

HBA 2019 Associate of the Year

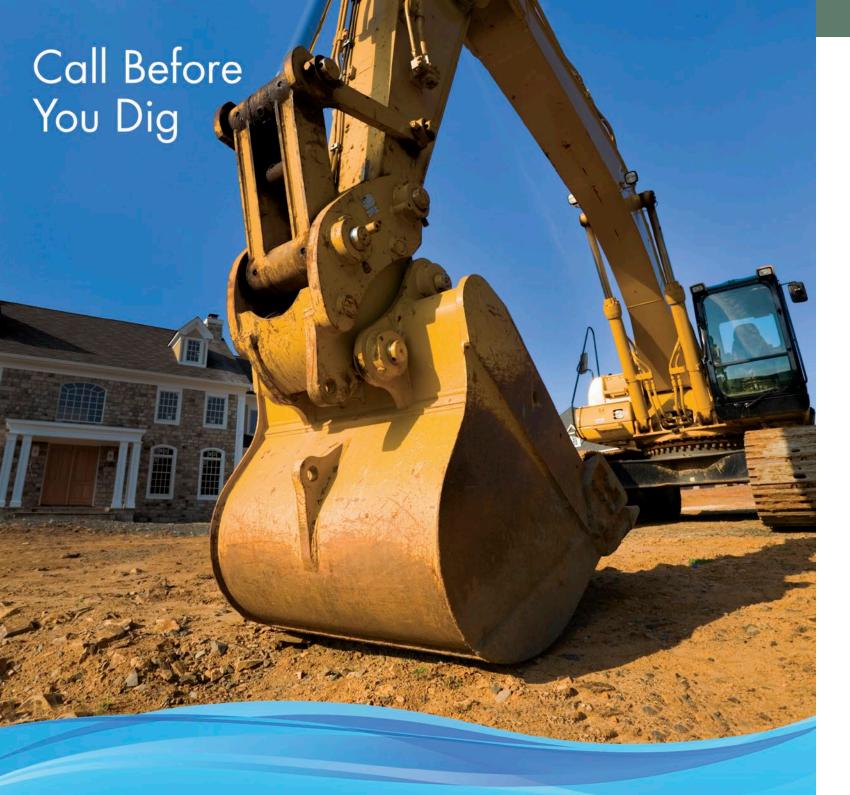
2019

Marty Rich of University
Lending Group Enjoys Family
Feel of Association Work

PAGE 08

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# **Cover Story**

2019 Associate of the Year Marty Rich of University Lending Group	
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# Legislative Trip to Tallahassee, Rights of Nature and Trades Programs

The Home Builders Association of West Florida was well represented in Tallahassee in early February for the Florida Home Builders Association's (FHBA) Legislative Conference. I had the pleasure of being with HBA Past President Shelby Johnson of Johnson Construction, HBA Tradesmen Education Council Chair Mary Jordan and HBA Membership Chair Suzanne Pollard Spann of Gulf Coast Insurance, HBA 2nd Vice President Alex Niedermayer of Underwood Anderson & Associates, former FHBA 2nd Vice President George Cooper of Cooper Consulting Engineers (retired), HBA Past President Ron Tuttle of Mitchell Residential, HBA Executive Director David Peaden and HBA Immediate Past President Alton Lister of Lister Builders. And speaking of Alton Lister, I would like to thank him for serving as the Florida Home Builders Association's Area I Builder Vice President. In this role, Alton is serving as the liaison for the local associations from Pensacola to Tallahassee. This includes the Home Builders Association of West Florida, Building Industry Association of Okaloosa-Walton Counties (Ft. Walton), Bay Building Industries Association (Panama City) and Tallahassee Builders Association. Alton will work to facilitate consistent communications between FHBA and its local HBAs. Alton recently served as the HBA of West Florida President and we are very proud that he is our representation at the state level.



"We were able to walk the halls at the Capitol and visit with Senator Doug Broxson, Representative Jayer Williamson, Representative Alex Andrade, and Panhandle delegation member Senator George Gainer, Representative Mel Ponder and Representative Jay Trumbull."



State Senator
Doug Broxson,
an advocate for
housing, meets
with HBA members.

We were able to walk the halls at the Capitol and visit with Senator Doug Broxson, Representative Jayer Williamson, Representative Alex Andrade, and Panhandle delegation member Senator George Gainer, Representative Mel Ponder and Representative Jay Trumbull. A host of issues were discussed including impact fees, building design, construction defects, licensure bills, Sadowski Affordable Housing Trust Fund, and an interesting bill called Rights of Nature.

continues on page 6

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## Legislative Trip to Tallahassee, Rights of Nature and Trades Programs

from page 05

What, you say? Rights of Nature. Yes, there are environmental activist who want to get lawmakers to consider giving natural bodies, like plants, springs and rivers, legal rights. The Rights of Nature movement seeks to gain legal standing for nature in court. Imagine you had all your permits in place from the local, state and federal level and construction is ready to start. Someone taps you on the shoulder and says you are being sued on behalf of a tree or a fern or an ant bed on your property! Luckily, the Florida's Legislature wants to stop those efforts in advance of local Florida cities who are considering adopting such a rule.

Where does thing like this begin? The Rights of Nature movement came out of Toledo, Ohio last year when voters approved the Lake Erie Bill of Rights. Since it passed, this remains tied up in a federal court challenge. But it hasn't stopped groups across the country from proposing similar concepts in communities in Lee, Orange, Alachua, Osceola and Brevard counties.

During our Tallahassee visit, we listened to Representative Blaise Ingoglia, a Spring Hill Republican, say that he became aware of Rights of Nature when the Florida Democratic Party adopted the policy as part of its official platform. Ingoglia is sponsoring

the bill that would prohibit local governments from granting "any legal rights to a plant, an animal, a body of water, or any other part of the natural environment." Ingoglia says it will be pure chaos and will damage our economy. He says that when banks lend money. they want certainty. When developers buy property, then need certainty. The fear of litigation is going to cost cities and developers millions of dollars. He said there will be no such thing as affordable housing in the areas



HBA Tradesmen Education Council Chair Mary Jordan welcomes everyone to the first Trades meeting of the year.



State Representative Alex Andrade meets with HBA members in Tallahassee.



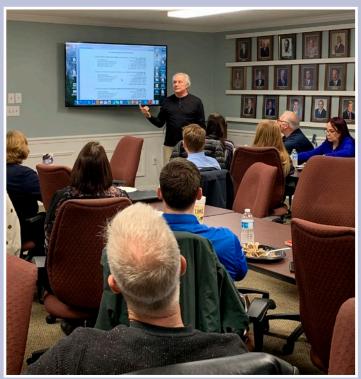
State Representative Jayer Williamson, who is an HBA member via Williamson Electric, meets with HBA members.

where the adopt such a crazy rule. Luckily, the legislature is trying to preempt the local governments from passing this ill-conceived concept.

In closing, I would like to thank Mary Jordan for putting together a fantastic trades program recently at the HBA. We heard from Tony Grahame of Pensacola State College Carpentry Program and Thomas Rollins of George Stone Technical College. Both programs offer a lot of opportunities for individuals who want to find a career in the construction industry.



George Stone Principal Thomas Rollins address the HBA Tradesmen Education Council.



Tony Grahame of Pensacola State College Carpentry Program talks about opportunities for people of all ages to get a job in the housing industry.

# PARADE OF HOMES

June 6 - 14, 2020

Central Site:

Infill Housing in East Pensacola Heights

**Dream Home Builder:** Westerheim Properties







If you do business with previous members, please give them a call and reinforce the value of membership as well as the importance of

Members Doing Business with Members.

HBA 2019 Associate of the Year

## After 30 Years of Service, Marty Rich of University Lending Group Enjoys Family Feel of Association Work

Among the many engines that power the home building industry, none is more vital than

**financing.** To keep their operations running smoothly, builders need a reliable source of construction loans for themselves and mortgage loans for their buyers. That's why home loan specialist Marty Rich of University Lending Group works so hard for the builders he serves.

"Builders have enough to worry about in their businesses," says Rich, "so at University Lending we want to meet their financing requirements with a full range of products and a high level of professionalism and personal service." It's that unwavering commitment to builders and their success that is one of the main reasons Rich has been honored as the Home Builders Association of West Florida's 2019 Associate Member of the Year.

"I feel very humbled,"

said Rich, "because I see so many associate members working hard to make the HBA successful. It's what makes our association great – builders and associates working side-by-side to achieve the goals of uplifting our industry and supporting our community."

Rich's HBA involvement dates back 20 years but has intensified recently with his chairmanship of the Membership Committee in 2018-2019 and his appointment to Board of Directors. "We all know that membership is the lifeblood of the association so being membership chair was an awesome responsibility," says Rich. "But like any HBA project, it becomes a team effort and I'm proud that through everyone's hard work, we have experienced membership growth." Rich believes every associate should invest their time and talent into the work of the HBA first and foremost to strengthen the industry, but also to earn the respect and trust of builders. "The HBA is a great way to build relationships," said Rich. "When you give heart and soul to the HBA, it becomes like a family."

A native of the small town of Bonifay in the heart of the Florida Panhandle, Rich developed an early love for hunting and fishing that continues to this day (and now includes a passion for golf). He did not have to look far for models of hard work and dedication. His father and mother owned a restaurant/truck stop on Highway 90 (long before I-10 came along) and he saw first-hand their devotion to their traveling clientele. "It was a business where you had to care about people so it gave me a good understanding of customer service," says Rich, who graduated from Holmes County High School, earned his

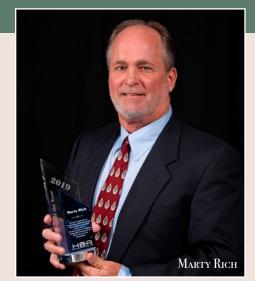
"There are some challenges with land development and buildable lots but builders are resourceful. They will find ways to satisfy the demand for housing in our area.

Associate of Arts degree from Chipola College in Marianna, and a Bachelor of Science in Marketing from the University of West Florida.

As a student at UWF, Rich worked part-time at UPS for the money and the experience. After graduation, his first foray into lending was with SouthTrust, where he worked with auto dealers from Pensacola to Tallahassee to arrange for car loans for their customers. From there, he transitioned into mortgage banking with Peoples First, a large regional institution that helped fuel Northwest Florida's phenomenal growth and development.

Two years ago, Rich found his ideal niche as the Senior Loan Officer for one of the two Pensacola offices of University Lending Group, a Michigan-based institution with seven locations in the Florida Panhandle.

"University has been a great fit for me professionally and for my builder clients," says Rich. "We offer a full menu of lending products from construction-



perms to FHA, VA, USDA and conventional loans. We want to take a process that can be confusing and intimidating and make it simple and user-friendly. We are pleased to work with some of the biggest builders in the area (such as Adams Homes) and equally honored to work with small-volume custom builders and their buyers. Every day, we try to live up to our motto

of being the 'smart choice' for mortgages."

Rich followed his heart into the mortgage business and never regretted it for one minute. "I enjoy the mortgage business and attend all of my closings," says Rich. "I get the satisfaction of helping my friends/clients purchase their home and see the smiles and happiness that comes from homeownership. It's a great feeling." After a solid 2019 in

which the average appreciation for a home in the Pensacola area grew by 4.5 percent and the year-end inventory of new homes was just 2.8 months, Rich projects another strong year for local builders and lenders in 2020

"The fundamentals of a good economy remain in place – low interest rates (currently around 3.75 percent), a growing population, and high job growth and employment numbers," said Rich. "There are some challenges with land development and buildable lots but builders are resourceful. They will find ways to satisfy the demand for housing in our area. Overall, we have a lot to be thankful for here in Escambia and Santa Rosa counties."

The HBA of West Florida can be thankful as well for associate members who provide an essential service to builders along with unwavering devotion to the work of the association – proudly personified by 2019 Associate of the Year Marty Rich.



# SPRING GOLF CLASSIC

April 2, 2020 • Scenic Hills Country Club Sponsorship Form | Deadline: March 6, 2020

## Platinum Sponsor - \$1000 (Deadline March 6, 2020)

Company Logo on Golf Giveaway • Golf Package including Lunch,
Cart & Green Fees (\$360 value) • Banner provided by your company displayed on course • Inclusion of logo on all tournament related materials
• Special sponsor recognition at the Tee off • Representative can assist at
tournament registration • Opportunity to include company related items
in "Goodie Bag" • Company recognition in Cornerstone

## Gold Sponsor - \$600

Golf Package including Lunch, Cart & Green Fees (\$360 value) • Set up and Staff at Hole of Your Choice • Company Name and Logo on event banner | Sign Placed at Hole • Items in "Goodie Bag" • Company recognition in Cornerstone

## Silver Sponsor - \$300

Golf Package including Lunch, Cart, Green fees for 2 golfers (\$180 value) • Company Name and Logo on event banner • Items in "Goodie Bag" • Company recognition in Cornerstone

## Bronze Sponsor - \$200

Golf Package including Lunch, Cart, Green fees for 1 golfer (\$90 value)

Items in "Goodie Bag" • Company recognition in Cornerstone

No Sponsor Level
Will be Secured Without Payment



## Beverage Cart Sponsor - \$500 (Limited to 4)

Set up and Staff at Hole Selected by Course • Company Name and Logo on event banner • Sign Placed at Hole • Items in "Goodie Bag" • Company recognition in Cornerstone • Beverages provided by HBA.

## Hole Sponsor - \$300

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## Goodie Bag Sponsor - \$150

**Distribute** Goodie bags to all players at registration • **You** supply bags with your company logo • **Company recognition** in Cornerstone

### Mulligan Sponsor - \$150

Your Company's Name on the Mulligan Cards • HBA Staff will sell the cards at registration • Company recognition in Cornerstone

Sponsorship Level		
Company Name	Need receipt	? emailed mailed
Contact Name	Email or Telephone	
Charge my (Visa, MasterCard or AmEx) in the a	mount of \$ for n	ny selected sponsorship level.
Card Number:	Expiration:	CVV Code:
Signature:		

Mail Checks to: HBA of West Florida 4400 Bayou Blvd., Ste 45, Pensacola, FL 32503

For more information contact the HBA at (850) 476-0318 or vicki@hbawf.com



# SPRING GOLF CLASSIC

April 2, 2020 • Scenic Hills Country Club Golfers Registration Form

Registration: 8:00 a.m.
Shotgun: 9:00 p.m.
Limited to 128 Players
4 - Person Scramble

\$90 Per Player (\$360/Foursome)

BE A SPONSOR \$100 - \$1000 Sponsors also get maximum marketing exposure including:

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Please print the name of each player and their handicap in the spaces provided below. Registration will be by player name. If changes occur please notify HBA prior to event.

## Submit form with payment information prior to March 30, 2020

If you need an invoice for payment purposes, please contact Vicki Pelletier at Vicki@hbawf.com or 850-476-0318.

## Players Names, Handicap and Email

Name:  Handicap (Required/ Max 30)  Email:	Name:Handicap (Required/ Max 30) Email:
Name:Handicap (Required/ Max 30) Email:	Name:Handicap (Required/ Max 30) Email:
Company Name E Contact Name E Charge my (Visa, MasterCard or AmEx) in the amount	mail or Telephone
Card Number:Signature:	

# **HBA Membership Mixer**

The Home Builders Association would like to thank Hancock Whitney Bank for hosing the Membership Mixer at Emerald Republic Brewing.

The event was very well attended with new members, longtime members and potential members.













Mail Checks to: HBA of West Florida 4400 Bayou Blvd., Ste 45, Pensacola, FL 32503 For more information contact the HBA at (850) 476-0318 or vicki@hbawf.com

Membership Profiles NAHB News

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to permanent lending with conventional, FHA, USDA & VA financing. Another option offered is non-qualified mortgage loans that may benefit the self-employed. Also offered are the traditional products for spec homes.

It was important for me to be part of the Home Builders Association of West Florida because I'm a believer that a community needs to continue to grow. Since moving here in 2004 I have watched the panhandle transform into a thriving economy with builders having a large role. I want to be associated with an institution that believes we are going in the right direction.

I enjoy spending most of my free time coaching or watching my boys play basketball in various leagues in town. When there is a weekend off the family enjoys camping and the occasional cruise



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Mike Hayes - President / Ceo

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MDH Construction is a fullservice construction company in Daphne, AL. Providing a wide



We strive to construct sound, energy efficient, and functional projects with the utmost quality. We have a great history of helping our customers by being continuous, honest, and knowledgeable. Our purpose for becoming involved with the HBA is to open additional network opportunities with home/residential professionals to better serve residents in our community. Owner, Mike Hayes, brings over 20 years of high-

My favorite past time is Fishing – enough said!

quality construction experience.



# Lumber Duties Could be Cut by More than 50% in August

With lumber prices rising steadily since June 2019, a preliminary decision by the U.S. Department of Commerce to reduce duties by August on shipments of Canadian lumber into the United States is good news for home builders and home buyers.

The decision comes on the heels of the September NAFTA panel decision that found the U.S. International Trade Commission did not meet its obligations under U.S. law when it calculated countervailing and antidumping duties on Canadian softwood lumber. NAHB participated as an amicus in support of Canada's challenge of the duties.

Currently, duties average more than 20% on Canadian lumber shipments into the United States. After conducting an administrative review, the Department of Commerce has issued a proposal in the Federal Register that could lower the countervailing and antidumping duties to just over 8%. A final determination will be made in August.

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This latest development on the tariff front comes at a particularly opportune time, with the Random Lengths Framing Composite Price hitting \$388 per thousand board feet on Jan. 31, the highest level since October 2018 and up more than 20% since last May.

Lower tariffs would mitigate uncertainty and associated volatility that has plagued the marketplace, which could help ease upward price pressure on lumber prices.

A recovering housing market is helping to fuel the increase in lumber prices. U.S. housing production in December hit 1.6 million units on a seasonally adjusted annual basis, the highest level since December 2006.

For more information, contact Felicia Watson at 800-368-5242 x8229.



# PARADE OF HOMES

**June 6 – 14, 2020** 

Central Site:

Infill Housing in East Pensacola Heights











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**NAHB News HUD News** 

## **Housing Affordability Crisis Explained in One Graph**

Applying conventional underwriting standards that the cost of a mortgage, property taxes and property insurance should not exceed 28% of household income, NAHB economists have calculated how many households have enough income to afford a home at various price thresholds.

>\$1.55M

\$1.05M-1.55M

\$850K-1.05M

\$700-850K

\$600-700K

\$500-600K

\$405-500K

\$325-405K

\$250-325K

\$175-249K

\$100-175K

\$0-100K

The housing affordability pyramid shown below reveals that 63 million households out of a total of 120 million are unable to afford a \$250,000 home.

At the base of the pyramid are 25.4 million U.S. households with insufficient incomes to be able to afford a \$100,000 home. The pyramid's second step consists of 20.0 million with enough income to afford \$100,000 but not \$175,000, and so on up the pyramid.

Adding up the bottom three steps shows that not afford a \$250,000

home. This helps put affordability concerns into perspective and goes a long way toward explaining the result published in last September's Eye on Housing post, that 49% of home buyers are looking to buy homes priced under \$250,000.

The top of the pyramid shows that 7.2 million households have enough income to buy a \$850,000 home, and 2.2 million even have enough for a home priced at \$1,550,000. But market analysts should never focus on this to the exclusion of the wider steps that support the pyramid's base.

In January, NAHB released its new Priced-Out Estimates for 2020. A previous Eye on Housing post discussed the often-

2.4 million

3.9 million

4.2 million

9.5 million

11.5 million

17.7 million

20.0 million

25.4 million

cited estimate that a \$1,000 increase in the price of a median-priced new home will price 158,857 U.S. households out of the market for the home. A second post discussed the related estimate that a quarter point increase in the mortgage rate will price

For a more complete

U.S. Households by Highest-Priced Home They Can Afford out 1.3 million.

> description of the methodology underpinning NAHB's latest priced-out estimates, please consult the full study published in HousingEconomics.com



## More than half of U.S. households are unable to afford a \$250,000. home

there are 63 million households who can-

## GET INVOLVED IN HBA COUNCILS AND COMMITTEES!

Source: Calculations by the National Association of Home Builders Housing Policy Department, based on incor-

data from the 2017 American Community Survey Public Use Microdata Sample File, U.S. Census Bureau.

**Sales & Marketing Council** 

**Membership Committee** Meets Monthly 2nd Tuesday of each month **Tradesman Education Council** 

**Board of Directors** 

**Meets Monthly** 3rd Tuesday of each month

## **Trump Proposes \$47.9 Billion Budget for HUD in Fiscal 2021**

President Trump announced today that the U.S. Department of Housing and Urban Development (HUD) would receive \$47.9 billion in funding for the fiscal 2021

**budget**, which runs from Oct. 1, 2020 through Sept. 30, 2021. This is a 15.2% decrease, or \$8.6 billion cut, from the amount enacted for 2020.

It's important to note that no White House budget is ever approved "as is" by the Congress. The annual appropriations process determines the levels of federal spending for each of the federal departments and agencies, and all programs within their respective jurisdictions.

While the president's budget recommends spending levels for the next fiscal year, it is not legally binding. Congressional appropriators will have the final say in program realignment and spending

Of note to the housing community, the White House budget for fiscal 2021 proposes budget recommendations that

#### HUD

- ☆ Provide \$18.83 billion for Section 8 Tenant Based Rental Assistance, a \$5.04 billion drop from the fiscal 2020 appropriations approved by Congress. However, \$5.18 billion has been moved to a new Moving to Work demonstration program. The program is for public housing authorities (PHAs) and provides them the opportunity to design and test innovative, locally designed strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families.
- ☆ Increase Project-Based Section 8 to \$12.64 billion from \$12.57 billion.

☆ Eliminate the CDBG, HOME and Choice Neighborhoods programs.

## Department of Agriculture

- ☆ Provide \$24 billion for the Section 502 Guaranteed program, the same level as the last fiscal year.
- ☆ Propose \$250 million for Section 538 Guaranteed Loans for multifamily housing, an increase of \$20 million from the fiscal 2020 level.
- ☆ Eliminate the Section 502 Single-Family Housing Direct Loan program, the Section 515 Multifamily Housing Direct Loan program and the Multifamily Housing Preservation and Revitalization program.
- ☆ Increase the Section 521 Rental Assistance program to \$1.4 billion from \$1.375 billion by also folding in funding from vouchers.

For more information, contact Jessica Hall at 800-368-5242 x8253.

## **BATH EXPERIENCE WITH FUNCTIONALITY**



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## **Three Exciting New Home Products Win Global Innovation Awards**

Mobile marketing tags, an unobtrusive indoor cooling and heating system, and a 3-D large-scale structural panel building system were the winners of the 2019 Global Innovation Awards. Representatives for all three products were honored last month at the NAHB International Builders' Show® in Las Vegas.

Mobile Marketing Tags, created by Hillside Software of Englewood, Colo., and the United Kingdom, allow retailers and home builders to interact with potential home buyers in an innovative way. Products in a model home or showroom are embedded with the tags to provide online content with the tap of a phone.

The SLZ-KF Four-Way Ceiling Cassette, made by Mitsubishi Electric Trane HVAC U.S of Suwanee, Ga., allows for comfortable and highly-efficient indoor cooling and heating, giving home owners a variety of airflow choices in a slim, unobtrusive package. The optional 3D i-see Sensor, which calculates the room occupancy rate, adjusts conditioning accordingly with direct or indirect airflow settings and dozens of different combinations for comfort, resulting in improved energy savings with a SEER rating over 19.8 and even temperature distribution.

RESILIENCE ADU, created by RSG 3-D of Old Westbury, N.Y., British Columbia and Mexico, takes the proven RSG 3-D Structural Panel Building System, chosen by luxury builders, resorts, universities and government buildings, and delivers it to large-scale affordable and disaster-resilient housing. The globally available system creates noncombustible, hurricane-resilient and earthquake-resilient buildings.

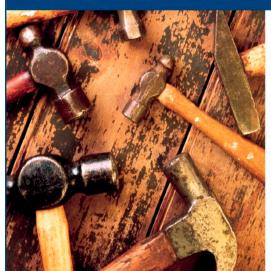
This year's other Global Innovation Awards finalists included Green Builder Training from Green Homes Australia; COSMOS™ from Panasonic in Boston, Mass.; and Fast-Tube™ Utility Column Form from Fab-Form Sustainable Foundations in Delta, British Columbia, Canada.

The 2019 awards were sponsored by 84 Lumber, Especificar and Renovation Contractor.

NAHB Global Membership connects each participant to thousands of the world's top builders, manufacturers and suppliers. Members enjoy exclusive access to a wide range of opportunities and home building industry resources, including programs such as the Global Innovation Awards.

For more information about the Global Innovation Awards program, contact Giuliana Nava-Cord.

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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.

To learn more on how we saved you money and how we continue to work hard on the 7th Edition of the Florida Building Code, go to www.WestFloridaBuilders.com or www.fhba.com or call 850.476.0318.

## MILLENNIALS WILL DOMINATE THE **MORTGAGE MARKET IN 2020**

Markets in the South and West will experience the highest housing activity in 2020, as more millennials move out of big cities in search of more affordable

markets, according to experts who shared some of the latest industry trends during last week's International Builders' Show in Las Vegas.

"Millennials will dominate housing in 2020 and account for 50% of mortgage originations," said George Ratiu, a senior economist at realtor.com. He added that they will be leaving expensive metros for more affordable markets.

"Millennials will be moving to mid-sized cities like Boise, Idaho; Tucson; Chattanooga, Tennessee; and Columbia, South Carolina. These cities offer good weather, suburban downtowns and lifestyle amenities."

Looking at this key demographic more closely, Ratiu said:

- ☆ 1-in-4 millennials have been looking for a home for more than a year.
- ☆ 16% are searching for homes in urban
- $\stackrel{*}{\sim}$  34% are looking for homes in the suburbs.
- ☆ 45% are seeking homes in small towns and rural areas.

Summing up his findings, Ratiu said that

- ☆ Millennials will demand an affordable
- ☆ Mortgage rates will remain attractive.
- ☆ Lesser markets will shine.
- ☆ Baby boomers are not moving.

Ali Wolf, director of economic research for Mevers Research based in Costa Mesa, California, also noted that boomers are staying put.

"Boomers [say] they are not selling because 'we don't need to.' Only 17% of boomers are dissatisfied with their current home," said Wolf.

Other factors that are keeping boomers at home are that 23% have no retirement savings and 30% of those in the 62-66 age range have postponed retirement.

As for millennials, they are also facing affordability and supply constraints. "Affordability is the biggest obstacle to buying a home," said Wolf. "Only 5% of millennials want to

rent. They are the largest buyer demographic but faced with a supply shortage."

Looking at public and private builders, Carl Reichardt, managing director at BTIG headquartered in San Francisco, said

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that 8-out-10 private builders expect sales will rise in 2020.

"Labor and land costs are their biggest worry," he said. "Builders still appear cautious on pricing. Very few are raising prices aggressively."

Meanwhile, Reichardt said that public builders account for 36% of all new homes in the U.S. market. (NAHB data show the top 20 builders accounted for 29% of all single-family starts in 2018.) Among the top 50 markets in the country, Reichardt said a public builder is No. 1 in terms of volume in 36 of these markets.

Reichardt said that public builders are not looking to get into all markets but instead are focusing on local market share in the metros they are currently engaged in.

NAHB Chief Economist Robert Dietz, who moderated the session, said that while the industry continues to face significant labor issues on the supply side, 2020 might be the year that labor shortages stop getting worse.

For more on the economic impacts of housing, visit nahb.org.

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## Building Codes Vote Marred by 'Zombie Proposals' Could Impact Housing Affordability

For most of 2019, the International Code Council's 2021 building codes cycle was moving along as expected. But a last-minute wave of newly-registered voters appears to have derailed the online vote in what appears to be a concerted effort to impact the code development process.

NAHB was heavily involved at all stages in the current code development cycle, which includes changes to the International Energy Conservation Code (IECC) and the all-important International Residential Code (IRC) for the 2021 edition of the I-Codes. NAHB members and staff had a significant presence at both the ICC Committee Action Hearings in Albuquerque last May and the Public Comment Hearings in Las Vegas in October.

Through the deliberative and transparent hearing process established by the ICC, NAHB — along with a host of other advocates and stakeholders along all ideological lines — publicly influenced many proposals with testimony backed by data and relevant research.

When the vote results came in from the ICC's Online Governmental Consensus Vote, held Nov. 19 through Dec. 6, 2019, it was as expected, with a success rate of around 84% on nonenergy code proposals that NAHB either supported or opposed, in line with results from previous years. But when the preliminary

results on the IECC were reported, there were some surprising discrepancies.

Many aggressive energy efficiency proposals that had been defeated at both the committee hearings and the public comment hearings had been approved by the online vote (preliminary results). When proposals are defeated at hearings, they must get a two-thirds majority to overturn past results. It's a bar so high, no previous proposal had ever met the threshold. But in this code cycle, 20 IECC "zombie" proposals cleared the hurdle and came back to life. And some will negatively impact housing affordability for home builders and buyers.

The more egregious changes include:

- ★ Gas water heaters, stoves and dryers need to be "electric ready," with appropriate receptacles installed nearby if a home owner decides to switch to all-electric appliances
- ★ An electric vehicle charging receptacle (40A 220V) needs to be installed in all single-family homes with a parking space
- ★ Wall insulation was increased to R-20+5 in climate zones 4 & 5
- ★ Ceiling insulation was increased to R-60 in climate zones 4-8
- ★ Ceiling insulation was increased to R-49 in climate zones 2 & 3

A preliminary NAHB analysis of the changes pegs the cost impact to be a low-end estimate of \$2,400-\$7,200 in climate zone 1, to a high-end estimate of \$5,000-\$14,000 in climate zones 4 and 5, for each new single-family home of average size.

With such inconsistent results, NAHB suspected that something was amiss with the voting. After reviewing the approved governmental voters, it was discovered that hundreds of new government employees from towns all over the country were validated to vote — and they voted in droves.

There was a concerted effort on the part of efficiency and environmental groups to engage like-minded governmental members who work in environmental, sustainability and resil-

ience departments. These new voters appear to have worked off the same voting guide and simply voted their party line.

NAHB will be very actively pushing back on these zombie proposals. First, staff is appealing at least two of the results that they believe are related to proposals that are out of scope for the energy code. Also, NAHB will be challenging the voting credentials of a number of new members.

NAHB also intends to work with ICC to tighten up voting eligibility and modify the process to limit or eliminate proposals from getting approved that lose the first two hearings. For now, read the results and know that NAHB is doing all it can to stand up for reasonable building codes that help build safe housing that is affordable

For more information on the vote or the codes development process, contact Craig Drumheller.





## New Builder Members Approved by the Board

#### **Grand Builders LLC**

Anton Zaynakov - Manager 523 Shioh Dr Pensacola, FL 32503 P: (850) 642-0398 Spike: Suzanne Pollard-Spann, Gulf Coast Insurance

#### **Home Quest Customs LLC**

Robert Sean Dunsford - Owner 4838 Lynn Dr Pace, FL 32571 P: (850) 554-5949 Spike: Blaine Flynn - Flynn Built

#### LaCoste Construction Group, LLC

Jesse LaCoste - CEO 4400 Bayou Blvd, Suite 41 Pensacola, FL 32503 P: (850) 332-5157 Spike: Blaine Flynn, Flynn Built

#### Pittman Drywall NWF Inc

Charles Pittman - Owner 8700 Fowler Ave., #8 Pensacola, FL 32534 P: (850) 261-8093 Spike: Amir Fooladi - ParsCo Construction (Encore Homes)

#### Ramsey & Walker, LLC

Kayleigh Johnson PO Box 5489 Navarre, FL 32566 P: (850) 684-3098 http://www.ramsey-walker.com Spike: Blaine Flynn – Flynn Built

## The Roof Company of NWFL, Inc

Tommy Jenks - President 385 West Roberts Rd. Cantonment, FL 32533 P: (850) 450-6402 Spike: Amir Fooladi - ParsCo Construction (Encore Homes)

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