

The News of the Home Builders Association of West Florida

CORNERSTONE

April 2018

**THERE'S NO PLACE
LIKE HOME:
GOOD ECONOMIC GROWTH
IN ESCAMBIA COUNTY
REQUIRES A
HEALTHY
HOUSING
MARKET**

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Cornerstone



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DR. HARPER DELIVERS STATE OF HOUSING REPORT WITH THE HELP OF KEY ORGANIZATIONS

In order to help builders and policymakers understand the County's housing needs, and meet its goals and objectives, the Home Builders Association of West Florida (HBA) partnered with the Pensacola Association of Realtors and the Greater Pensacola Chamber of Commerce to present a report on the state of Escambia County housing market.

If you were not able to make the presentation by Dr. Rick Harper on March 14th at New World Landing, you missed a great meeting where over 450 attendees heard good news. It was a relatively historic day in that the HBA, Pensacola Association of Realtors and the Greater Pensacola Chamber in that the three organizations came together for the first time with a joint meeting. I've heard nothing but positive feedback about the meeting. I was pleased to be a part of it.

AMONG THE KEY FINDINGS THAT EMERGED FROM DR. HARPER'S RESEARCH ARE:

- ★ The estimated annual economic impact of production of 1,048 new homes per year at the current median price per new home, is \$201 million in net new local income, along with \$23.8 million in taxes and other revenues to local governments. This creates 3,722 net new jobs in the local economy.
- ★ Inventories of homes for sale were down by 61 percent in January 2017 relative to their 2010 average, versus a decline of 41 percent for the nation over that same period.
- ★ The Escambia residential real estate market is currently healthy, with a rising number of transactions in new and existing home markets. Price increases have been strong for both new and existing homes, as the inventory of available listings has lagged demand increases.
- ★ As with housing markets nationwide, affordability in Escambia will be challenged in the near term on the supply side by a scarcity of inventory, increases in mortgage interest rates, and by increased prices for building materials and construction labor.
- ★ Demand side challenges to the health of the housing market and County growth more generally may arise after 2020, as the number of Baby Boomers relocating to Florida and Escambia begins to slow.

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President's Message



"If you were not able to make the presentation by Dr. Rick Harper on March 14th at New World Landing, you missed a great meeting where over 450 attendees heard good news."

DR. HARPER DELIVERS STATE OF HOUSING REPORT WITH THE HELP OF KEY ORGANIZATIONS

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- ★ Escambia needs both subdivision and infill development to be competitive in the regional housing market. Roadway access and affordable water and sewer development will enable the former, while expedited actions to put surplus properties on the market will facilitate the latter.
- ★ Higher required capital levels for so-called high-volatility commercial real estate (HVCRE) assets such as undeveloped land are the law of the land for lenders today. This has stymied financing for the flow of new land projects through the pipeline that would have kept the supply of buildable lots high.

The study will be fascinating for anyone who cares about the future economic vitality of the County and I encourage you to read it. Go to the HBA website: www.Westfloridabuilders.com to see the full report complete with slides of Dr. Harper's presentation.



Builder Confidence Remains on Solid Footing in March

Builder confidence in the market for newly built single-family homes edged down one point to a level of 70 in March from a downwardly revised February reading on the NAHB/Wells Fargo Housing Market Index (HMI) but remains in strong territory.

“Builders’ optimism continues to be fueled by growing consumer demand for housing and confidence in the market,” said NAHB Chairman Randy Noel. “However, builders are reporting challenges in finding buildable lots, which could limit their ability to meet this demand.”

“A strong labor market, rising incomes and a growing economy are boosting demand for homeownership even as interest rates rise,” said NAHB Chief Economist Robert Dietz. “With these economic fundamentals in place, the single-family sector should continue to make gains at a gradual pace in the months ahead.”

Derived from a monthly survey that NAHB has been conducting for 30 years, the 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.

The HMI component gauging current sales conditions held steady at 77, the chart measuring sales expectations in the next six months dropped two points to 78, and the index gauging buyer traffic fell three points to 51.

Looking at the three-month moving averages for regional HMI scores, the Northeast rose one point to 57, the South decreased one point to 73, the West fell two points to 79, and the Midwest dropped four points to 68.

“A strong labor market, rising incomes and a growing economy are boosting demand for homeownership even as interest rates rise...” NAHB Chief Economist Robert Dietz



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THERE'S NO PLACE LIKE HOME: GOOD ECONOMIC GROWTH

IN ESCAMBIA COUNTY REQUIRES A HEALTHY HOUSING MARKET

The Escambia County housing market is fully recovered from the bubble and bust that accompanied the Great Recession. Regional job creation and a swelling number of retirees have combined to create a dynamic environment where developers, builders, realtors, and other businesses help the County meet its commitment to provide a high-quality home for all new Escambia residents.

As part of an effort to inform both private sector businesses and government entities that meet the needs of local residents, the Home Builders Association, working with the Pensacola Association of Realtors, and Greater Pensacola Chamber, agreed to perform a much-needed assessment of the Escambia housing market. The following report was performed by Dr. Rick Harper, Economic Advisor to Triumph Gulf Coast. It provides detailed information about the housing market.

Key Findings

★ Population growth in Escambia County is projected to average .6 percent per year over the 2017 – 2025 period. This growth will be concentrated in two cohorts. One is the retiree age cohort, primarily due to the size of the Baby Boomer population, and the other is the dual-earner with school-age children cohort.

★ After accounting for multifamily demand and replacement of aging housing stock, Escambia home builders will need to provide an average of 1,048 new single-family homes per year from 2018 to 2022 in order to meet the demand generated by projected population growth. After that, demand is projected to fall to an average level of 566 homes per year over the 2023 to 2027 period.

★ There will be sufficient demand for new single-family homes to support absorption of up to 384 net new units per year over the next ten years that meet the lifestyle needs of the age 65+ population. These might be age-restricted or age-targeted communities and might include a clubhouse, walking trails, hobby centers and recreational space. Other needs would likely include smaller lot size, outdoor maintenance, and they would perhaps be gated. This will be the fastest growing segment of the population, both in percentage terms and in absolute numbers, over the next 10 years. However, while the senior cohort is already substantial in Escambia, as of yet there seem to be relatively few neighborhoods that

provide these amenities in the same way that South and Central Florida do.

★ Due to the size of the millennial generation, and the traditional attractiveness of the Escambia community, there will be sufficient demand to support the purchase of up to 292 homes per year over the next ten years that meet the needs of younger families, including availability in good school districts and with a comfortable commute and safe streets.

★ The estimated annual economic impact of production of 1,048 new homes per year at the current median price per new home is \$201 million in local income, along with \$23.8 million in taxes and other revenues to local governments, and 3,722 net new jobs in the local economy. To put this in perspective, total earnings from jobs located in Escambia in 2017 were about \$9.98 billion.

★ Escambia is a diverse market, providing single-family residences, apartments, condos, urban and suburban lifestyles for lower, middle, and upper income households. U.S. Census data indicate that the share of multifamily structure building permits issued over the 2001 – 2106 period was 26.8 percent in Escambia County, versus only 4.2 percent in Santa Rosa, and 28.7 percent in Okaloosa.

★ Escambia's role a job creator can be seen in its commuter balance. U.S. Census data show that in 2015 some 46,062 workers lived elsewhere but worked in Escambia, versus only 29,319 Escambians who lived here but worked outside the County.

★ The Escambia residential real estate market is currently robust, with transactions stable or rising, and prices rising due to lower than normal inventories of new and existing homes for sale. Price increases have been strongest in the existing home market, as competition has let prices rise to more closely match new home prices.

Visit the HBA website @
www.Westfloridabuilders.com
to see the full report complete with slides
of Dr. Harper's presentation.

★ Inventories of homes for sale were down by 61 percent in January 2018 relative to 2010, with declines from July 2015 onward picking up pace.

★ While price growth in upper tier homes dominated the real estate boom and have continued to do so since existing the trough There are market opportunities at both the high and low ends of the spectrum.

★ As with housing markets nationwide, affordability in Escambia will be challenged by expectations of increases in mortgage interest rates, a scarcity of inventory and a financial regulatory environment not as conducive to real estate development lending as it once was.

★ Affordability will be challenged by local factors including rising costs attributable both to the cost of bringing buildable lots to market, and to higher materials, subcontractor, and labor costs. The ongoing recovery of construction volume and new home, as well as existing home sales, points to a pending scarcity of inventory.

★ Higher required capital levels for so-called high-volatility commercial real estate (HVCRE) assets such as undeveloped land are the law of the land for lenders today. This has stymied financing for the flow of new land projects through the pipeline that would have kept the supply of buildable lots high.

★ It is estimated that an increase in mortgage interest rates from 3.99 percent of 2017 to five percent would take the monthly payment for the current median price existing home sale to about \$1,124, requiring annual income of \$48,171 to qualify. At Escambia income levels, taking the mortgage interest rate up to 5 percent would eliminate about 3,400 households from qualifying for that loan.

★ Continued prosperity of the County, including eventual development of additional high-wage local businesses, will rely on the ability of the County to continue to meet the housing needs of commuting, dual-income, middle-class and upper-middle-class families with children, and of retirees.

★ Local job growth, with the ongoing shift into services targeted at the growing retiree and the tourism sectors, will not be sufficient to support neighborhood development similar to that of the last decade. Escambia will need to attract higher-income job holders who have historically chosen to commute.

★ Families with children need high quality public schools that serve neighborhoods with a reasonable commute time to high-wage employment centers. New schools must be planned and built with this in mind, as schools around desirable existing neighborhoods with these characteristics are at enrollment capacity.



★ The reentry of the publicly-traded national builders into the Escambia market provides a large volume builder with access to lower cost capital to purchase buildable lots from subdivision developers. They have brought financial expertise and a scale of operations in construction that allows volume discounts in purchase of construction materials. This has put competitive price pressures and buildable lot availability pressures onto other builders in the new home market.

Escambia Homeownership Rates

As was seen in the discussion of the national housing market, homeownership rates have declined for all age cohorts in the wake of the Great Recession. Sixty 60 percent of all parcels classified as improved residential carry some level of homestead exemption. Homesteaded rates are higher for single-family residence parcels, with 65.8 percent of those parcels homesteaded. 44.6 percent of mobile home parcels are homesteaded, while only 13.7 percent of condominiums are homesteaded.

The taxation implications of changes in homeownership rates are particularly important for local governments in Florida, given their reliance on property tax as the major revenue source for funding needed infrastructure development and maintenance. This is especially true for Escambia, where the ratio of the allowed \$25,000 homestead exemption as a percent of total assessed value in 2017 was 1.37 times the average for Florida. Escambia has relatively many residents, and thus a correspondingly high residential valuation as a share of total valuation, compared to the density of commercial activity in other parts of the region and state. Given that Escambia is more residentially oriented, one would expect other ratios related to residential density to also come in at about 1.4 times the state average. However, the demographics of the County and structure of our families have led to a ratio 4.1 times that of the state for the homestead assessment reduction for parents or grandparents living in the home, and a ratio 2.5 times that of the state for additional homestead exemption for age 65 and over. Escambia appears to already be a senior-intensive county, at least from the perspective of people's property tax filings. Not unexpectedly, given the outsize role of the military employment and retirees in the region, the ratio for disabled veterans homestead discount is 2.5 times that of the state. However, use of the deployed service member's homestead exemption is at 1.05 times the state average, well below the 17 and 22 multiples in neighboring Santa Rosa and Okaloosa Counties, respectively. Perhaps this is not surprising, given the nature of the mission at Hurlburt Field in Okaloosa County especially.

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THERE'S NO PLACE LIKE HOME

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The category of activity where Escambia is well above the state average is in the use of the economic development property tax exemption. Escambia has an exemption to valuation ratio that is 18 times state average, and second only to Columbia County, home to Lake City. While Columbia has only about one sixth the taxable value of Escambia, it provides about 50 percent more exemption per dollar of taxable value than does Escambia. Almost one percent of Escambia's total 2017 taxable value of \$25 billion is covered by the category labeled by the Florida Department of Revenue as the "Economic Development and Child Care Exemptions."

It is also true that, given the lower home prices, tax burden, and greater affordability traditionally associated with Escambia, the homestead property tax exemptions provide a great proportionate reduction in tax here than in more expensive parts of the state. This means that Escambia faces a built-in constraint on County income growth that is more severe than in other parts of the state.

Performance of the Escambia Housing Market

After the crippling blow of the Great Recession, sales of new and existing homes have recovered strongly, although median prices and quantities are still not back to the boom levels of 2005. The Escambia market is more mature than that of neighboring counties, and going forward can attract additional housing demand due to some of the growing capacity challenges of its neighbors. More builders in Northwest Florida have turned to infill development, building homes in different locations across the community, rather than clusters of homes in subdivisions. This is partly due to the fact that many of the easiest neighborhoods, in terms of large numbers of buildable lots, with easy access to good schools and to work, and that are without wetlands or other issues, are largely built out.

In particular, the weak inbound migration of 2000 – 2010, and especially post-Ivan Great Recession period of 2007 – 2010, was associated with low growth in population, household incomes, and median value per square foot of homes in Escambia County. The Great Recession dropped inbound migration until it became outbound migration, particularly as the post-Ivan boom subsided, and median household income and home values stagnated. While years 2010 to 2015 saw population growth return to the higher and more normal levels of the 1990s, ongoing modest population and household income growth has threatened to hold back home value appreciation in Escambia more than in other locations. This in turn has affected the performance forecasts for the housing market. The real estate firm Zillow provides credible data for local markets. The baseline Zillow forecast calls for

growth in the average home values in Escambia of just less than 1 percent for the year beginning in January 2018. Relative to the 36 Florida counties for which forecasts are available, Zillow expects Escambia 2017 home value growth to be lower than the average forecasted rate of 2.9 percent, albeit higher than Bay (.77 percent), Okaloosa (.48 percent), and slightly lower than Santa Rosa (1.1 percent). Generally, the counties that make up the Jacksonville MSA are expected to be among the leaders statewide, followed by counties associated with Tampa and Orlando, while the Miami and Tallahassee areas are expected to be the laggards. However, the economic drivers for the Northwest Florida region suggest that Escambia, along with neighboring counties, may well outperform that housing forecast. As the Figure below shows, it is clear that the foreclosure crisis has eased in Escambia County.

The Job Creation impact of Homebuilding in Escambia County

Inbound migration is particularly important in determining population growth rates in Escambia, as it is for other counties throughout Florida. If these new residents had not arrived, the need for new schools would not be as great, and the need to expand roads, water, sewer and other infrastructure would be less. However, there would also be fewer residents over which to spread the funding burden. The question of whether new housing development pays for itself is hotly debated. There are clearly both costs and benefits to the larger community of constructing new homes and neighborhoods. While a complete treatment of the economic and fiscal impact of growth to the County, its established residents, and its newcomers is beyond the scope of this report, we outline here the economic impact of new home construction.

Homebuilding has a somewhat unique capability to drive local economic impact. It calls for skilled workers who command a living wage that will mostly be spent locally. Much of the spending done to build a \$211,000 house is done on locally produced goods and services. This price is the median price for the 849 new homes sold in Escambia during



2017. This means that unlike other types of goods production (i.e., manufacturing), the supply chain for developers and builders often has an extensive local component. This characteristic gives homebuilding a relatively large multiplier, or spin-off spending, effect in the local economy per dollar spent.

This report forecasts that there will be sufficient regional population growth to enable absorption of about 1,048 new homes per year in the County until at least 2022. It is important to break the economic effect out into one-time and continuing effect. The National Association of Home Builders has produced studies that estimate the job creation and spending impact of homebuilding in the two-county Pensacola MSA, and have also estimated the net costs and revenues associated with the presence of new residents.

"There's No Place Like Home" continues on page 12



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THERE'S NO PLACE LIKE HOME

from page 10

The National Association of Home Builders recently used standard economic impact measurement tools to assess the value of new residential construction in our local area. That study applied to the two-county metro area and used new home sales figures and prices from several years ago. Here, we update that analysis to incorporate adjustments to the quantities of homes built and sold, as well as to prices, to show the economic impact of the housing growth projected by this study.

The estimated annual economic impact of production of 1,048 new homes per year projected by this study, using the current median price per new home, is \$201 million in net new local income, along with \$23.8 million in taxes and other revenues to local governments, and 3,722 net new jobs in the local economy. This is separate and apart from the continuing impact of having homeowners in newer, higher value, and thus higher property tax-paying, properties to support County revenue requirements. To put this in perspective, total earnings from jobs located in Escambia in 2017 were about \$9.98 billion.

Concluding Remarks

Escambia's status as an older community and its position as the high wage jobs hub has led to a unique position in terms of residential housing. Over the last several decades, developers have been able to install subdivisions in neighboring counties of newer homes on larger lots at affordable cost. However, those costs, particularly of buildable lots in Santa Rosa, have been rising, creating new opportunity for competitive homebuilders in Escambia. Further, local job growth in businesses serving a national market has been strong, particularly to the north of the traditional urban core. This has created opportunity for the County to capitalize on available land north of I-10 with an attractive commute, as long as infrastructure develop-

ment, particularly roads and schools, can keep up.

Downtown revitalization has picked up steam within the last several years. Given the higher housing prices associated with in-town locations and the limited possibilities for larger subdivisions, infill growth is key. The City and County must find ways to get vacant residential parcels to the market for infill development. It is not the revenue from the sale of the parcel that matters to the future economic health of the City, it is the economic activity of the families who will reside there that matters most. Healthy subdivision growth to the north, combined with healthy infill growth in the south, will be a combination that increases population, tax base, and economic vitality.

Growing Escambia's status as the residential area of choice will require renewed attention to the availability of buildable lots in subdivisions and in infill uses. Little can be done locally about southeastern and national factors that will influence affordability, such as mortgage rates, bank lending standards, and the cost of building materials. However, local government has a large role to play in striking the right balance between infrastructure and affordability, and in the distribution of

financial burden between new and existing residents.

As one political pundit put it as we began the recovery from the housing bust: "Florida used to be big on growth management, but now we just wish we had some growth to manage!" The regional population growth that would support healthy growth for Escambia is available, as long as there are good schools and good and safe streets for all. If not, those potential new residents, and their spending, have other options.





MARCH MEMBERSHIP NETWORKING MEETING

Special thanks to the team at Ferguson Enterprises for hosting HBA members for the March Membership Networking Meeting. Ferguson knows how to host a gathering complete with fantastic Irish food and prizes that would make a Leprechaun happy!



The Ferguson Team, from left: Branch Manager Patrick Prine, Showroom Supervisor Janna Boyd, Consultants Jessica Stewart and Kiel Kafka.



Meghan Harrison, of McDonald Fleming Moorhead, finds a lucky coin at Ferguson Enterprises.



Robert and Tanya Underwood, of Emerald Coast Granite & Tile, enjoyed the meeting at Ferguson. Tanya is an active member of the HBA's Membership Committee.



Amber Baker, Wilma Shortall of Trustmark and HBA Membership Committee Chair Marty Rich of University of Lending Group enjoy a moment at Ferguson Enterprises.



Ferguson Showroom Supervisor Janna Boyd with HBA Past President Newman Rodgers. Rodgers won a nice set of induction cookware as a door prize.

A WINNING COMBINATION

PARADE OF HOMES AND FALL SHOWCASE OF HOMES

Parade of Homes: May 5 - 13, 2018

Fall Showcase of Homes: October 6 - 14, 2018

For 2018, the Home Builders Association of West Florida (HBA) will host two community events to give consumers a look at new home construction. The annual Parade of Homes will take place May 5 – 13 with scattered sites throughout Escambia and Santa Rosa Counties. The HBA is bringing back the Fall Showcase of Homes, set for October 6-14, and this event will feature the American Dream Home. The American Dream Homes is being constructed by Alton Lister, of Lister Builders, at the Highlands at the Moors in Santa Rosa County. It will be a change having the Dream Home featured in October but it will add value to the Fall Showcase of Homes.



PARADE OF HOMES

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SHOWCASE OF HOMES

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First-Time Home Buyers Deflated, but not Deterred

Competition is stiff in housing markets across the country. Limited inventory of existing and entry-level homes combined with interest rate hikes are causing prices to rise and expectations to decline — particularly among first-time buyers.

Evidence of this is shown in a recent NAHB poll which asked prospective home buyers various questions about their perceptions of the housing market. The results depict a pragmatic awareness: 40% of all home shoppers think finding the right home will become harder in the months ahead. Another 25% think market conditions will stay about the same, and just 27% think it will get easier.

The poll also explored which home features are considered the most essential by prospective buyers. More than 40% of second time-plus buyers consider 14 features to be must-haves. Meanwhile, first-time buyers are slightly less picky, as more than 40% listed just 10 essential features.

“Today’s consumers are more informed about the housing market than ever before, and they’re often very particular

about what they want,” said NAHB economist Rose Quint, who coordinated the poll. “But demand is exceeding supply and many buyers — especially younger ones — simply don’t have the resources to get everything on their wish list. But that’s not deterring them from homeownership. It’s just compelling many of them to be more flexible with their search criteria.”

The most-wanted features listed by both groups are much the same, and the top two — a living room and laundry room — are identical, just in reverse order. Other features highly desired by both groups include a dining room, garage storage, walk-in closets, and having a shower and tub in the master bath.

Among the notable disparities between the lists, “front porch” was ranked No. 7 by first-time buyers, but it didn’t even make the list for current/former home owners in the market to buy.

In contrast, current/former home owners listed several necessary features that first-timers didn’t, including: a patio, eat-in kitchen, hardwood flooring, Energy Star-certified appliances and granite countertops.

Courtesy of NAHBnow.com





New Developments in Smart Home Technology

What are the big developments in smart home technology? And what's on the horizon in the next year or two?

Gordon van Zuiden, founder of the San Francisco home technology company cyberManor, has the answer to both questions: Voice control.

The range of devices that can be controlled by voice is limitless. Stoves and fridges have joined smart thermostats and lighting in the category of appliances that can be adjusted by speaking. Simply put: If it's got power, there's the potential for voice control.

"What's happening right now is that voice control is evolving the same way that the personal computer or the internet did when they were first introduced: Things begin as complex systems, become simplified, and then so ubiquitous we don't even think about their presence much," said van Zuiden.

"We're in the transition phase from complex to simple when it comes to voice control. It's a march towards the 'frictionless home'. A march toward the ultimate goal of: 'I think something. I want something. It should do something,'" he said.

For van Zuiden, that frictionless home will allow immediate recognition of a user's wants: Can one family member say "Hey, Mom?" while that person's in their bedroom — and have Mom appear on a video screen from the kitchen, for example?

That day's coming soon, and it will require thoughtful design.

Whether remodeling a home or building a new one, early consultation with an inte-



grator is important. Voice control devices are yet another stressor on residential Wi-Fi, and having an integrator prewire a home will provide much more reliable performance and help solve the issues of interoperability: With more and more disparate — and complex — devices being pitched to the consumer, the chances that those things won't "talk" to one another rises exponentially.

A good home technology integrator can ensure that the end result isn't a pile of frustrating gadgets, but rather a terrific smart home experience. Consultation at the outset can hold down costs and — more importantly — reduce client frustration.

Eventually — and that moment isn't far off at all — voice control will begin to recognize individuals in the home, and then interact with individuals in a more personal manner. That platform, whatever its name might be, will know who it's talking to, and know that user's preferences, from music to movies to lighting and shopping lists. Voice control — when coupled with other sensors — will ultimately become a virtual assistant.

The elegant summation from van Zuiden: "It's home as personal concierge."

This NAHBNow guest post was written by Ed Wenck, Content Marketing Manager for CEDIA, the industry association representing those professionals who manufacture, design and integrate goods and services for the connected home.

Courtesy of NAHB

Regulatory Horror Story Highlights Need to Reform Permitting Process

Illustrating how the federal regulatory system has run amok and the need for Congress to fix a broken permitting process, a development firm today shared its three-decade-long nightmare with a House panel regarding its futile attempts to obtain a Clean Water Act permit.

During a hearing before the House Subcommittee on Interior, Energy and the Environment, lawmakers heard how The ESG Companies based in Virginia Beach, Va. has been denied a Section 404 Clean Water Act permit to develop its property for close to 30 years. All the while, the company repeatedly went through proper channels and put forth state-approved plans that would result in zero net loss of wetlands.

Valerie Wilkinson, vice president and chief financial officer of The ESG Companies, testified before the House committee on behalf of NAHB. She described how an ongoing regulatory quagmire has prevented her firm from developing a multi-use community to meet local housing needs on land her company purchased in the mid-1980s.

“The land we acquired almost three decades ago still lays undeveloped and we continue to be held hostage by the federal government,” said Wilkinson. “Throughout every step of the process, the rules have changed and new requirements have been added. After 30 years, we’ve spent more than \$4.5 million and are still not even close to obtaining the required federal Clean Water Act 404 permit for our project.”

Throughout the ordeal, the firm has hired specialists with extensive expertise in environmental geology and wetlands hydrology, scores of environmental consultants to conduct wetland functional assessments, as well as consultants suggested by the U.S. Army Corps of Engineers.

“Over the past 30 years, we have complied with every request, modified our building plans and created an extremely aggressive conservation plan to combat environmental impacts,” said Wilkinson. “Most businesses do not have the time, money and fortitude to engage in these lengthy battles and are forced to abandon such projects. We mean to stay in this fight, but it’s

difficult to say what else we can do to move this project forward.”

In a positive development, the Trump Administration is working to rescind the waters of the U.S. rule. Though the rule is not currently in effect, it would increase federal regulatory power over private property and lead to increased litigation, costly permit requirements, and lengthy delays for any business trying to comply.

NAHB will work with the administration to develop a new rule that will protect the nation’s waterways and environment, and take into account the interests of small businesses and local communities.

To further streamline the permitting process and prevent federal agencies from needlessly delaying projects, NAHB is seeking a regulatory and legislative solution that would:

- Require one federal agency to take the lead on evaluating projects. Allowing builders to consult with one agency will ultimately reduce the time and resources needed to obtain a permit, while continuing to protect the environment.
- Give the federal government a two-year deadline to complete the permitting process. This would provide clarity and certainty to home builders and other small businesses.
- Allow states to administer the Clean Water Act 404 permitting program for certain waters within their borders. By granting authority to the states as envisioned by Congress, red tape in Washington will be cut and permit costs and delays for home building projects and related infrastructure projects will decrease.

For more information, contact Courtney Briggs at 800-368-5242 x8459. Courtesy of NAHBnow.com





In 2016, FHBA worked to save builders and remodelers **over \$7,000***



1. Guard Measurement = \$1,500
Reduces horizontal distance from 36 to 24 inches



4. Stucco = \$1,100
Reduced time between coats and curing from seven days per ASTM 926



7. Custom Doors = \$500
Provides criteria for custom one-of-a-kind doors (FBC-B & R)



2. Fire Separation = \$2,500
Reverts to three feet and adds options to fire rating soffits



5. Air Leakage = \$175
Provides option for testing in multi-family as single and modified 5 ACH to 7 ACH



8. Shower Liner = \$75
Reinstates exception to shower liner on SOG (FBC-R & P)



3. Duct Penetration Garage = \$300
Retained provisions allowing use of duct board



6. Mechanical Ventilation = \$75
Reduced from 5 ACH to less than 3 ACH



9. Door Swing = \$750
Revisions permitting doors to outswing over egress, two risers, and an exception for landings

FHBA also stopped issues from passing, which resulted in additional builder savings: Flood Provisions = \$10,000, Irrigation = \$1,000, and Water Saving Fixtures = \$250.

*Approximate cost savings per house/lot impacted.

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In construction, a spike is a steel object that is essential to making a building strong. As in construction, the HBA of West Florida sees a Spike as someone that works to keep our association strong. Spikes work on the recruitment and retention of members in addition to keeping members active with the association. Anyone is eligible for Spike status. On Spike credit is awarded for each new member recruited and an additional credit is awarded for that new member's renewal on or before their anniversary date. If you help to retain a member, you are eligible to receive a half point for each member.

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4. They serve on committees and councils gaining valuable networking opportunity while helping to advance the association's mission.

5. By doing so, you increase the value proposition for all membership in our HBA.

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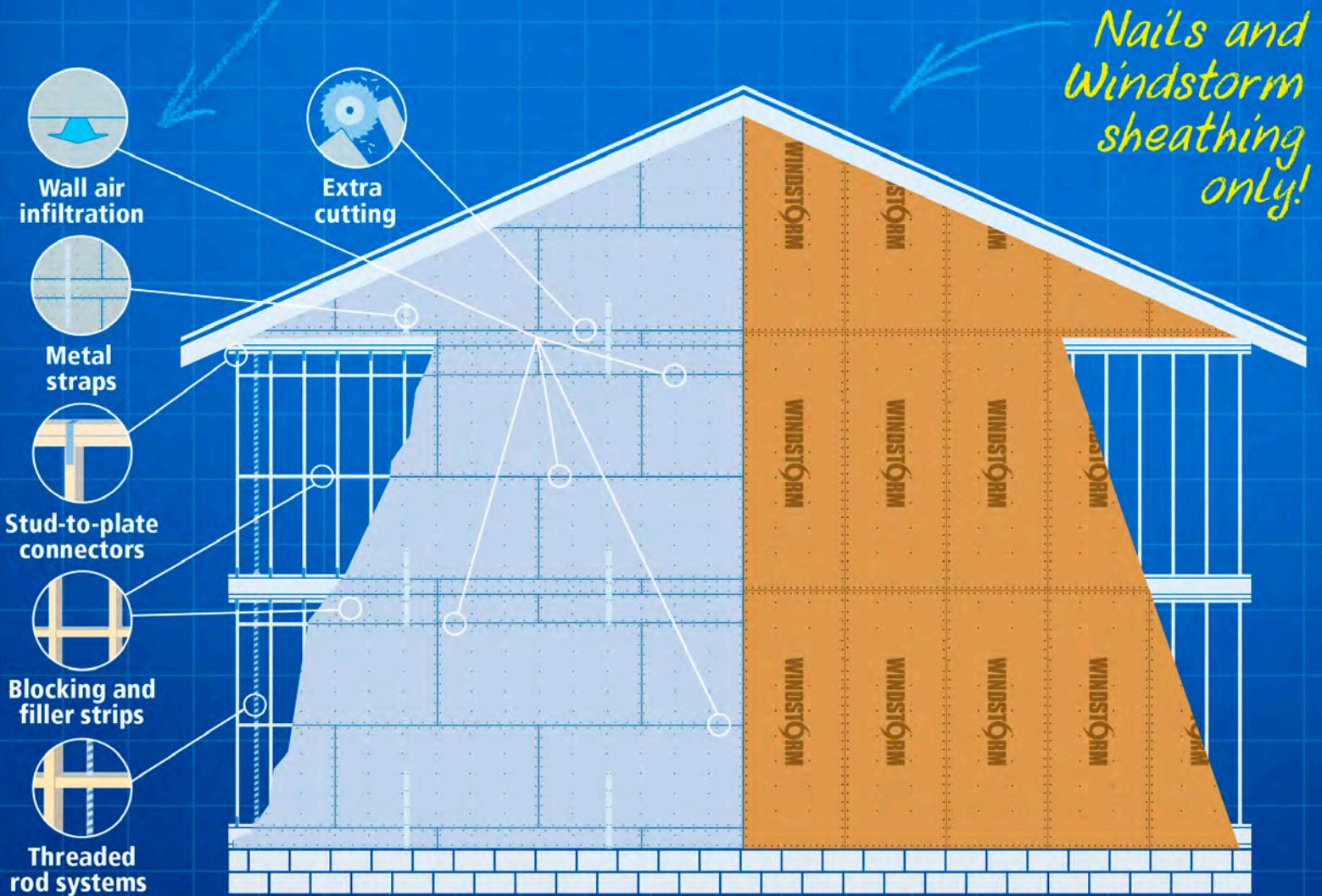
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