***wba-logo-pop-dot-2015***

**Advocacy Digest | September 20, 2022**

**Brad Boycks, Executive Director**

**Member Meeting Day via Zoom Set for October 6**

WBA will hold a Member Meeting Day via Zoom on Thursday, October 6. All members can attend the advocacy meeting, membership and local officers meeting, and actively participate.

The Advocacy Group will start at 9 am and members will be asked to sign off on the WBA Advocacy Agenda for 2023-2024. Advocacy Group members will also be getting a sneak peak of a study conducted by the Institute for Law and Liberty that will was conducted by interviewing several WBA builders and developers on ways to reduce the cost of housing in Wisconsin.

The Membership and Local Officers Group starts at 10:45 am and will be treated to an update on key housing market trends by Danushka Nanayakkara-Skillington, AVP of Forecasting and Analysist for the National Association of Home Builders.

The board of directors meeting starts at 1 pm and will kick off by an address from Bill Owens who is running unopposed for the office of Third Vice Chairman of the National Association of Home Builders for 2023. Qadra Evans, Director of Industry Relations, New Construction for Zillow will also present a brief update to give you the latest economic trends and insights directly from the expert, Zillow. All members can attend the board meeting but only board members may vote.

The complete meeting packet will be sent out via email to all members around September 23.

**Uniform Dwelling Code Council Meets in August**

The Uniform Dwelling Code Council (UDC Council) got together in August for the first time since April of 2021. The council again voted WBA Past President Mark Etrheim as the UDC Council vice chair and also discussed starting the process of reviewing the entire UDC in 2023 and making suggested changes via the administrative rule process.

As you know there has been a continued push to move further on the energy code than we have been comfortable with in addition to proposals to allow municipalities to implement “stretch codes” that could greatly exceed the statewide energy code and break statewide uniformity.

We will continue to monitor future meetings of the UDC as they consider new code proposals as part of an overall code review, most likely in early 2023.

**FROM NAHB: Builder Confidence Falls for Ninth Straight Month as Housing Slowdown Continues**

In another sign that the slowdown in the housing market continues, builder sentiment fell for the ninth straight month in September as the combination of elevated interest rates, persistent building material supply chain disruptions and high home prices continue to take a toll on affordability.

Builder confidence in the market for newly built single-family homes fell three points in September to 46, the lowest level since May 2014 with the exception of the spring of 2020, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today.

“Buyer traffic is weak in many markets as more consumers remain on the sidelines due to high mortgage rates and home prices that are putting a new home purchase out of financial reach for many households,” said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga. “In another indicator of a weakening market, 24% of builders reported reducing home prices, up from 19% last month.”

“Builder sentiment has declined every month in 2022, and the housing recession shows no signs of abating as builders continue to grapple with elevated construction costs and an aggressive monetary policy from the Federal Reserve that helped pushed mortgage rates above 6% last week, the highest level since 2008,” said NAHB Chief Economist Robert Dietz. “In this soft market, more than half of the builders in our survey reported using incentives to bolster sales, including mortgage rate buydowns, free amenities and price reductions.”

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo 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.

All three HMI components posted declines in September. Current sales conditions dropped three points to 54, sales expectations in the next six months declined one point to 46 and traffic of prospective buyers fell one point to 31.

Looking at the three-month moving averages for regional HMI scores, the Northeast fell five points to 51, the Midwest dropped five points to 44, the South fell seven points to 56 and the West posted a 10-point decline to 41.

HMI tables can be found at [**nahb.org/hmi**](https://www.nahb.org/news-and-economics/housing-economics/indices/housing-market-index). More information on housing statistics is also available at [**Housing Economics PLUS**](https://www.nahb.org/news-and-economics/housing-economics-plus) (formerly housingeconomics.com).