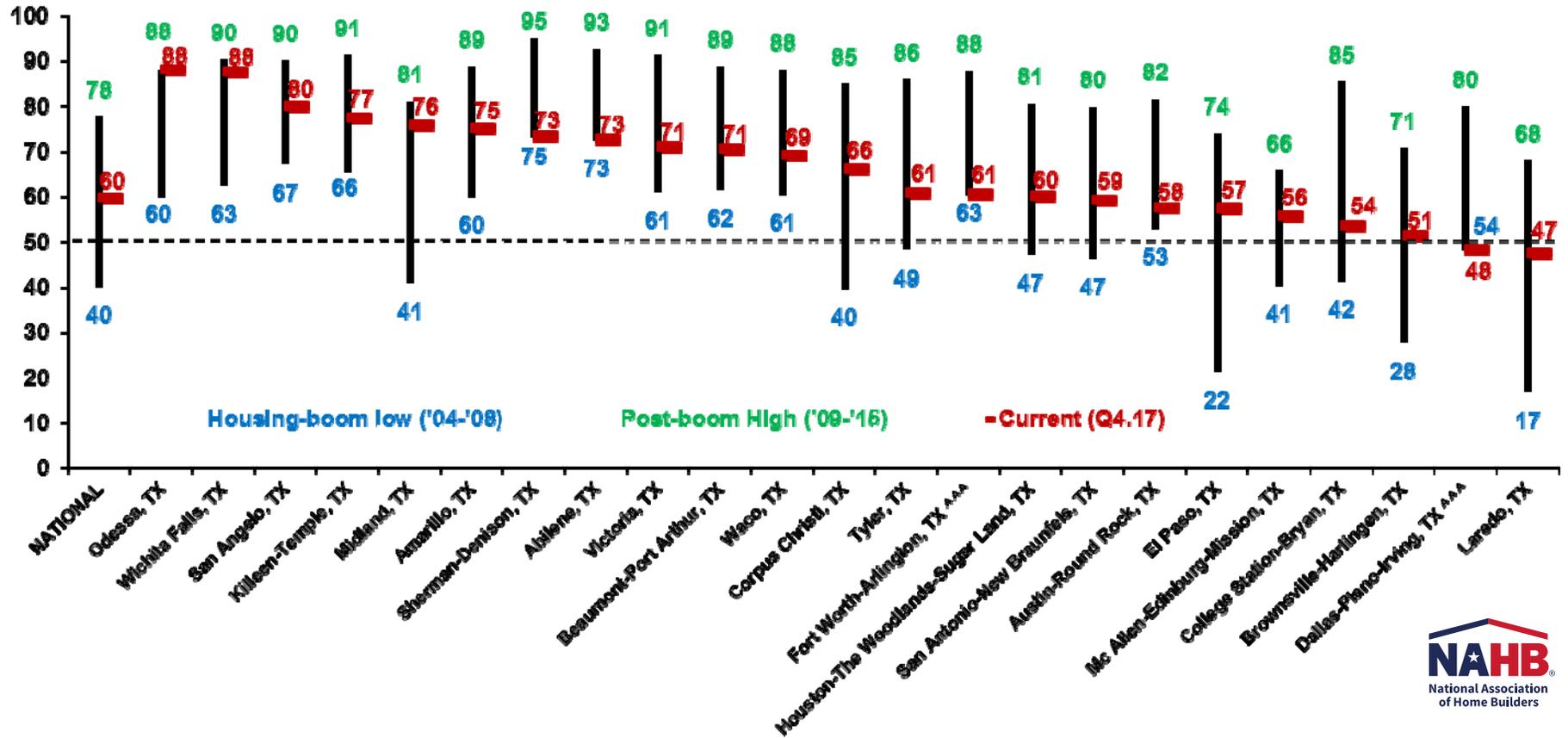
Mismatch

Buyers' expectations not well matched with prices of homes started.



Housing Affordability

Affordability has eroded across Texas, but most housing markets remain affordable.



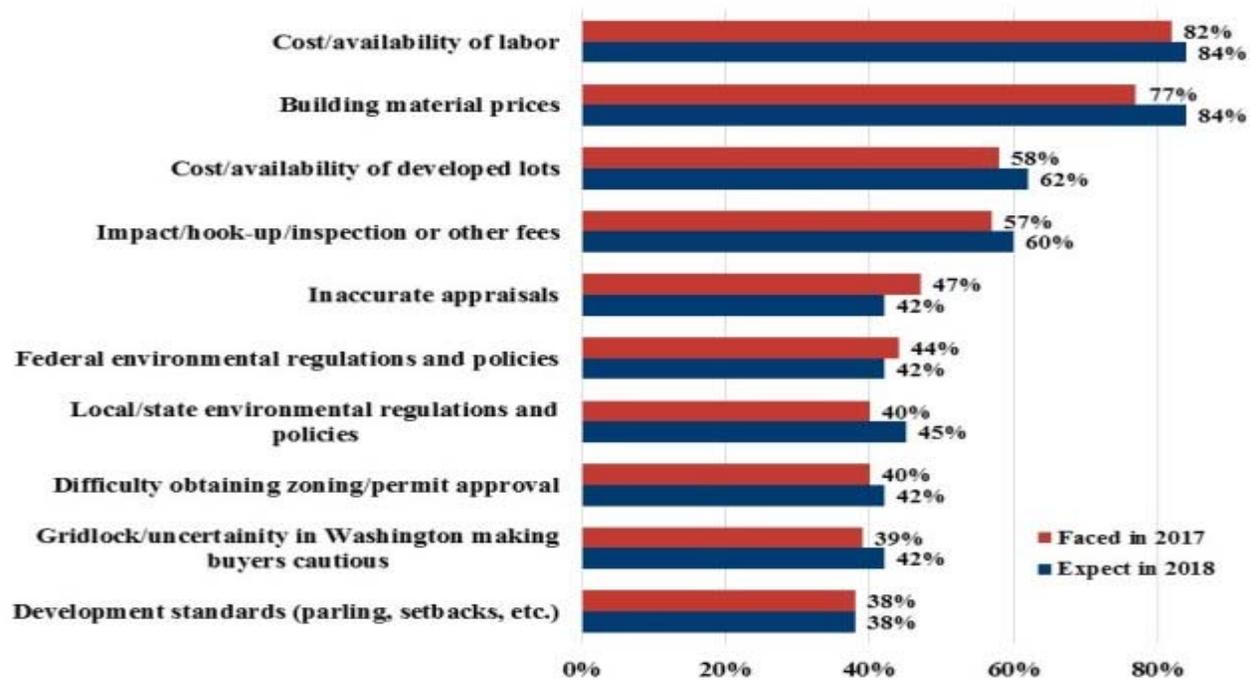
Regulatory Overload

Regulations, on average, account for almost 25% of the price of a new single-family home.



Supply-side Challenges

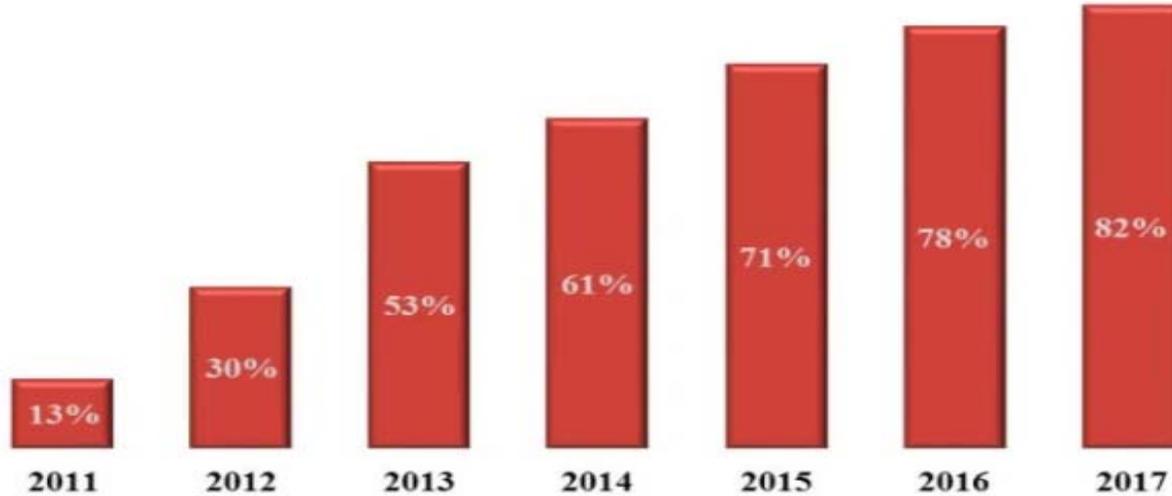
Top 10 Significant Problems Builders Faced in 2017 and Expect to Face in 2018



Source: HMI Special Survey, NAHB EcHp.

Availability of Labor

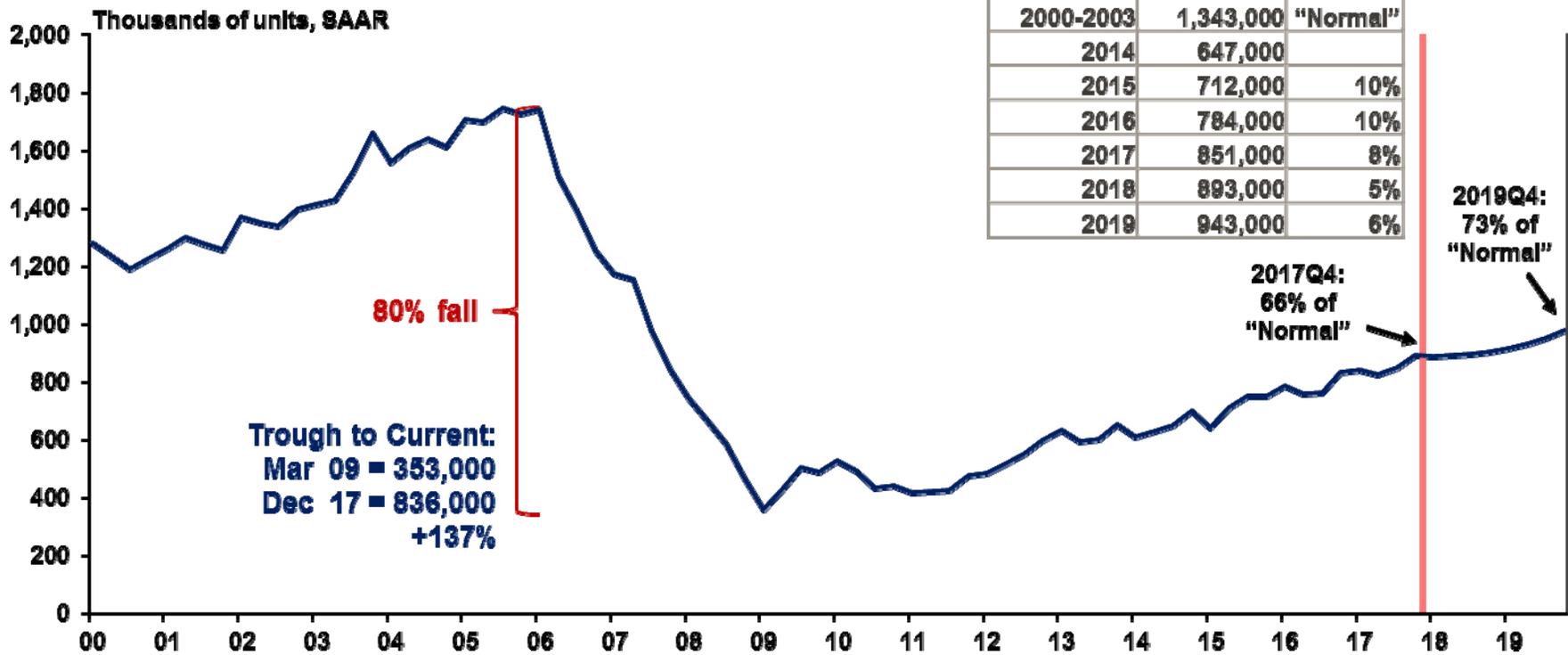
Share of Single-Family Builders Reporting Labor Cost/Availability Problems



Source: HMI Survey, NAHB EcHp.

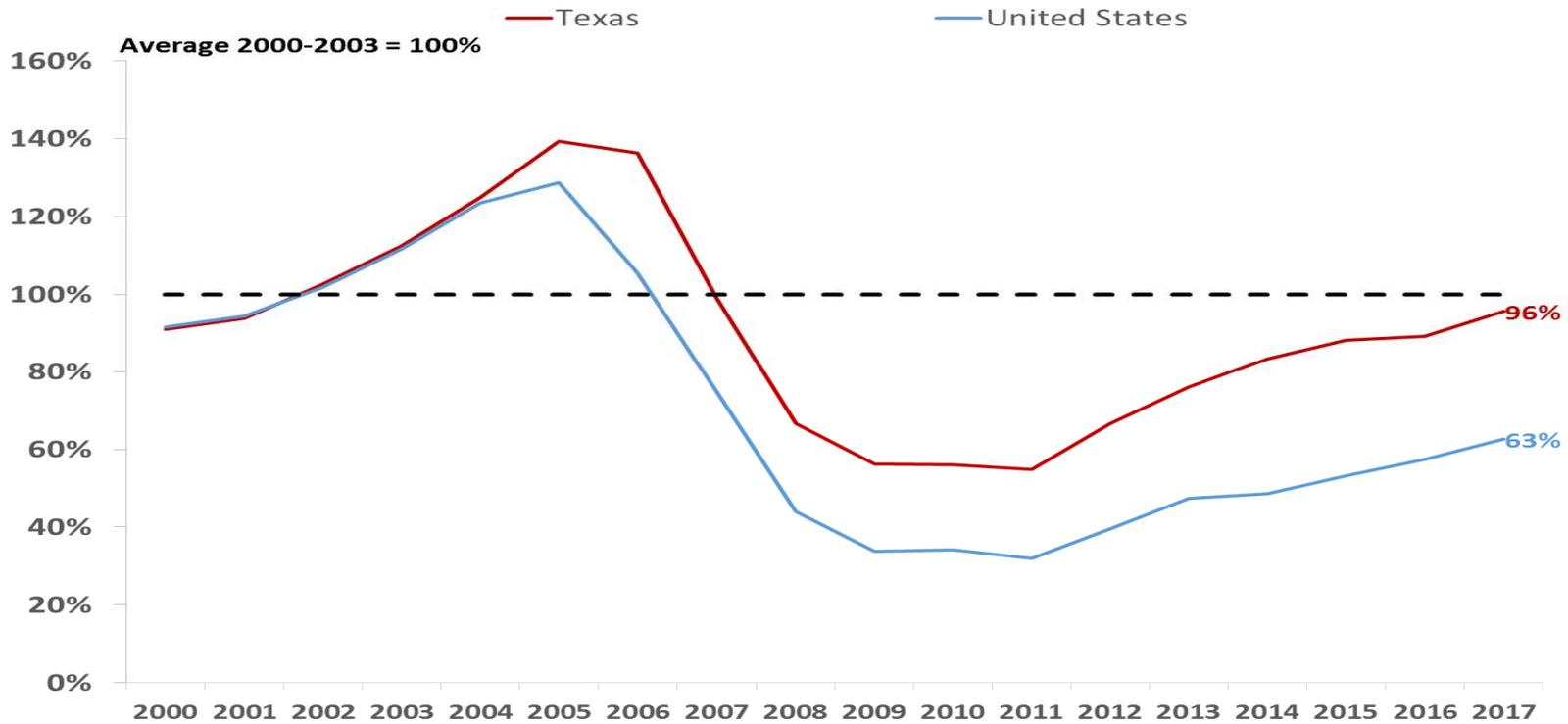
Single-family Starts

Single-family starts are expected to grow.



Single-family Permits in Texas and Nationwide

The local recovery is ahead of the nation, but production has not fully recovered.



Tax Reform

Tax reform legislation preserved the Low Income Housing Tax Credit.



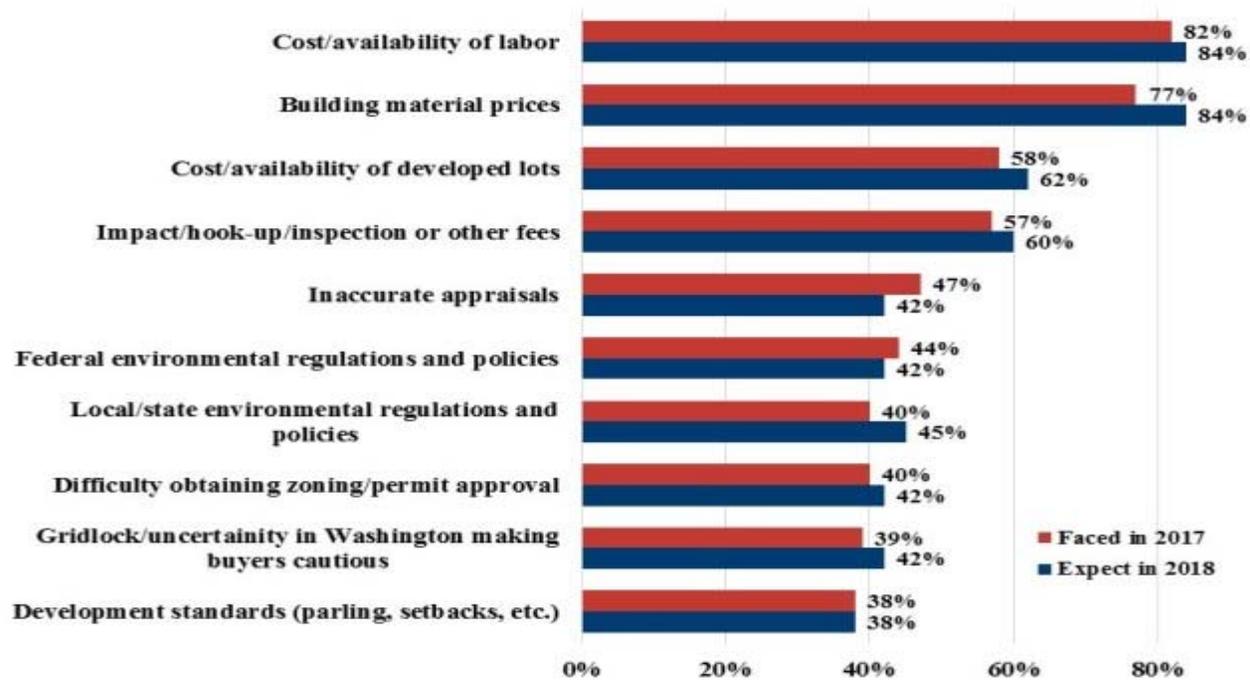
Affordable Housing Credit Improvement Act

Bipartisan legislation would help builders provide affordable housing units.



Supply-side Challenges

Top 10 Significant Problems Builders Faced in 2017 and Expect to Face in 2018



Source: HMI Special Survey, NAHB EcHp.

Housing Finance Reform

Part of housing affordability is ensuring creditworthy buyers can access mortgage credit.



Political Environment

NAHB is working with President Trump and policymakers to foster a pro-housing climate.



Housing Affordability in Texas and Nationwide

Federal Reserve Bank of Dallas
February 23, 2018

Granger MacDonald
Immediate Past Chairman
National Association of Home Builders

