

# Building BLOCKS

October 2021

Building Blocks  
Supporters

All Construction  
Services

Carter Lumber

ID Creative  
Group Ltd.

Stouffer Realty,  
Inc.

Transfer Title  
Agency



www.medinacountyhba.com

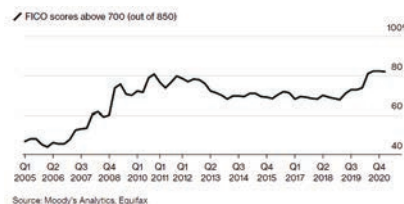
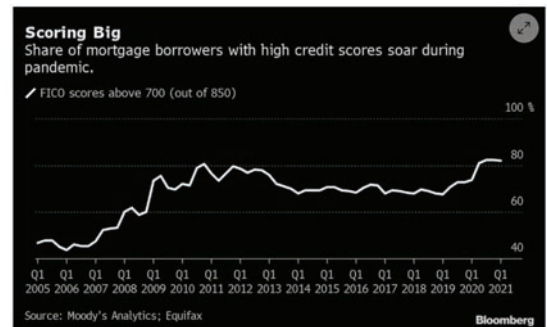
## Mortgage Borrowers' Credit Scores Reached a Record in Pandemic

U.S. mortgage borrowers during the pandemic have had the highest credit scores in more than 15 years.

It's not that lenders have toughened standards. Instead, ratings jumped largely because white-collar workers have raced to take advantage of the lowest mortgage rates in history.

In the first quarter, 82% of borrowers had FICO credit scores of 700 or above, on a scale of 850, according to a study by Moody's Analytics of the latest available data from Equifax Inc. That about matches the level for the previous two quarters, which was the highest in records going back to 2005, and up from 73.8% in the first quarter of 2020 as Covid-19 lockdowns were beginning.

Many homeowners have stayed put and cut costs by refinancing their mortgages, while others moved to bigger properties in the suburbs or in more-affordable cities to work remotely.



### Scoring Big

Share of U.S. mortgage borrowers with high credit scores soars during pandemic (above chart).

(Cover Story - Continued on page 2)

## In This Issue ...

**FREE Expo Pass for 2022**  
**IBS - Register by 10/15/21**

**Legislative News**

**Inflation Forces Home  
Builders to Take it Slow**

**Shortage of Affordable  
Housing**

**Home Prices Surge 4th  
Straight Month**

**NAHB Economic Update -  
Building Materials**



(Cover Story - Mortgage Borrowers' Credit Scores - Continued)

Average credit scores also have gotten a lift because Americans have more savings, thanks to government stimulus and the lockdowns, which reduced opportunities to spend money. Many have paid off debts and some have saved for down payments.

"Lots of excess savings in the pandemic have been used to pay down credit card debt, at least until recently," said Mark Zandi, chief economist at Moody's Analytics. "And credit card payments are a critical part of the credit score."

Ken Cleveland	1,079*
John Sumodi	326
Andy Leach	142.5
Bob Knight	97
Mark Zollinger	42
Mike Hudak	41
Doug Leohr	33.5
Russ Sturgess	29
Dave LeHotan	7.5
Ed Belair	7
Rex Gasser	3.5
Charlie Ash	3
Chris Chatterelli	2
Ray DiYanni	1.5
Sean Smith	1
Paul Spenthoff	1
Jeff Stuart	1
Ryan Suppes	1

Above list has been updated via the most current NAHB Spike Club Roster Report

\*Current Life Spike status



**We carry ALL**

*The Products Your Customers Want!*

**Wetwall**

**Northeast Ohio's Leading Supplier & Installer of Quality Building Materials for Remodeling & New Construction**

**Garage Doors . Basement Waterproofing**  
**Insulation . Gutters . Power Washing**  
**Interior + Exterior Stone**  
**Bars, Entertainment + Wine Cellars**  
**Closet Shelving . Fireplaces . Mantels**  
**Mirrors . Window Blinds . Shower Doors**  
**Interior + Exterior Glass Railing Systems**  
**Footlock Wall Bracing System . Window Wells**  
**Energy Audits . Testing + More**  
**NEW: Port-a-Johns . Silt Fence**

**ALL CONSTRUCTION SERVICES**

945 Industrial Parkway N. | Brunswick, OH 44212  
330.220.6666 | 1.800.220.9383  
[www.allconstructionohio.com](http://www.allconstructionohio.com)





## Building, Buying, Selling, Refinancing?

**Transfer Title is your  
local Title Company!**

*Complete Real Estate Title &  
Escrow Service Serving All of Ohio*

*Title Insurance Policies  
Issued with Chicago Title  
Insurance Company  
& Old Republic Title*

**Robert C. Skidmore, Esq., President**  
**Lee T. Skidmore, Esq., General Counsel**  
**Steven J. Swain, Vice President**



*Insuring Realty. Conveying Dreams.*

Formerly Medina County Title Agency, Inc. Locally owned and operated since 1967.

**748 N. COURT ST. • MEDINA, OH 44256**

Mon. – Fri. 8:30 am – 5 pm  
Evening/Sat. closings by appt.

Medina.....(330) 725-4214  
Cleveland.....(330) 273-2943  
Toll Free.....(800) 635-5512  
Fax.....(330) 725-3145

[www.transfertitle.com](http://www.transfertitle.com)

## From the MCHBA Office ...

Members and Friends:

We decided to postpone our Parade until spring. With a variety of issues including supply chain shortages, possibly the variant of COVID and wanting to have a slew of homes, we made the decision. With that in mind and due to popular demand and past success, we have moved up our Spring Parade of Homes event to start Saturday, April 30 and run through Mother's Day, Sunday, May 15. This gives our builders ample time (6 months) to plan and participate so here's your heads up.

We are planning our Financial Forecast for Wednesday, January 19 - watch your email for details on that not-to-be-missed member event. Enjoy the rest of our nice weather as snow is just around the corner.

If you are interested in attending the IBS Expo, NAHB members (which you are all a part of) can receive a FREE pass or \$100 discount off an All-Access Pass but this is only good through October 15. See page 6 for more details.

If I can be of any assistance, don't hesitate to contact me. You are the lifeblood of our organization.

*Susan Bloch*

# Table of Contents

	Page(s)
Cover: <i>Mortgage Borrowers' Credit Scores Reached Record in Pandemic</i> .....	Cover,2
Spike Club Update .....	2
2022 Save The Dates .....	3
ED Letter / Board of Directors/Trustees .....	4
Member News .....	6
NAHB Members FREE Expo Pass Info - October 15th Deadline.....	6
Legislative News .....	7,8
PD Business Article: Inflation Forces Home Builders to Take it Slow .....	9
OHBA Column: The Shortage of Affordable Housing.....	10
Home Prices Surge 19.7 in July, 4th Straight Month.....	10
OHBA Fall Meeting / Election of Officers / Form.....	11,12
Spring Parade of Homes - Dates Set - Plan to Participate .....	13
NAHB Economic Update: Building Materials Subcommittee .....	15-28

## 2022 Save The Dates

**January 19, 2022**

**Financial Forecast** - Watch for more information on this NOT TO BE MISSED forecast for 2022!

**February 8-10, 2022**

**NAHB International Builder Show - Orlando, FL** this year - register now!

**March, 2022**

**Topgolf Member Event -** Date TBD - Details to come!

# From the Executive Director

Members and Friends:

Your Board of Directors decided to postpone the Fall Parade of Homes. It just made sense in light of what has been going on in our industry to do a wait and see, however, we are excited to announce that we will be returning to an earlier event which, in the past, always seemed to be very successful for the builder participants.

With 6 months' notice, we are asking our builders to consider putting or planning to put a home in this event. There is no better marketing tool for our builder members, and associates through sponsorship, to present your talents to the consumer. It is also the perfect time to showcase new developments, new models, trends, building styles, and more. You will see more information as we get closer to that time.

We are also planning our Financial Forecast on Wednesday, January 19, 2022. There will be more information on our speakers and venue as we get closer to that date. We will also hold a member fun day outing at Topgolf some time in March - more information to follow on this as well.

We appreciate and value your membership.

Respectfully:

Dave LeHotan  
Volunteer Executive Director



**MEDINA  
COUNTY**  
Home Builders  
Association



**MEDINA  
COUNTY**  
Home Builders  
Association

## Board of Directors

**Michael Hudak, President**

**Charlie Ash**

**Jake Berger**

**Jason Cassidy**

**Douglas Krause**

**David LeHotan**

**Michael Martin**

**Jim Owen**

**Rob Root**

## Trustees

**Mike Hudak**

**Douglas Krause**

**John Sumodi**

## Committees

Safety & Training

Sales & Marketing

Government Affairs

Building Codes

Subdivision Regulations

Membership

Parade of Homes

**NEW ADDRESS: P.O. Box #233**

**Valley City, OH 44280**

**Phone: 330/725-2371 or**

**330/483-0076**

[www.medinacountyhba.com](http://www.medinacountyhba.com)


[moreinfo@medinacountyhba.com](mailto:moreinfo@medinacountyhba.com)

[susanb@medinacountyhba.com](mailto:susanb@medinacountyhba.com)

Your MCHBA member dues also cover these memberships:



**There's a lot of 'them' out there,  
but only ONE you!**



**id.**

**We help you get noticed - in a good way!**

p.o. box #233  
valley city, oh 44280  
ofc.330.483.0075  
[www.idcreativeltd.com](http://www.idcreativeltd.com)

creative group ltd.



**A NEW DAY IN REAL ESTATE IS COMING**

Two legendary companies—Stouffer Realty and Berkshire Hathaway HomeServices have come together to create the region's best real estate company.

## LOTS & ACREAGE

### BRECKSVILLE

**8310 Settlers Passage:** This private 32-acres w/all utilities available at the street. Wooded entrance w/approx. 650' frontage, currently Zoned R-60 Single Family. Bring your own builder. **\$899,000. Matt Stouffer 330-814-4616, Gary Stouffer 330-805-6900.**

### HINCKLEY

**The Trails at Redwood Falls:** Located where old Skyland Golf Course was. Conservation development has 97 parcels, walking trails, club house & 5 lakes. City water & sewer. **Robin Pickett 330-322-3181.**

### KENT

**5036 SR 43:** Approx. 43 acres on SR 43. Zoned G-C General Commercial. Subject to new survey per Portage Co. Sewer/Water/Gas/Electric/Cable (Buyer's responsibility to verify accessibility, capacity, etc. on all utilities). **\$895,000. Gary Stouffer 330-805-6900, Tara Kleckner 330-289-1315.**

### MEDINA

**Blue Heron:** Just 1 lot left. Walking paths, pool and tennis courts. City water and sewer. **Maryanne Phillips 330-714-3393, Robin Pickett 330-322-3181.**

### MONTVILLE TWP.

**NEW Windfall Estates:** Highland Schools' newest fully improved residential development, Windfall Estates. Gorgeous wooded setting with walk out basement & cul-de-sac lots. Prices from the mid **\$400,000s. Robin Pickett 330.322.3181.**

## NORTH CANTON

**8215 Arlington Ave NW:** Approx 74 acres in Jackson Township w/approx. 2,467' of frontage (on Arlington Avenue) and 1,377' deep on the North Side. Approx 1,000 ft. of frontage on Strausser Street. Large house on property built in 1861 offering more than 5,500 sq.ft. of living space, 5 bedrooms. Connected to the house is an office building with six separate office spaces and half bathroom. Four car detached garage and storage outbuilding on property. **\$1,975,000. Gary Stouffer 330-805-6900, Sarah Halsey 330-268-0102.**

### RICHFIELD

Revere Schools

**4107 Brecksville Rd:** Approx 30.4 acres on Brecksville Rd. Beauty, privacy and space to roam, this property is the perfect place to call home. Soak in the peace of nature around you as you walk through your wooded lot, exploring its winding creek and ravines. Perfect for horses and ATVs alike. The rolling topography further in provides high ground for the possibility of a full walk out basement. Minutes from Rt. 77 and less than 30 minutes to downtown Cleveland. **\$388,500.** Or approx. 16.5 acres, with the front part of property sitting in the Village of Richfield and placing your home here is the best place to take advantage of the public water/sewer available at the street for **\$189,000.** Want to sit back further from the street, approx. 13.9 acres available with oil/gas well on property for **\$199,500. Gary Stouffer 330-805-6900 & Sharon Holderbaum 330-349-2599.**

### SHARON TWP.

Highland Schools

**7022 State Rd:** Approx. 6.5 acres total on State Rd. in Sharon Township. Zoned

R-1. Beautiful, wooded area with rock ledges along northern border. Moving south the property rises to the crest of a hill with ideal homesite and expansive views. Approx. 2.10 acres available for **\$115,000** and the remaining approx. 4.4 acres for **\$145,000.** Simply beautiful! **Gina Luisi 330-814-4747 & Gary Stouffer 330-805-6900.**

## STREETSBORO

**8291 SR 14:** Gorgeous land on corner of OH14 and Diagonal Rd. This land has several spots to build your dream home. 2 large ponds and tucked back into the woods for privacy. Over 2,400' frontage, possibility of building multiple homes or doing a lot split to create multiple parcels. There is a 2-acre parcel w/frontage on Diagonal Rd. **\$555,750. Gary Stouffer 330-805-6900, Matt Stouffer 330-814-4616.**

**V/L SR 43:** Approx. 43.5 acres w/ approx. 682ft frontage on State Rt 43 & approx 1600 ft frontage on Kennedy Rd, zoned Rural Residential. **\$499,000** OR 33.5 acres for **\$399,000** OR 13 acres for **\$105,000. Gary Stouffer 330-805-6900, Sharon Holderbaum 330-349-2599.**

## UNIONTOWN

**3663 S. Arlington Rd:** Over 4 acres of commercial land w/194' frontage on S. Arlington Rd. & Fortuna Dr. Zoned B-3. Utilities at street. Convenient to I-77 & shopping/retail. **\$450,000. Gary Stouffer 330-805-6900, Matt Stouffer 330-814-4616.**

# Member News

## Renewed Associates

Alpha Insulation & Gutters, LLC –  
Wadsworth

Galehouse Lumber Company –  
Doylestown

M & M Drywall, Inc. – Wadsworth

## Renewed Builders

NVR Inc. / Ryan Homes –  
Brecksville

## MEMBERS ...

*I Challenge You to Help  
the Medina County HBA  
Grow & Double Our  
Membership!*

*Know someone interested in  
joining the Medina County  
HBA?*

*Doing business with companies  
that **aren't** members? They  
should be!*

*Let's get them to join our  
association. It's absolutely to  
their benefit.*

*Our Membership Application  
is available online or call/email  
me and we'll send out a member  
package.*

*Let's Work Together and Grow  
our Association this year and  
into 2022!*

## Free IBS Expo Pass for NAHB Members Extended Through Oct. 15

The NAHB International Builders' Show® (IBS) provides key access to top products, education and networking in the residential construction industry. With more than 800 companies expected to exhibit, new specialty zones on the show floor, and industry experts presenting on the latest housing trends and topics, the 2022 show, taking place Feb. 8-10 in Orlando, is a must-attend event.

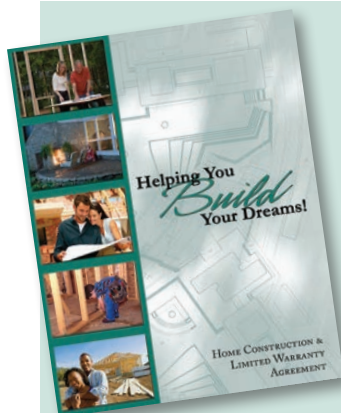
Access the schedule:

<https://www.buildersshow.com/generic.aspx?sectionID=1541>

Special registration discounts are still available. NAHB members can receive a free expo pass or a \$100 discount off an All-Access Pass through Oct. 15.

For a full list of offerings, including non-member rates, visit:

[BuildersShow.com/fees](https://BuildersShow.com/fees).



## Professional Tools for our Members

The HBA has the professional business tools you need for home sales. The MCHBA Home Construction & Limited Warranty Agreement packages are available at the office for only \$35 each. Or if you have your own contract and you just need the Warranty, the warranty

and folder are available for just \$25. We encourage you to use these tools for your protection, peace of mind and they make a great resource tool for your customers to keep all their pertinent home buying paperwork together. Call the HBA office and order your professional tools today.





### LEGISLATIVE REDISTRICTING LIKELY HEADING TO COURT; CONGRESSIONAL WORK TO BEGIN

A few minutes after the midnight deadline, the Ohio Redistricting Commission approved a four-year legislative map passed along party lines which is likely destined for a challenge before the Ohio Supreme Court. The new maps are for districts which will begin in 2023.

The constitutional provision adopted by voters in 2015 gives the Supreme Court exclusive jurisdiction and would force the commission to reconvene if any map or district is determined to be invalid.

With the legislature also likely to miss the initial September 30th deadline for drawing the Congressional map, the job will fall to the Redistricting Commission, which would have until Oct. 31 to adopt a 10-year map with the support of the commission's two minority members.

Failure to meet that deadline, would kick the responsibility back to the General Assembly. Lawmakers would then have until Nov. 30 to adopt a map with the support of three-fifths of both chambers including at least one-third of Democrats.

The General Assembly could also adopt a four-year map with a simple majority of both chambers under more stringent rules, which state the plan shall not unduly favor or disfavor a

party or incumbents or unduly split or give preference to keeping whole governmental units. Those rules also instruct mapmakers to attempt to draw compact districts.

Stay tuned and feel free to contact OHBA with any questions.

### LEGISLATIVE UPDATE

**HB 107 Elevator Law** (Baldrige, B.) To revise the Elevator Law.

After passing the House before summer recess, HB 107 will be starting hearings in the Senate General Government Budget Committee this week. In prior hearings, the House committee heard concerns from elevator contractors from around the state who OHBA has been working with on HB 107. While residential elevators have been exempted already from the contractor licensing, OHBA has suggested changes to address the accessibility equipment also making up the business of the contractors who do the residential work. OHBA will continue to work on changes in the Senate to HB 107.

**HB 304 Smoke Alarms** (Baldrige, B.) To amend the law regarding smoke alarms in residential premises.

HB 304 is scheduled for its second hearing for proponent testimony this week in the House Commerce and Labor Committee. Over the summer, OHBA met with the bill's sponsor to express concern over particular provisions of HB 304 which would mandate changes to the Ohio Building Code and Residential Code of Ohio dealing with installation of sealed battery smoke alarms in certain scenarios. OHBA explained to the sponsor the more appropriate venue for these types of changes would be the established petition process at the BBS and RCAC. OHBA will continue to work with the committee and representatives. The bill can be reviewed here: [https://search-prod.lis.state.oh.us/solarapi/v1/general\\_assembly\\_134/bills/hb304/IN/00/hb304\\_00\\_IN?format=pdf](https://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_134/bills/hb304/IN/00/hb304_00_IN?format=pdf)

**SB 64 Roofing Contractors** (Hottinger, J., Lang, G.) To regulate and require the registration of roofing contractors.

SB 64 is scheduled to be heard in the Senate Government Oversight and Reform Committee on Wednesday. OHBA has worked closely with the insurance industry to clarify intent and exclude new home construction, keep registration simple and tied to insurance claims.

**HB 126 Property Values** (Merrin, D.) To require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners.

After strong proponent testimony on September 21st, no further hearings have been scheduled on HB 126. The proponents' clearly explained Ohio is part of a handful of states that allow local school districts to initiate a real property valuation complaint or review process against a single parcel of land. While this legislation does not end the practice of revaluation by a second local government entity, it does codify a more uniform process of notification for the property owner if a complaint is filed by a third party.

OHBA has urged continuing hearings on HB 126 to hear the local governments and school board's responses to the compelling proponent testimony.

Please feel free to contact with any questions.

### Interstate Pipeline Notice Legislation

A final bill is being drafted for introduction which would require certain notice provisions for any new residential or nonresidential building development located in whole or in part within 660 feet of the center point of any natural gas transmission pipeline

*(Legislative News Continued on next page)*

constructed or operated prior to the development. The bill's sponsor and proponents have been in contact with OHBA asking for feedback. OHBA is paying particular attention to the timeframes and practical impacts if timeframes are not adhered to. Further, a similar bill has already passed in TN, and OHBA has been in contact with HBAT, as well.

Please feel free to contact with any questions.

## **RCAC VACANCY FILLED BY CINCINNATI BUILDER**

With Bill Kaufholz moving to fill a vacancy in the architect spot on the Residential Construction Advisory Committee, Andre Frazier, of Frazier Homes, has been named the newest homebuilder member of the RCAC.

## **U.S. DISTRICT COURT ORDER VACATES THE NAVIGABLE WATERS RULE**

In light of this order, the Army Corp of Engineers and U.S. EPA have halted implementation of the Navigable Waters Protection Rule and are interpreting "waters of the United States" consistent with the pre-2015 regulatory regime until further notice. The agencies continue to review the order and

consider next steps. This includes working expeditiously to move forward with the rulemakings announced on June 9, 2021.

It is important to note Jurisdictional Determinations (JD) issued prior to August 30, 2020 will not be revisited, those issued on or after August 30, 2020, will be revisited by the U.S. Army Corp. Any JD yet to be issued will be made by the U.S. Army Corp under the Pre-2015 WOTUS rules.

Discussions on how this will impact the recent actions in Ohio with the ERAC appeal and HB 175 are ongoing.

## **HB 175 PASSES THE HOUSE WITH DEBATE**

After being voted out of committee along party lines, HB 175, addressing regulation of ephemeral features, passed the entire House last week. Before taking a vote, several Representatives spoke passionately in favor of and in opposition of HB 175. The floor discussion during House session can be found at minute 11:50 in the following link.

<https://www.ohiochannel.org/video/ohio-house-of-representatives-9-29-2021>

Even with the most recent Arizona Court ruling reinstating the pre-2015 WOTUS rules and definitions, bringing 'ephemeral streams' back under the jurisdiction of the Army Corp of Engineers, HB 175 remains

an important vehicle in a very fluid, and uncertain future of how these and other water features will be defined and regulated.

The final vote – yeas 61, nays 33, as follows: Those who voted in the affirmative were: Representatives Abrams, Baldridge, Bird, Brinkman, Brown, Callender, Carfagna, Carruthers, Click, Creech, Cross, Cutrona, Dean, Edwards, Ferguson, Fowler Arthur, Fraizer, Ginter, Grendell, Gross, Hall, Hillyer, Holmes, Hoops, John, Johnson, Jones, Jordan, Kick, Koehler, Lampton, LaRe, Lipps, Loychik, Manning, McClain, Merrin, Miller, K. Oelslager, Pavliga, Plummer, Powell, Ray, Richardson, Riedel, Roemer, Schmidt, Seitz, Stein, Stephens, Stewart, Stoltzfus, Swearingen, Vitale, White, Wiggam, Wilkin, Young, B., Young, T., Zeltwanger, Cupp-61

Those who voted in the negative were: Representatives Blackshear, Boggs, Boyd, Brent, Crossman, Denson, Galonski, Ghanbari, Hicks-Hudson Howse, Ingram, Jarrells, Kelly, Lanese, Leland, Lightbody, Liston, Miller, A., Miller, J., Miranda, O'Brien, Robinson, Russo, Sheehy, Skindell, Smith, K., Smith, M., Sweeney, Sykes, Troy, Upchurch, Weinstein, West-33.

Feel free to contact OHBA with any questions.

## **SAVE THE DATE**

Mark your calendar for OHBA's Fall Board of Trustees Meeting on November 16, 2021 at the Hilton Easton, Columbus.

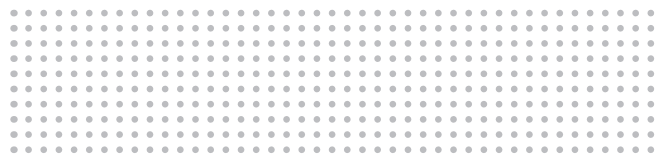
Meeting material will be emailed out this week. The room block is open at the Hilton Easton. Room cut-off date is October 16th. Use this link to reserve a sleeping room- [https://www.hilton.com/en/hi/groups/personalized/C/CMHCHHF-HBA-20211115/index.jhtml?WT.mc\\_id=POG](https://www.hilton.com/en/hi/groups/personalized/C/CMHCHHF-HBA-20211115/index.jhtml?WT.mc_id=POG)

Group Name is Ohio Home Builders Association and code is HBA or call the Hilton direct to reserve your room at (800) 445-8667. Request Ohio Home Builders room block. Room rate is \$199 plus tax per night.





# BUSINESS



## U.S. HOUSING MARKET

# Inflation forces homebuilders to take it slow

Alex Veiga *Associated Press*

Even in the hottest U.S. housing market in more than a decade, new home construction has turned into a frustratingly uncertain and costly proposition for many homebuilders.

Rising costs and shortages of building materials and labor are rippling across the homebuilding industry, which accounted for nearly 12% of all U.S. home sales in July. Construction delays are common, prompting many builders to pump the brakes on the number of new homes they put up for sale. As building a new home gets more expensive, some of those costs are passed along to buyers.

The Federal Reserve meets this week and officials' outlook on when they might start raising interest rates could indicate how worried the Fed is about inflation.

The constraints on homebuilders are unwelcome news for homebuyers, already facing historically low levels of resale homes on the market and record prices. Economists worry many first-time homebuyers are getting priced out of the market.

At Sivage Homes in Albuquerque, New Mexico, the builder's efforts to keep its construction on schedule are undercut almost daily by delays for everything from plumbing fixtures and windows, to bathtubs and appliances.

"Nowadays, we literally could be sitting waiting 30 days, maybe even 60, for one thing or another," said CEO Mike Sivage. "I've been doing this since 1986, and I have to say I've never seen anything like this before."

The pandemic set the stage for higher prices and shortages of construction products. Factories went idle temporarily and are now trying to catch up on production at the same time that demand has intensified due to an unexpectedly hot housing market and a surge in home remodeling.

Lumber futures jumped to an all-time high \$1,670 per thousand board feet in May. They've since dropped to \$634, about 10% higher than a year ago. Still, wholesale prices for a category of homebuilding components that includes windows,



**Rising costs and shortages of building materials and labor have made construction delays common.** *Elise Amendola, Associated Press*

roofing tiles, doors and steel, increased 22% over the last 12 months, according to an analysis of Labor Department data conducted by the National Association of Home Builders.

Those conditions are likely to persist. Robert Dietz, chief economist at the NAHB, said he's heard from builders that "there are ongoing challenges, and in some cases growing challenges, with flooring, other kinds of building materials."

Homebuyers shouldn't expect to see any discounts from falling lumber prices, either, because builders set their prices based largely on overall demand.

Higher building materials prices aren't the only factor driving up builders' costs. A chronic shortage of skilled construction workers has worsened during the pandemic, forcing builders to factor in higher labor costs.

The Federal Reserve has said it believes the surge in inflation will be temporary. For now, though, the rise in building materials costs and the lingering supply crunch

are making everything from houses and apartments to commercial buildings more expensive.

To manage, many builders are slowing the rollout of new homes. Zonda Economics, a real estate data tracker, estimates some 85% of builders are intentionally limiting their sales.

Even with inflation, builders are benefiting from the hottest housing market in years. Demand for new homes has strengthened, while the number of previously occupied U.S. homes up for sale has fallen to historic lows.

The median price of a new home sold in July climbed 18.4% from a year earlier to \$390,500, an all-time high, according to the Commerce Department.

Builders typically hire contractors who handle framing, electrical, plumbing and other facets of construction. As these firms have faced higher costs to secure skilled labor or source the materials they need to do their job, they've had to pass those increases onto builders.



EXECUTIVE VICE  
PRESIDENT'S COLUMN  
By Vincent J. Squillace, CAE  
Executive Vice President

## The Shortage of Affordable Housing

A recent news report caught my eye and piqued my continuing interest. The interest stems from two main areas: housing affordability, and the New York Times apparently encouraging housing affordability in the regulatory realm. From years of reviewing this topic, I sense a shift of opinions.

I have been commenting, via letter, to the editor on various New York Times reports written on the subject of housing. Naturally, I asked they focus a bit more on the effect of regulatory impacts, but I never got a response. California, on the other hand, is the trend setter with regulatory inflated housing pricing. Impact fees in the tens of thousands of dollars, an average existing price of \$800,000 and a race to singularly reverse climate change, are hallmark there.

Their Governor, fresh from a recall victory, may sign some measures which will tilt the regulatory hand from local governments to the state with the goal of increasing the affordable housing stock by 3.5 million units over the next few years. While not realistic, it's a refreshing number indicating how much affordable housing is needed due to regulatory neglect.

This article also points to needed reforms. Next to the excellent read, The Color of Law, the article signals a realization that the role of government, through regulatory powers, has eliminated a class of Americans from a reasonable opportunity to own a home. Many local government officials claim restrictive zoning protects the interests of existing residents (NIMBYs), or school districts, who are unduly burdened by new residents.

Ohio is a home rule state where overcoming the municipal power of zoning is a major challenge. Planning regulations with counties and townships is a lesser challenge. School districts feel the state continuously underfunds them, and they are always ready to take the state to court. Many in the economic development field do not consider housing development as 'economic development'. Others, believe the state has no standing in the affordable housing arena. With that, we disagree.

As I mentioned in my last column, some legislators are becoming aware of the critical shortage of affordable housing, while others have been with us all along. We are very direct with our response: zoning referenda is a killer of housing development; environmental regulations need a reasoned hand in enforcing them, and school districts need to recognize homes are where children live. They have a right to benefits, as do all school age children, without having to pay an admission fee.

Our government leaders must also acknowledge the need to provide affordable housing for all. If that requires limitations on local powers or setting targets for achieving needed housing goals, so be it.

This has been the efforts of OHBA for many years. Let's hope we can fulfill our obligations as a state. Our statewide and legislative leaders will have to do just that, lead.

## Home Prices Surge 19.7 annually in July, Book Fourth Straight Month of Record Gains

Fox Business

Home prices surge 19.7% annually in July, book fourth straight month of record gains

U.S. home prices rose at a record pace for the fourth straight month in July as strong demand overwhelmed low inventory.

Home prices rose 19.7% year over year, according to the national Case-Shiller index. Prices are now 43.7% above their 2006 peak.

"Continued high buyer demand has even outstripped the improvements in the supply of for-sale homes from the all-time lows experienced in the spring," said Selma Happ, deputy chief economist at CoreLogic.

The record price gains came as total housing inventory in July jumped 7.3% month over month to 1.32 million units, according to the National Association of Realtors. Still, supply was 12% below prior-year levels.

The 10-City Composite index saw prices rise 19.1% year over year, increasing from the 18.5% gain in June. Prices in the 20-City Composite jumped 19.9% annually.

"The last several months have been extraordinary not only in the level of price gains, but in the consistency of gains across the country," said Craig Lazzara, managing director and global head of index investment strategy at S&P Dow Jones Indices.

Prices rose in all 20 cities with Phoenix (+32.4%), San Diego (+27.8%) and Seattle (+25.5%) reporting the highest annual gains. Every city but Chicago saw record highs, with prices in the Windy City holding 0.3% below their 2006 peak.



# Ohio Home Builders Association

## FALL



## The Annual Meeting of the Board of Trustees & Election of 2022 Officers

**November 16, 2021**  
**Hilton Easton – Columbus**  
**3900 Chagrin Dr.**  
**Columbus, OH 43219**  
**(614) 414-5000**

Calling all members - this is the meeting no one wants to miss! You will obtain updated information on issues affecting the industry, attend committee meetings and exchange viewpoints.

Recognition awards and our top awards, “**Garson McDaniel**” and the **Executive Committee Member of the Year** will be given and OHBA video presentation highlighting OHBA and our officers.



All meetings are listed on the sign-up sheet. **Room cut-off date is October 16<sup>th</sup>. Use this link to reserve a sleeping room-**  
[https://www.hilton.com/en/hi/groups/personalized/C/CMHCHHF-HBA-20211115/index.jhtml?WT.mc\\_id=POG](https://www.hilton.com/en/hi/groups/personalized/C/CMHCHHF-HBA-20211115/index.jhtml?WT.mc_id=POG)

**Group Name is Ohio Home Builders Association and code is HBA or call the Hilton direct to reserve your room at (800) 445-8667. Request Ohio Home Builders room block. Room rate is \$199 plus tax per night.**



Contact OHBA with any questions at (800) 282-3403 ext. 1.

**Thank you to our Sponsors!**



Builders FirstSource and  
BMC are Combining to  
Serve You Better.

LEARN MORE



**REGISTRATION FORM**  
**THE ANNUAL MEETING OF THE BOARD OF TRUSTEES &**  
**ELECTION OF 2022 OFFICERS**  
**HILTON EASTON – COLUMBUS**  
**3900 Chagrin Dr.**  
**Columbus, OH 43219**  
**(614) 414-5000**

**TUESDAY, NOVEMBER 16, 2021**

- ☐ 8:00 – 10:00 a.m. LONG RANGE PLANNING BREAKFAST MEETING  
(Open to Committee Members Only.)
- ☐ 10:00 – 11:30 a.m. EXECUTIVE COMMITTEE MEETING  
(Open to Executive Committee members and OHBA Past Presidents only.)
- ☐ 11:30 – 1:00 p.m. EXECUTIVE OFFICERS LUNCH MEETING (Open to Local EO's only.)
- ☐ 1:00 – 2:00 p.m. MEMBERSHIP & BUILD-PAC MEETING
- ☐ 2:00 – 4:00 p.m. GOVERNMENT AFFAIRS/BLDG. CODES & DEVELOPERS
- ☐ 4:00 – 5:30 p.m. BOARD OF TRUSTEES MEETING – **ELECTION OF 2022 OFFICERS**
- ☐ 5:30 – 6:30 p.m. COCKTAIL RECEPTION
- ☐ 6:30 – 8:30 p.m. BANQUET DINNER – **AWARDS & VIDEO PRESENTATION**

ADULTS \$74 EACH\*      HOW MANY \_\_\_\_\_

***\*Dinner must be paid prior to the event. Cancellations must be 72 hours prior to the event.***

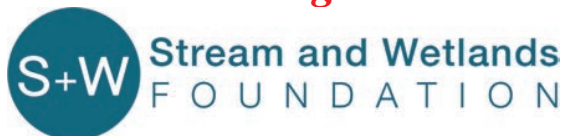
NAME \_\_\_\_\_

LOCAL ASSOCIATION \_\_\_\_\_

**IF YOU NEED A ROOM AT THE HILTON, CONTACT THE HILTON AT (800)445-8667 BY OCTOBER 10<sup>TH</sup>. REQUEST OHBA'S ROOM BLOCK.**

SEND TO:  
OHBA, 17 S. HIGH ST., #700  
COLUMBUS, OH 43215  
FAX: (614) 228-5149  
E-mail: [build@ohiohba.com](mailto:build@ohiohba.com)

***Meeting & Education Sponsors –***



Builders FirstSource and  
BMC are Combining to  
Serve You Better.

[LEARN MORE](#)







## **ATTENTION BUILDER MEMBERS**

EVENT DATES:  
**Saturday, April 30, 2022  
thru  
Sunday, May 15, 2022**

*Scattered Site Event  
Featuring New Homes  
& New Developments*

Plan now to  
participate and watch  
your email for more  
information.





# CARTER *Lumber*

**A**t our Kitchen & Bath Showroom in Medina, we have everything you need to complete your next kitchen project!

We take the worrying out of planning and choosing everything for your perfect kitchen or bathroom, from the smallest to the most important details. You'll save money over the big box stores, and we have the expertise and product knowledge to help you complete your project. Service, quality, and design is what sets us apart. Our Specialists offer the best in service, space planning and design knowledge in the industry.

***Carter Lumber has all of your  
design needs covered!***

When you're ready to take on your kitchen or bath project, we'll be ready to give you the beautiful, functional space you've been dreaming of.

## **Brand New Full-Selection Design Center.**

Conveniently located next to our Kitchen & Bath Showroom, our new full-selection Design Center will be your one-stop shop for all your project needs!

**Cabinetry, Fixtures, Counter-  
tops, Doors, Trim, Hardware,  
Islands, Backsplashes,  
Windows and more!**



### **MEDINA**

3725 MEDINA RD. SUITE 108  
MEDINA, OH 44256  
**(330) 725-6760**

### **AKRON**

172 N. CASE AVE.  
AKRON, OH 44305  
**(330) 784-5441**

### **OLON**

6199 S O M CENTER RD.  
OLON, OH 44139  
**(440) 248-5355**

### **ELYRIA**

41625 GRISWOLD RD  
ELYRIA, OH 44035  
**(440) 934-5266**

.....  
[carterlumber.com](http://carterlumber.com)



# Economic Update

**Building Materials Subcommittee Meeting**  
September 23<sup>rd</sup>, 2021

**David S. Logan**  
Senior Economist  
Director, Tax and Trade Policy Analysis



## Macro/Housing Outlook



Deployment of the vaccine is supporting economic growth  
Delta variant raising counts, but deaths remain lower



Stronger growth in 2021, with increases for interest rates



Building materials a key concern  
Supply-chains are a mess



Single-family, remodeling and multifamily construction gains for 2021  
Telecommuting and other factors driving a suburban shift

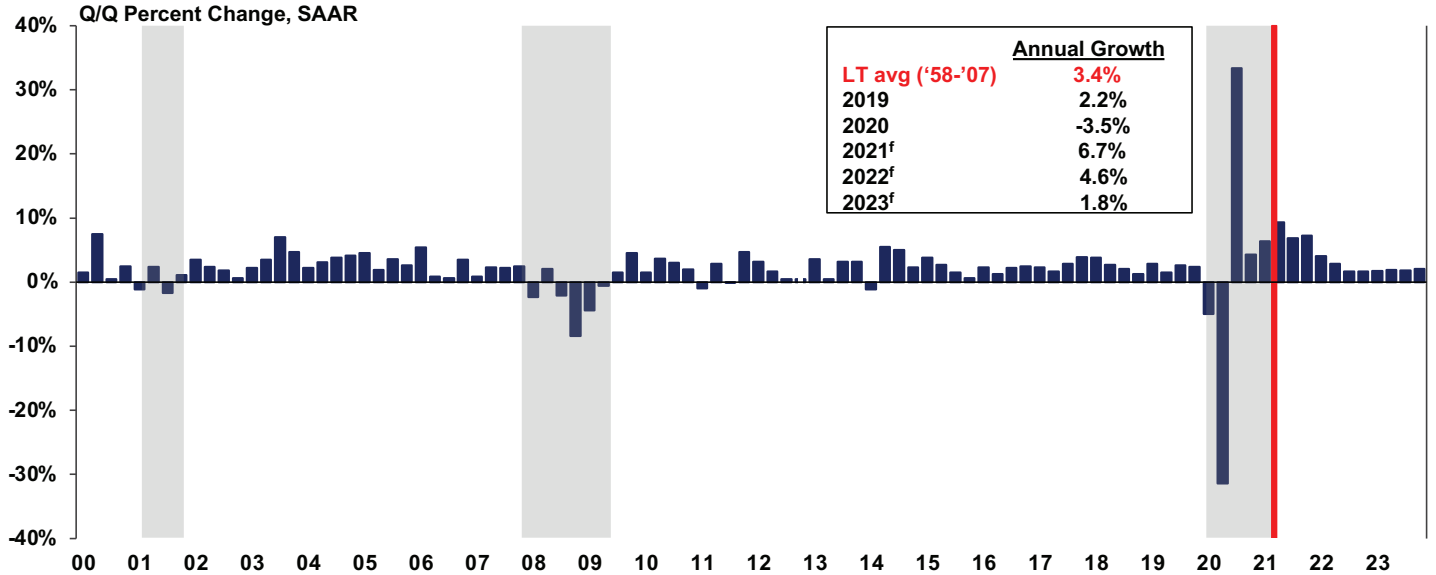


Housing affordability risks erosion in 2021



# / GDP Growth – Recovery Accelerates During 2021

*Recovery and expansion continues into 2021 and 2022*

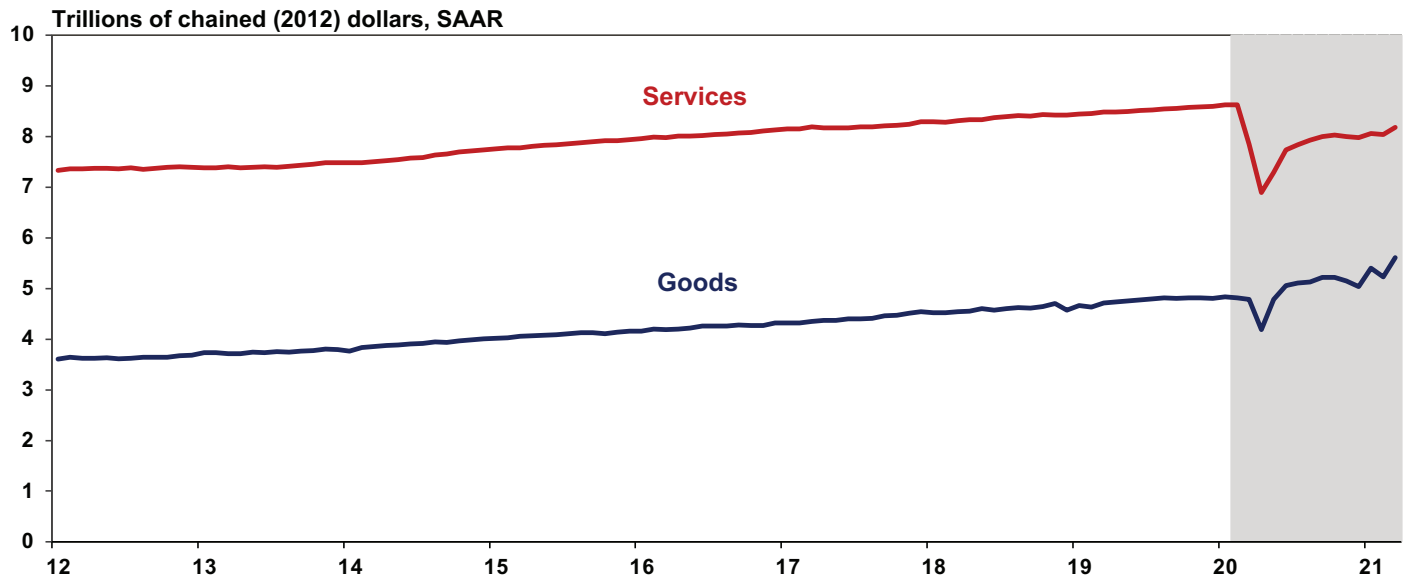


Source: U.S. Bureau of Economic Analysis (BEA) and NAHB forecast.



# / Monthly Goods, and Services: GDP Data

*Services still down, goods higher*



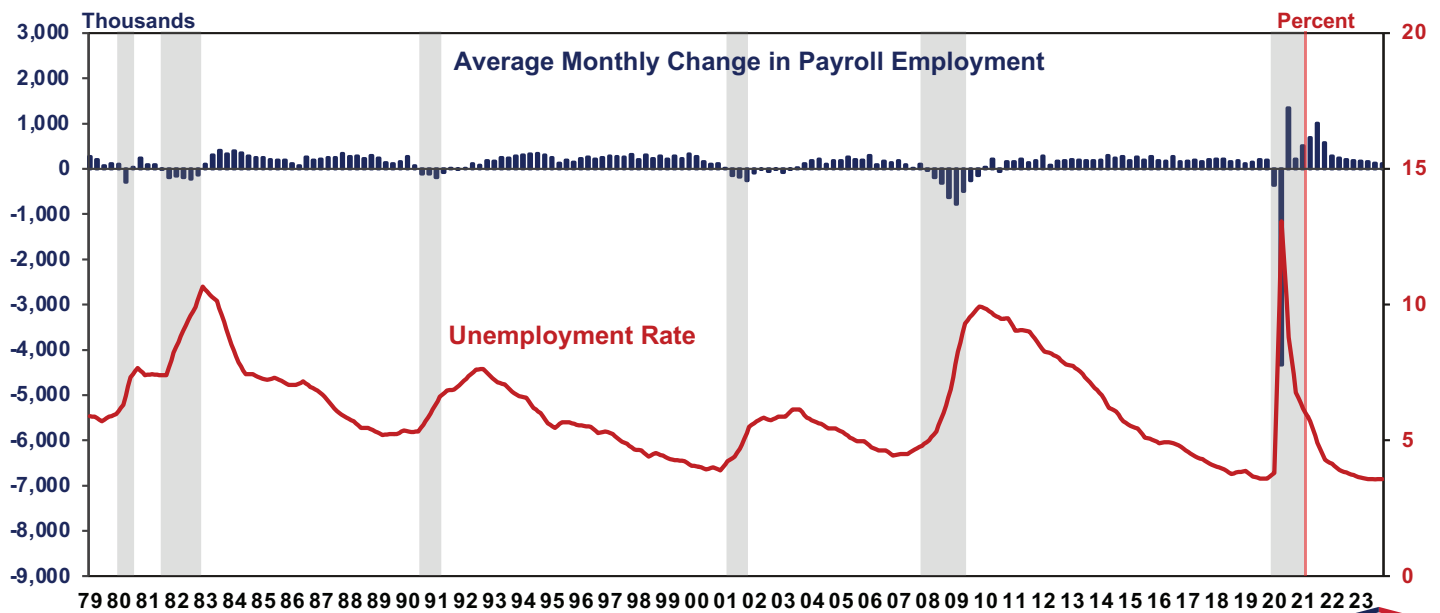
Source: U.S. Bureau of Economic Analysis (BEA) - National Income and Product Accounts (NIPA).





# / Unemployment Headed Lower in 2021

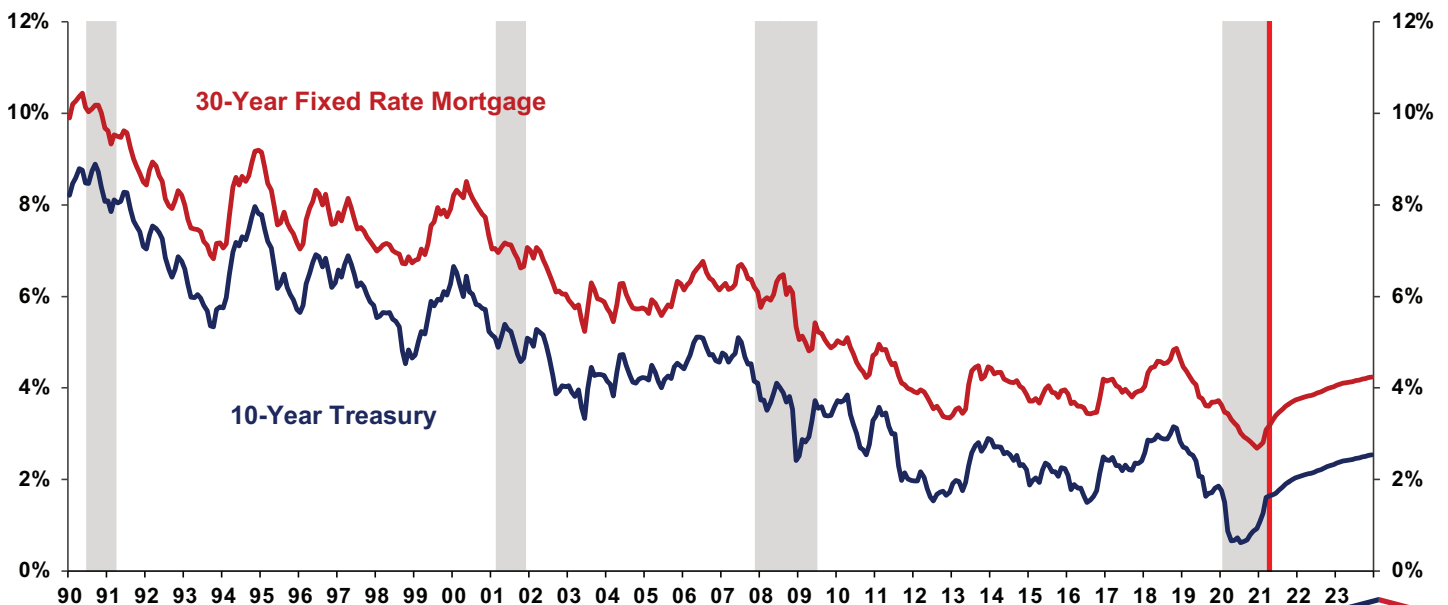
*Job growth rising as economy reopens*



**NAHB**  
National Association  
of Home Builders

# / Interest Rates Will Trend Higher with Recovery

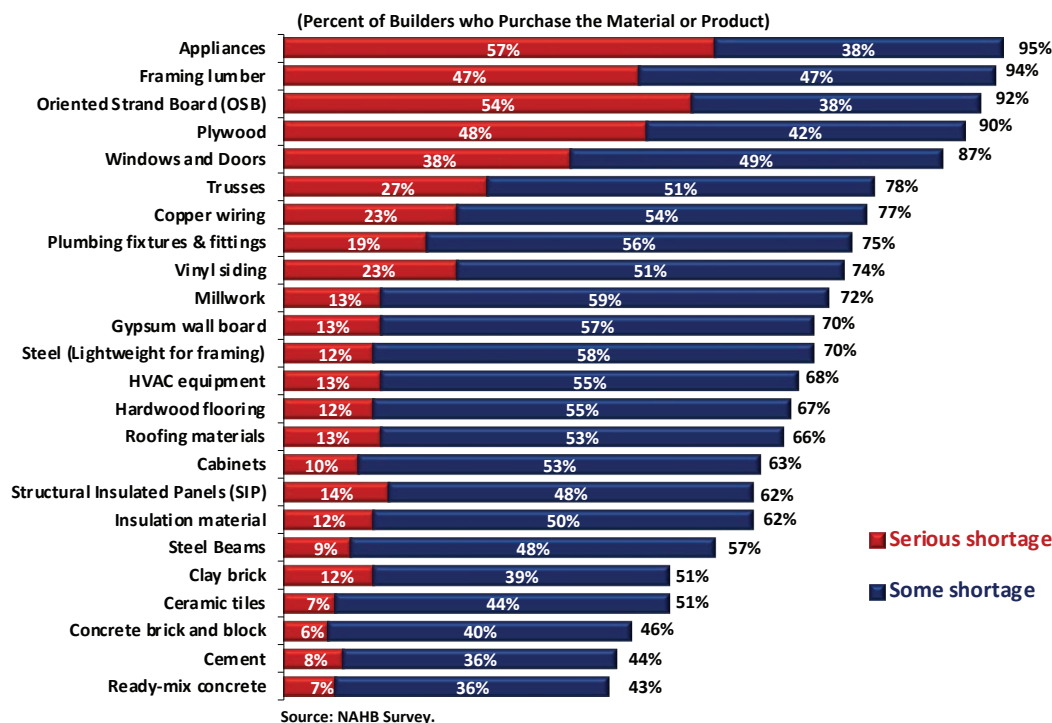
*As growth expectations increase, interest rates are rising*



Source: Federal Reserve and Freddie Mac data and NAHB forecast.

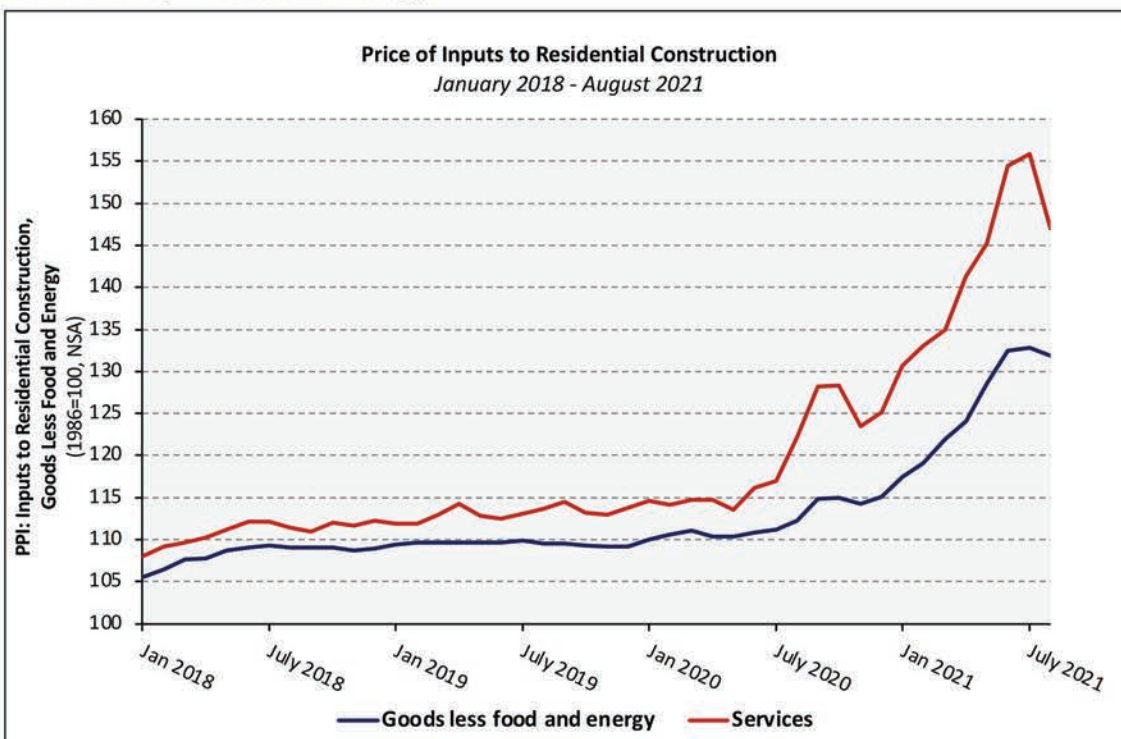
**NAHB**  
National Association  
of Home Builders

# Builders Reporting Shortages in May 2021



# Building Materials Prices

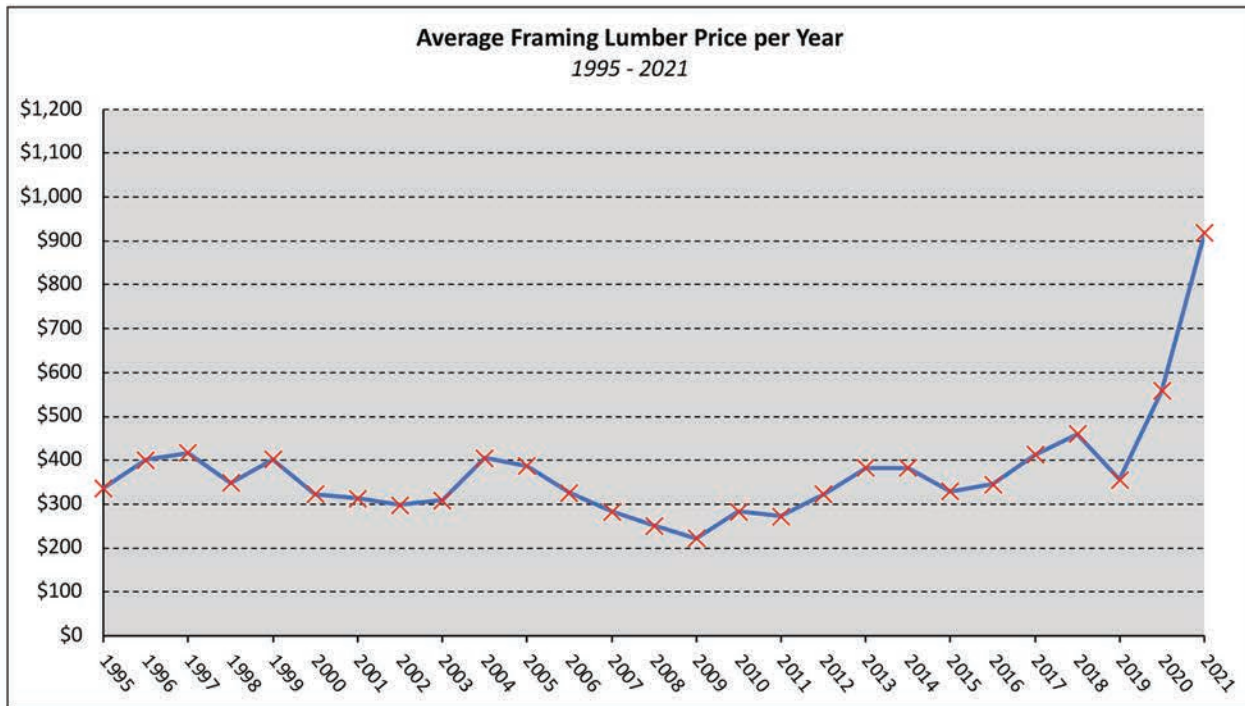
Up 20% in 2021; +15% ex-energy





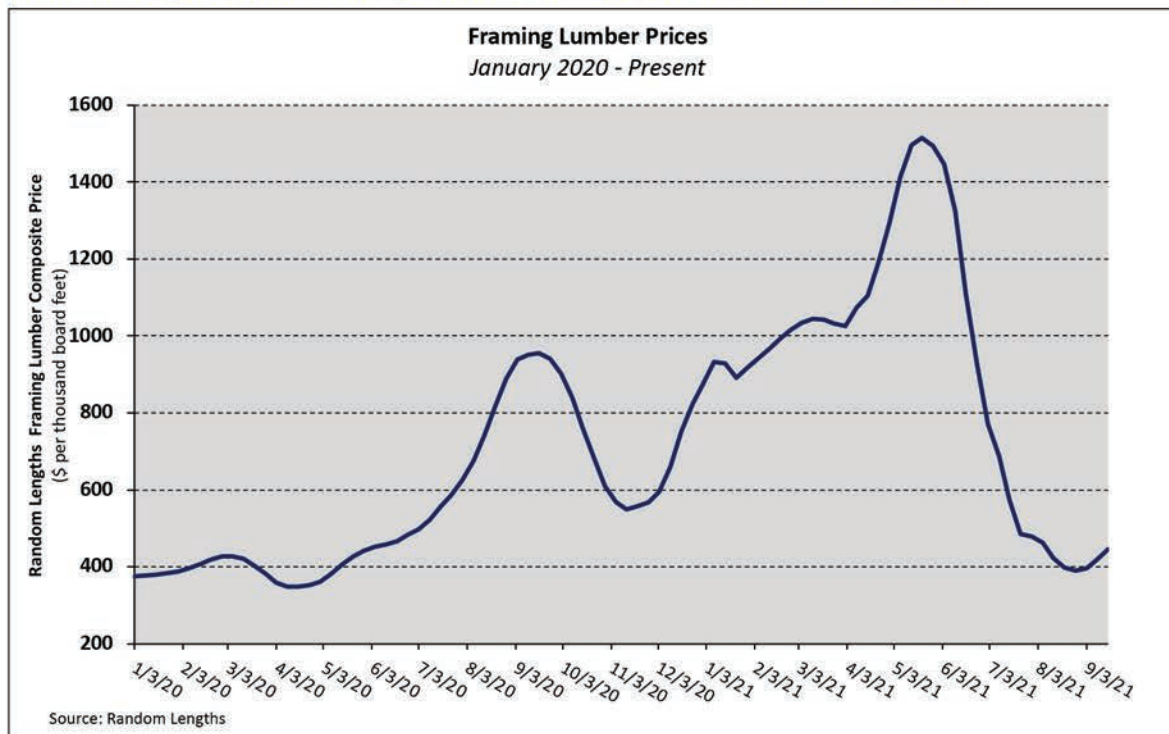
## Lumber

*Inflation-adjusted annual record high even after "crash"*



## Lumber

*Cash prices have fallen 70% since peak, but are up 15% over last three weeks*



# Lumber Futures

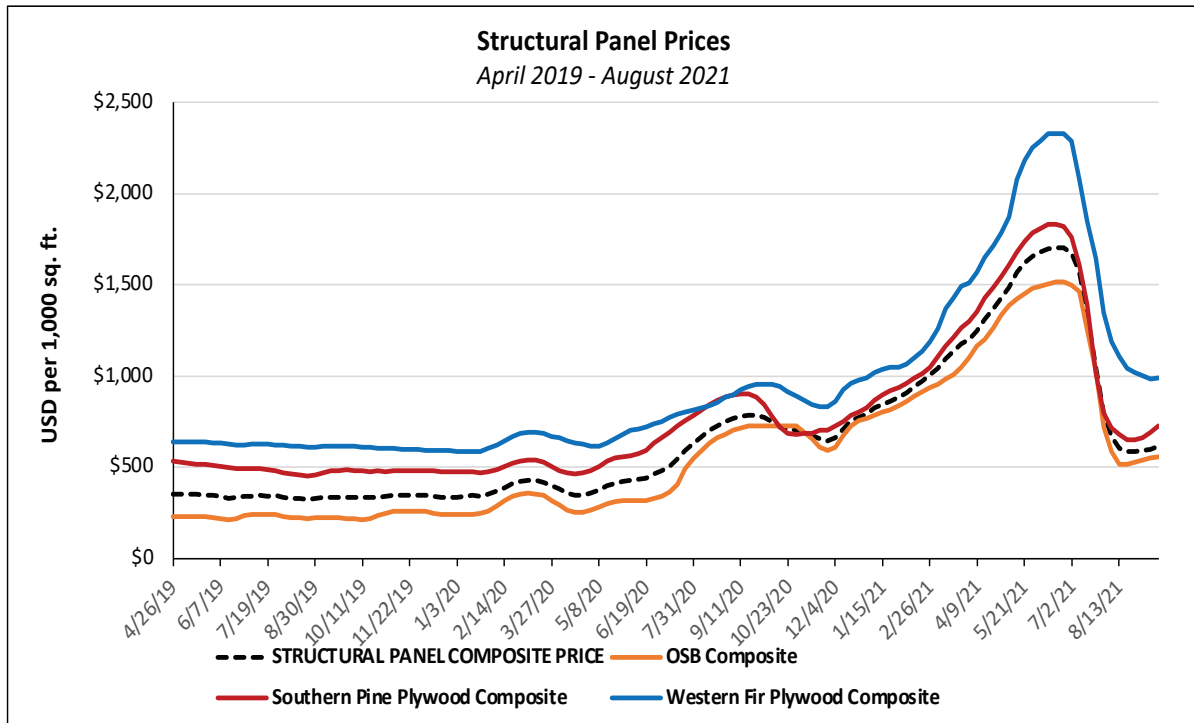
Up more than 30% since mid-August

Published on TradingView.com, Sep 23, 2021 10:32 UTC-5



# Structural Panels

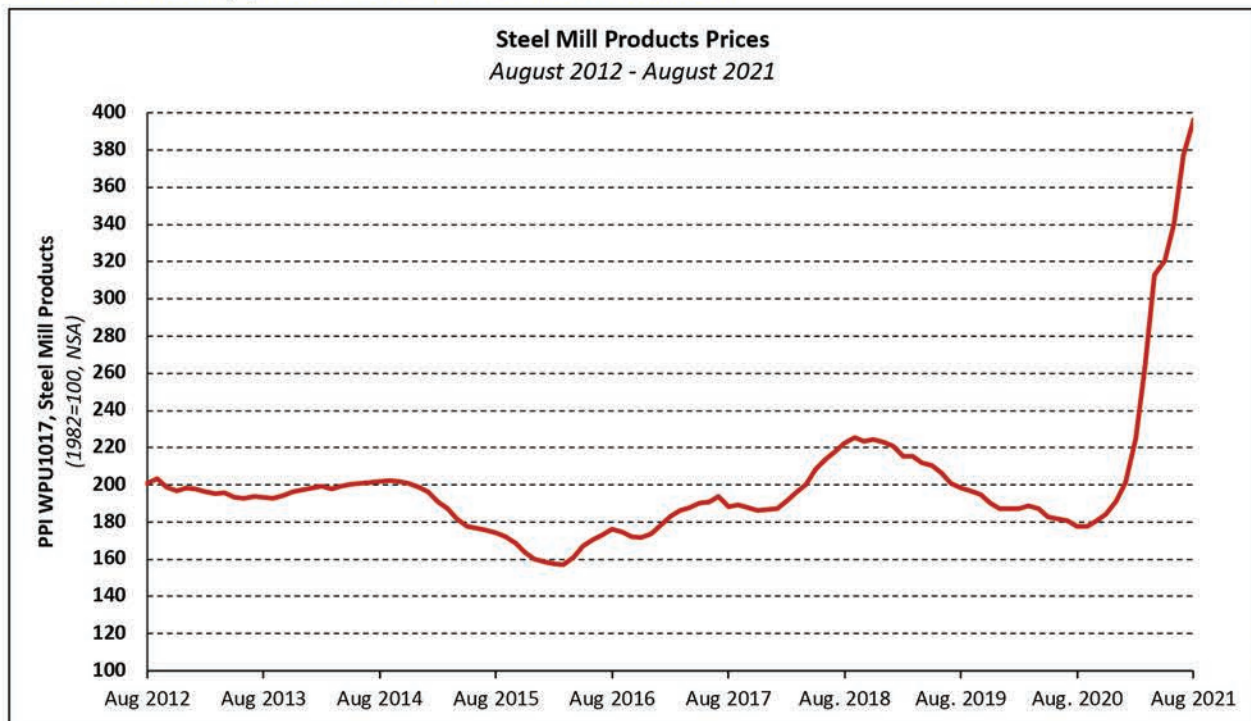
On the rise again after a steep decline





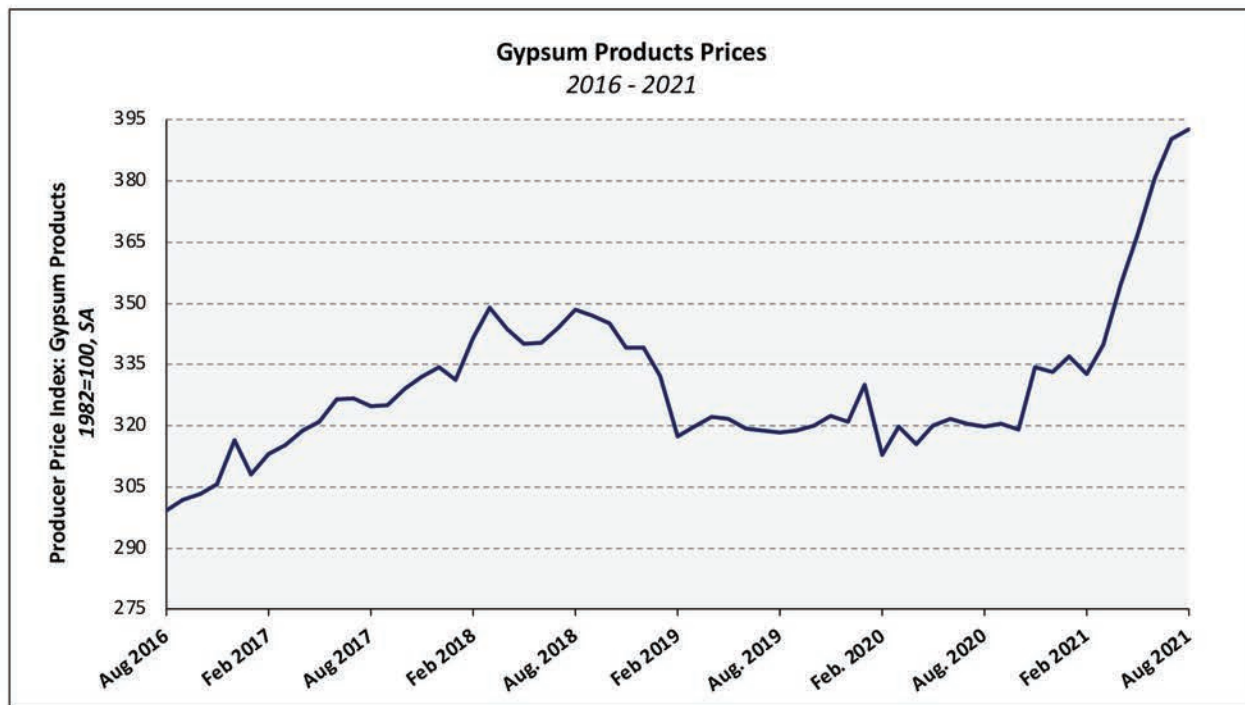
# Building Materials Prices - Steel

*The new lumber; prices have more than doubled*



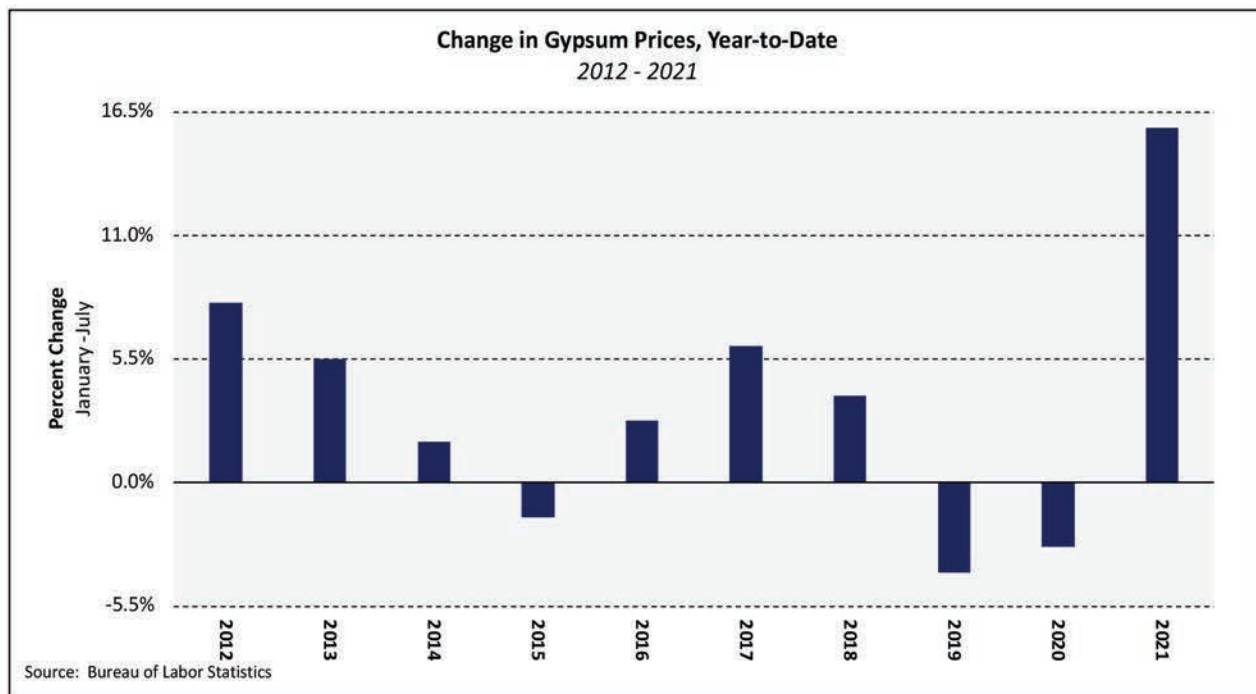
# Gypsum

*Up sharply since early-2020*



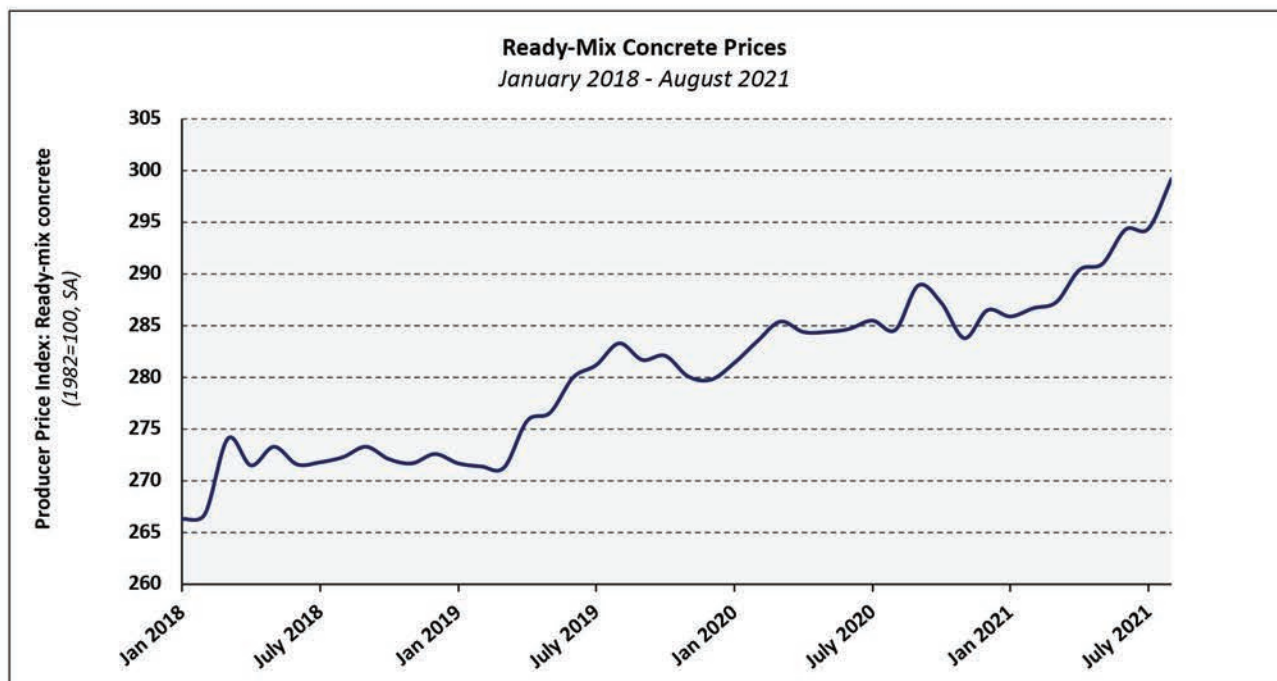
## Gypsum Products

*Largest YTD increase since 2006*



## Ready-Mix Concrete

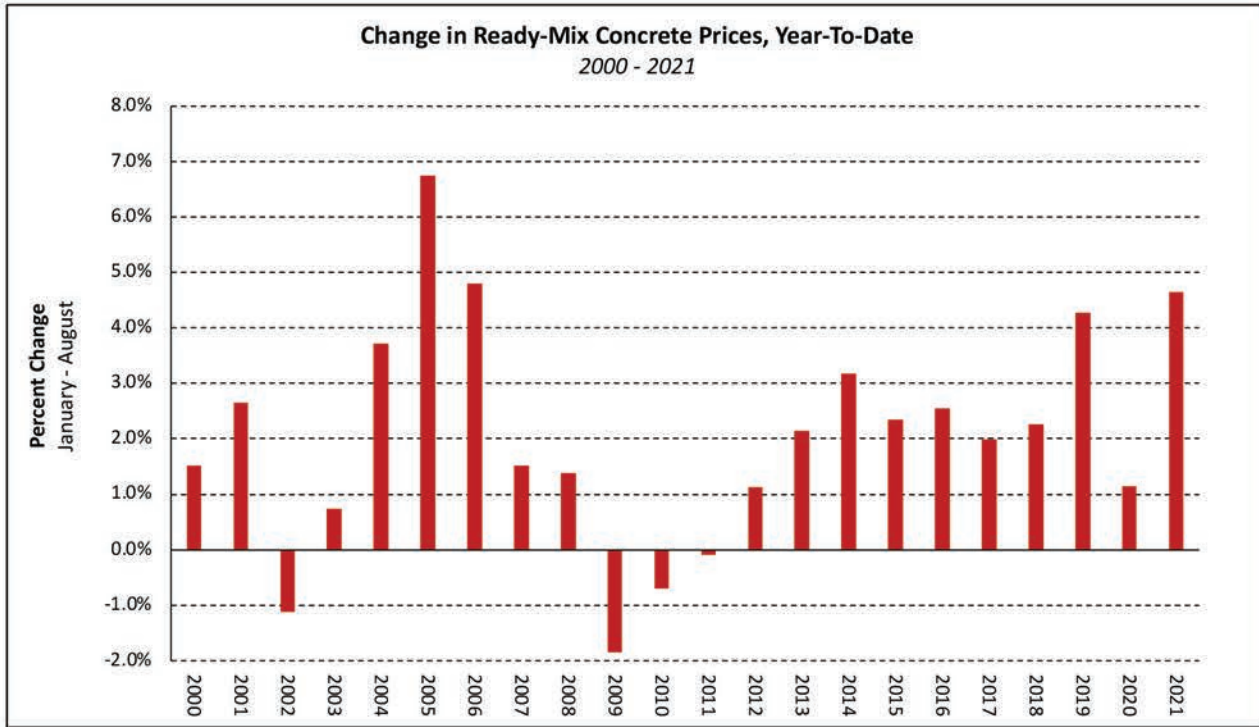
*Increasing and unusually volatile prices*





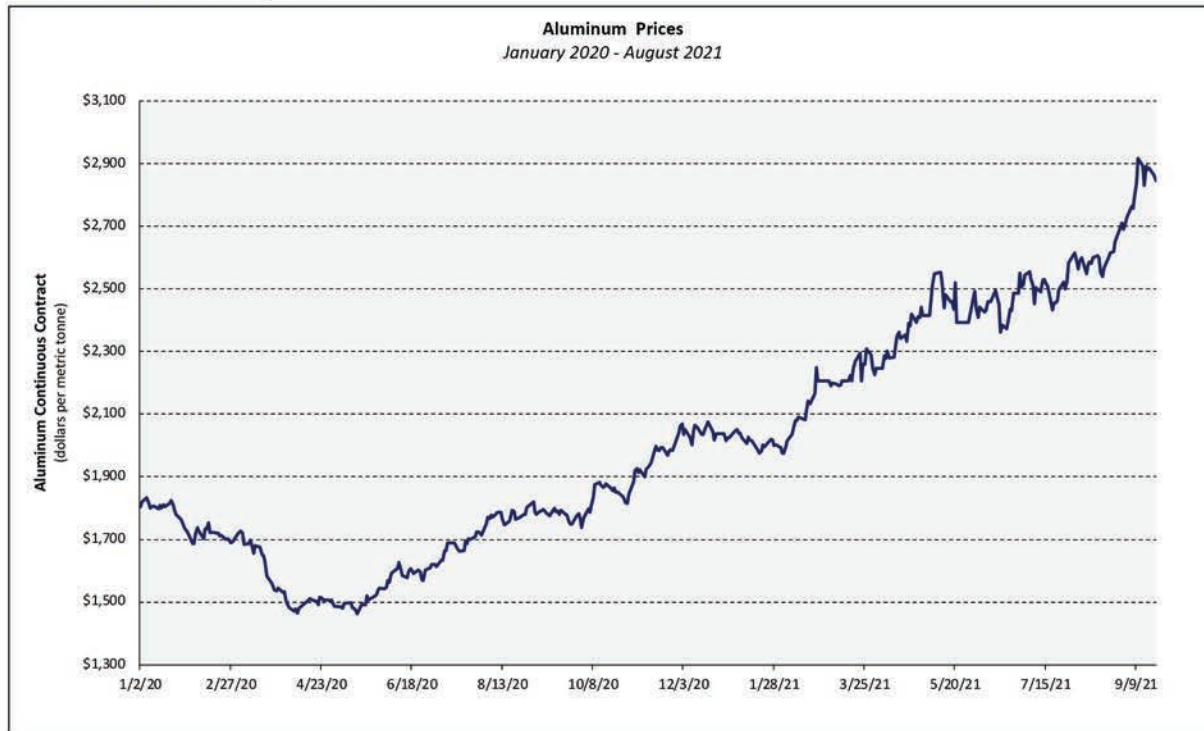
# Ready-Mix Concrete

Up 4.7% year-to-date



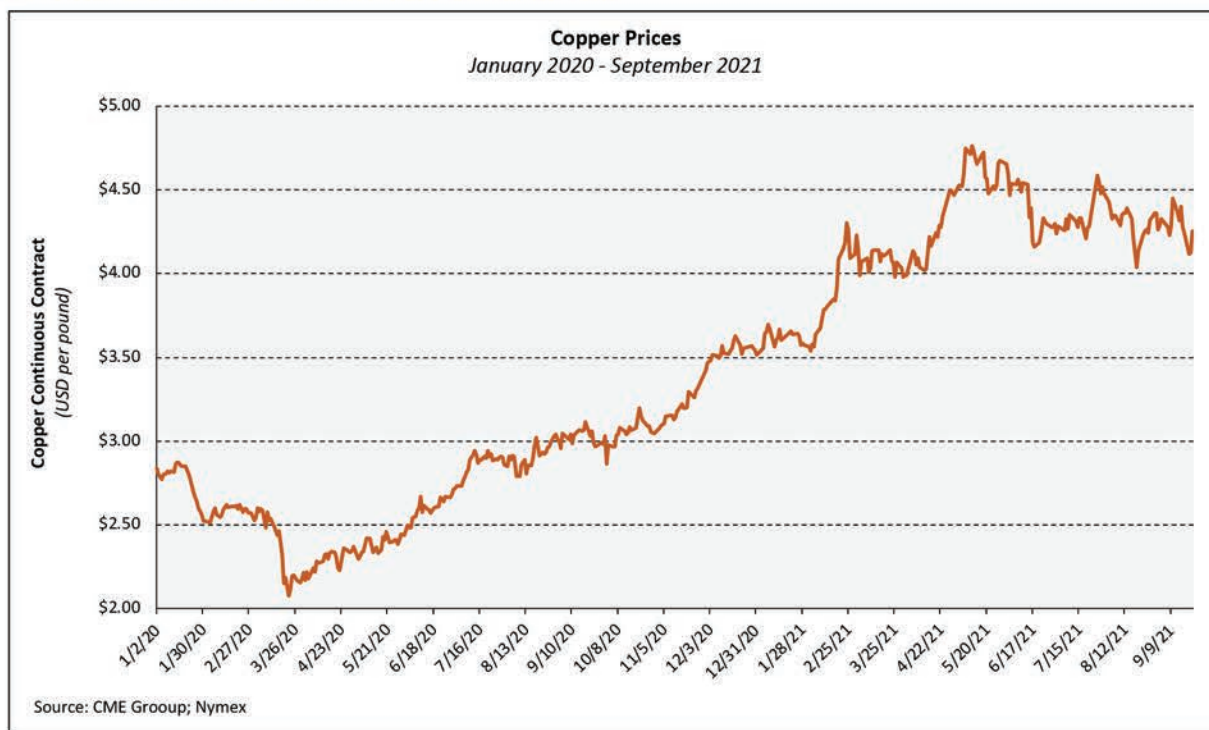
# Aluminum

Up 58% since January 2020



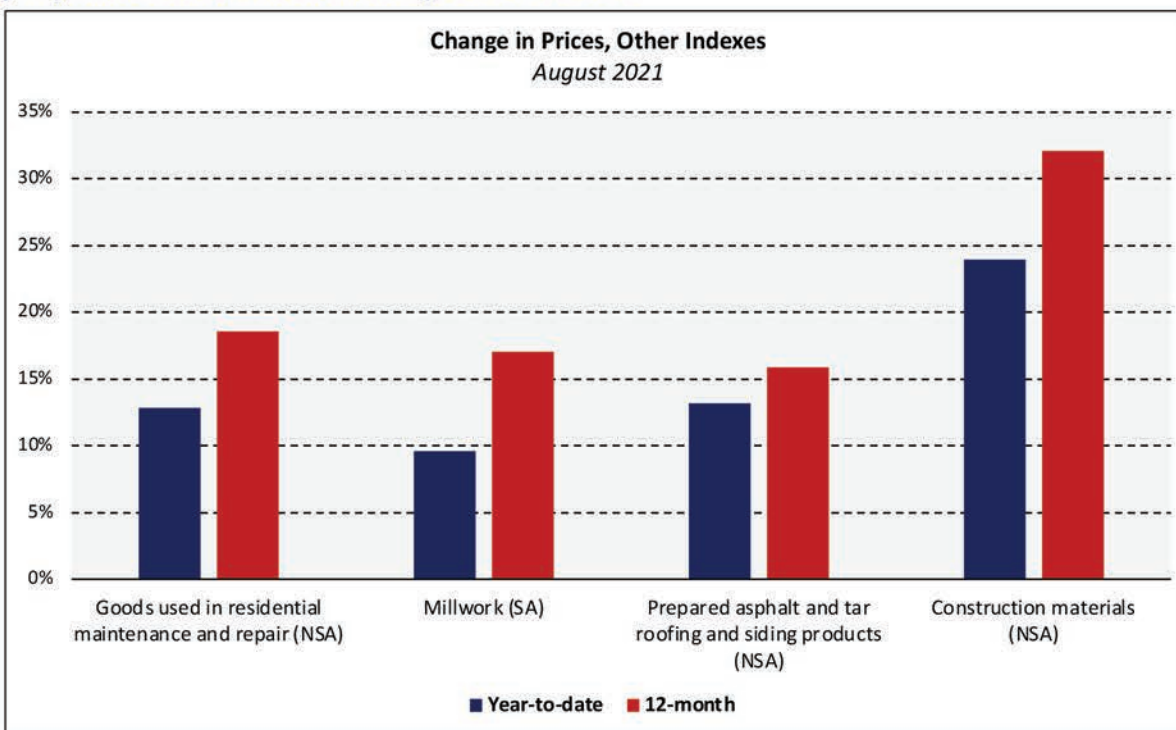
## Copper

More than 50% above pre-pandemic levels



## Building Materials Prices - Other

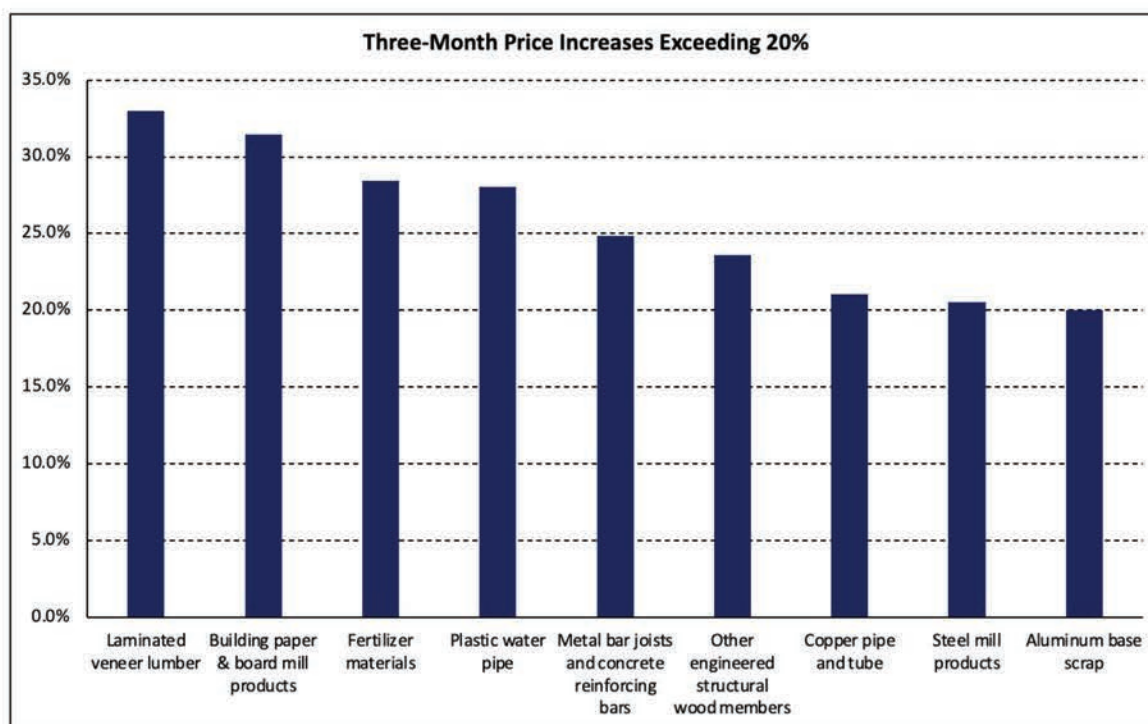
Heavy infrastructure materials up 24% in 2021





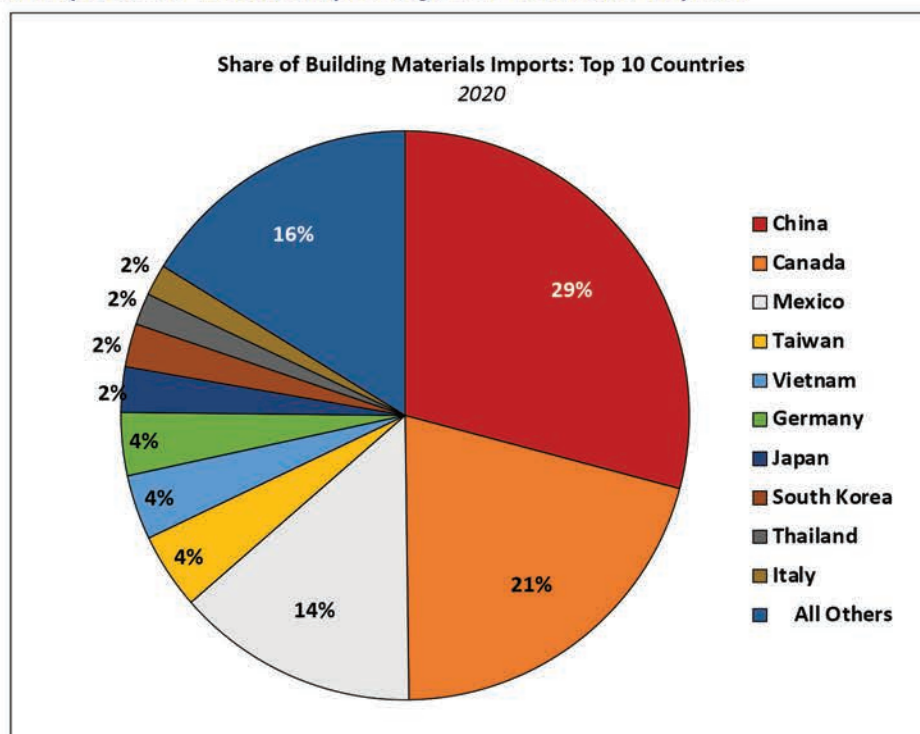
## The most acute price increases of late

*LVL and plastic water pipe up more than 25% over past three months*



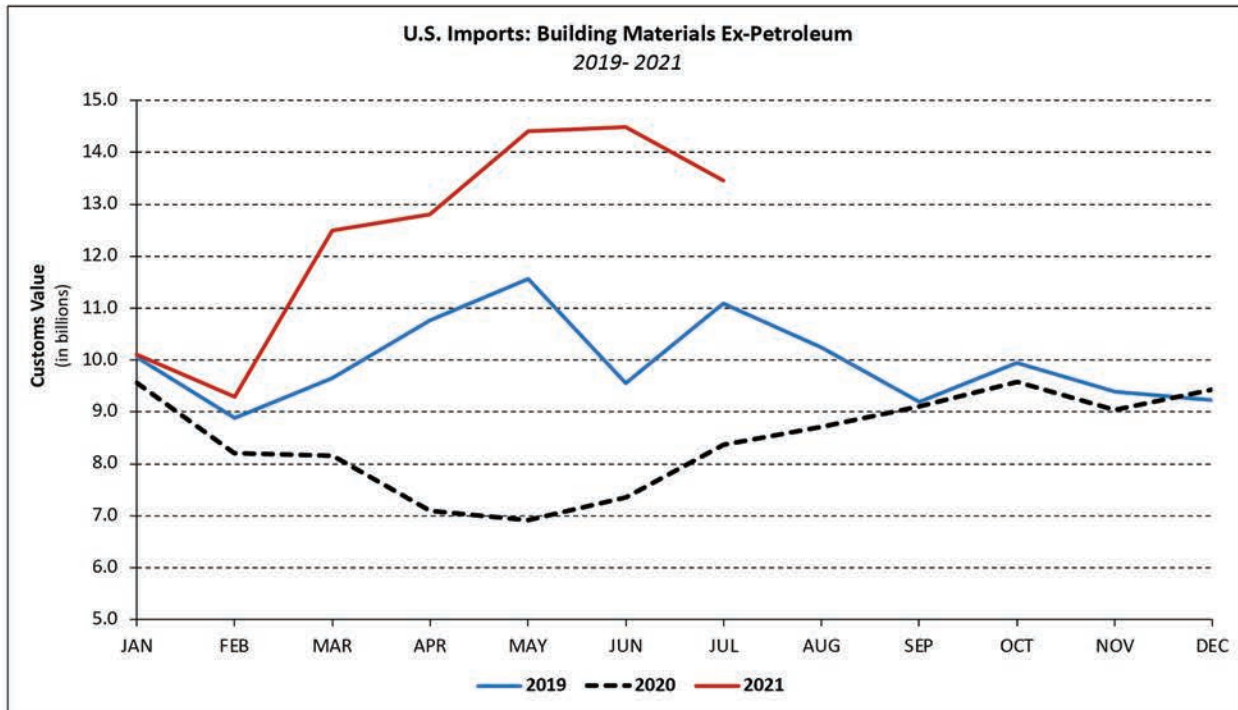
## Share of Building Materials Imports in 2020

*Total \$58 billion imports in 2020; imports from Vietnam tripled*



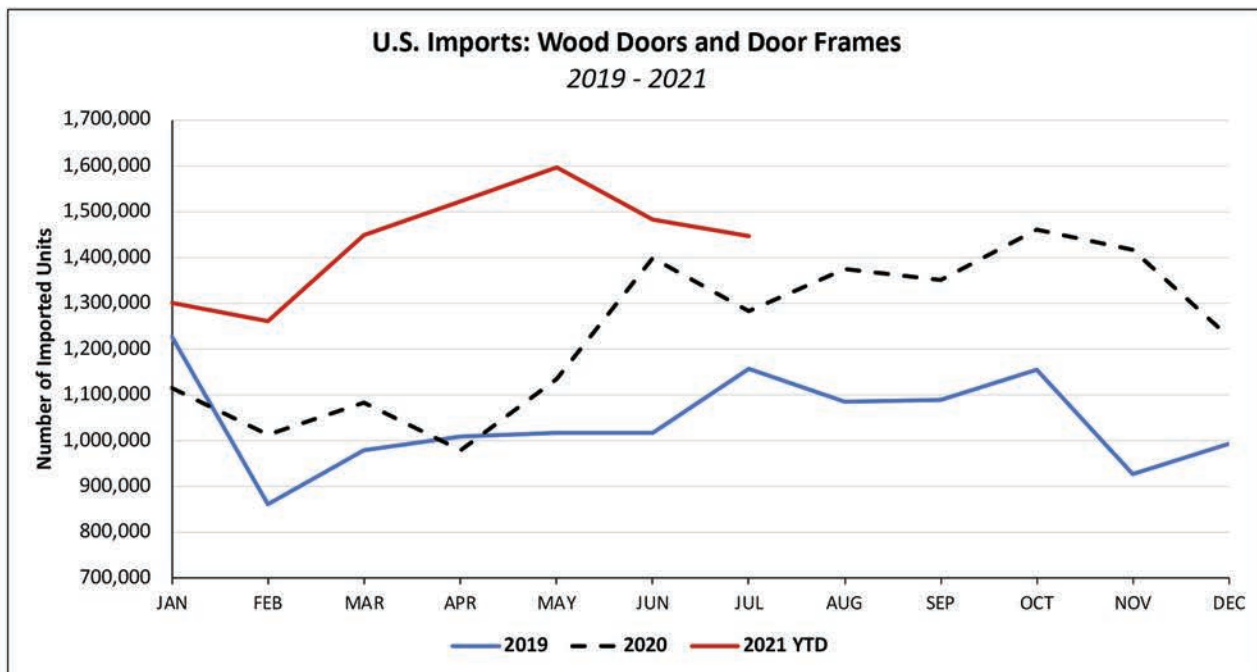
# Building Materials Imports – Pandemic Effects

*Catching up after shutting down*



# Building Materials Imports – Pandemic Effects

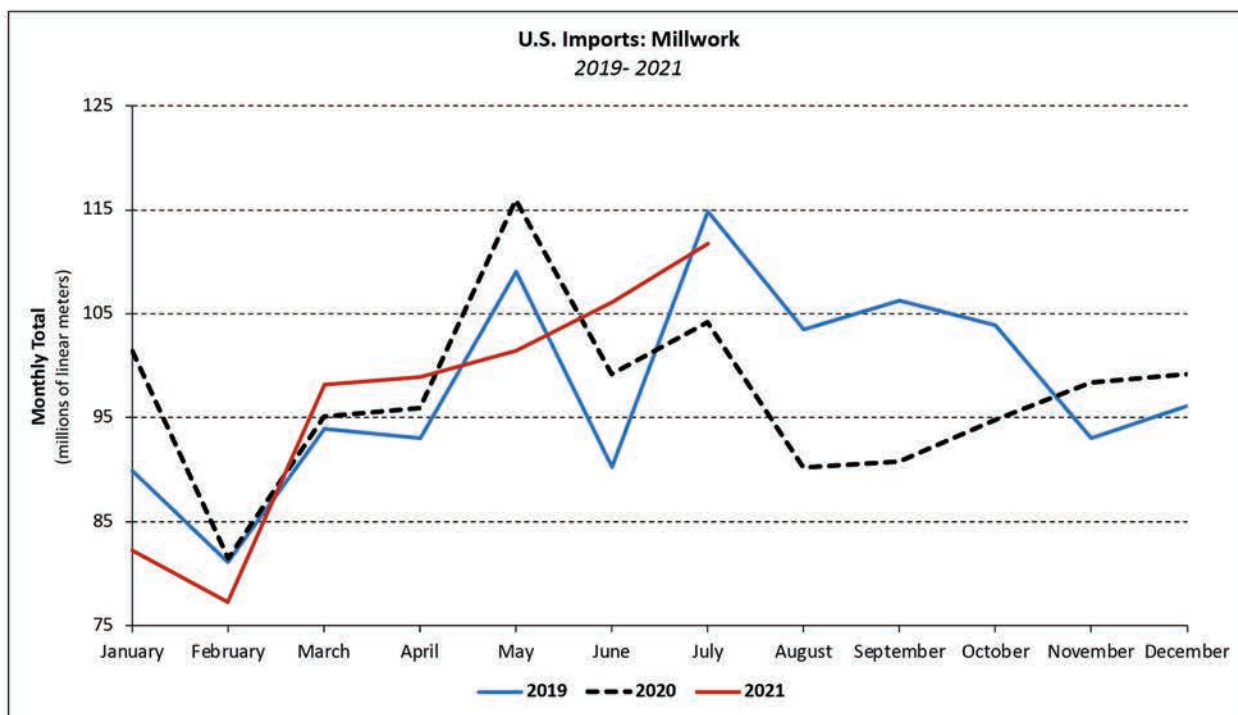
*Doors and frames making up for lost production in 2021*



Source: NAHB Analysis of U.S. International Trade Commission data.

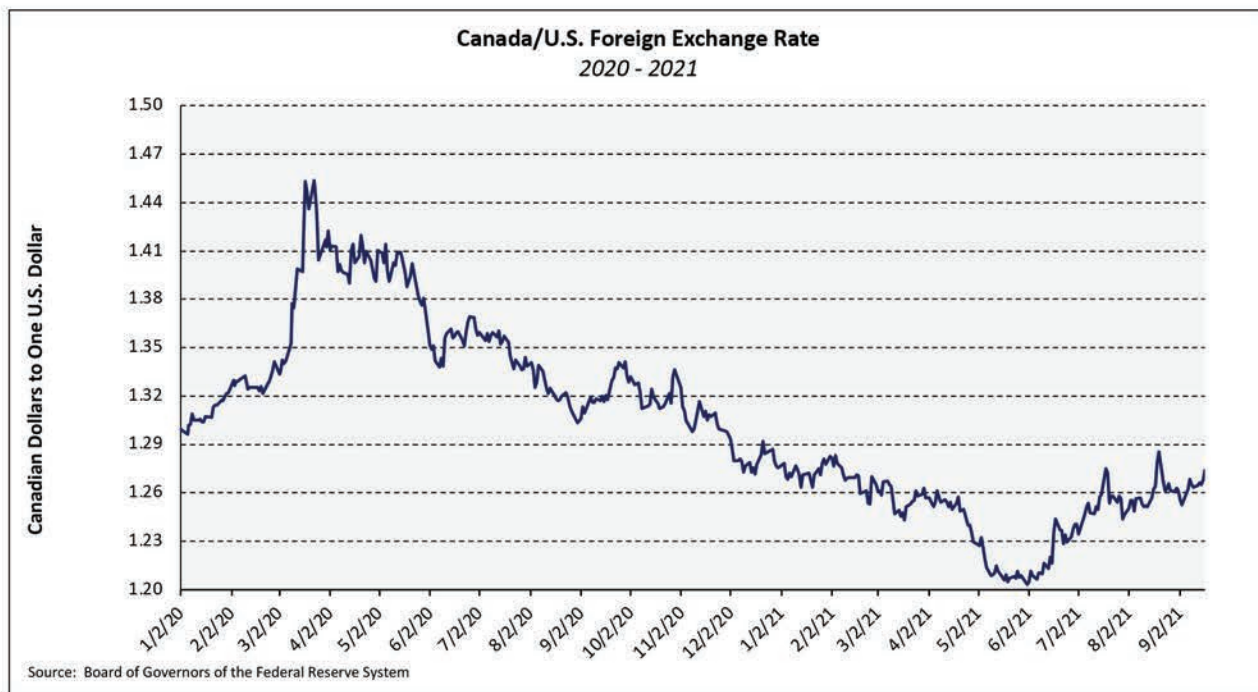
# Building Materials Imports – Pandemic Effects

*Molding still making up ground*



# US-Canada Exchange Rate

*USD up 6% since June 1<sup>st</sup>; down 2% against the CAD since Jan. 2020*





# Thank you

*Questions?*

DLogan@nahb.org



Economic Leadership Sponsor:



Home Mortgage