



# Housing Market Index (HMI)

Special Questions on Builders Challenges/  
Problems Faced in 2024 and Expect to Face in  
2025

January 2025



Economics & Housing Policy Group

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## **Introduction:**

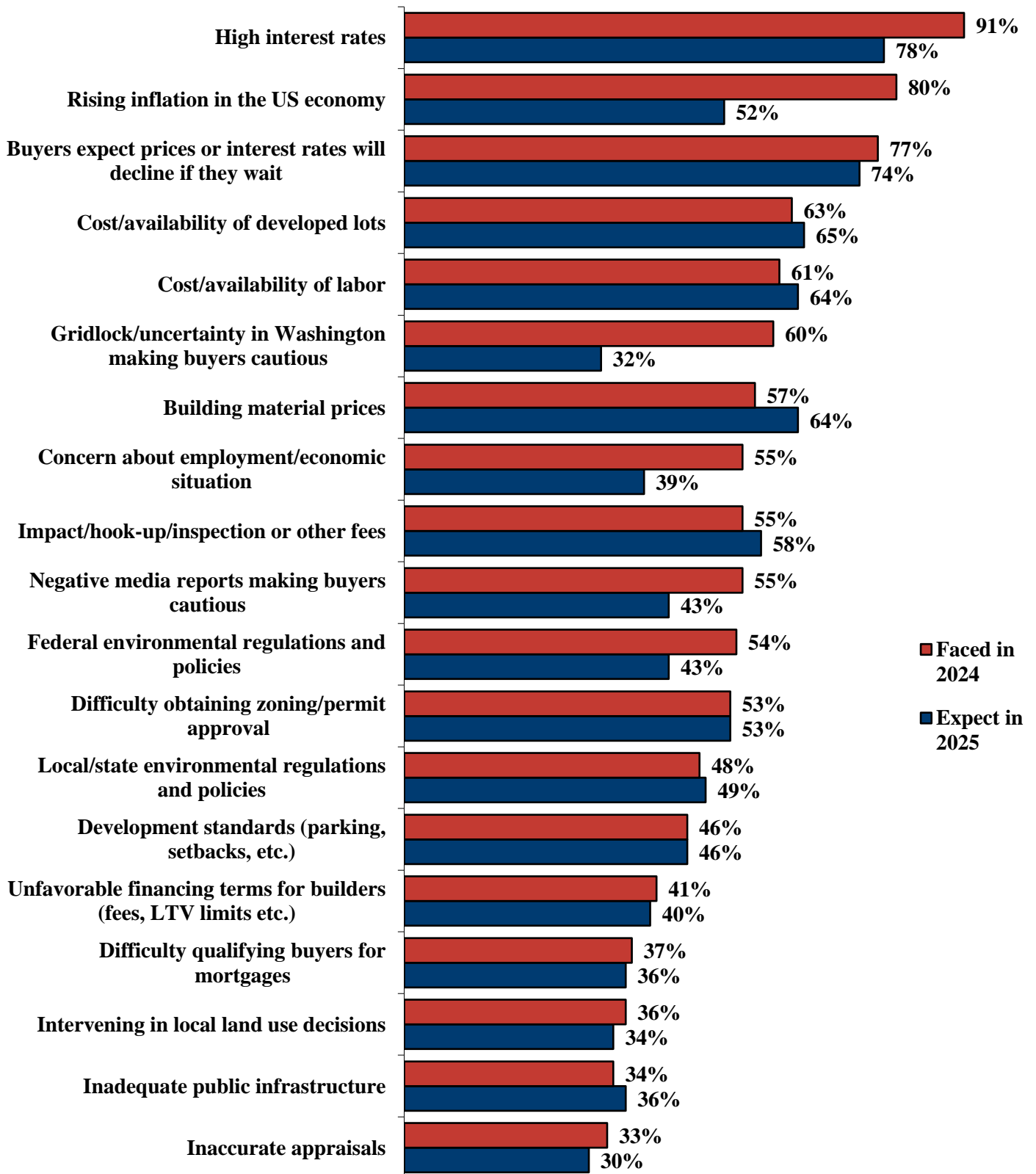
For more than 30 years, the National Association of Home Builders (NAHB) has conducted a monthly survey of single-family builder members in order to generate the NAHB/Wells Fargo Housing Market Index (HMI). The HMI survey asks builders to rate market conditions for the sale of new homes at the present time and expected over the next 6 months, as well as the traffic of prospective buyers. The results are combined into a single composite index that measures the overall strength of the market for new single-family housing. Throughout its history, the HMI has become a leading indicator of single-family housing starts and is widely reported in business media and used by the Federal Reserve Bank, government agencies, and Wall Street analysts.

The survey questionnaire (Appendix I) was sent electronically to a panel of 3,389 builder members. A total of 418 builders responded to the survey, for a response rate of 12 percent. This report analyses responses by the four census regions and by the number of for-sale single family units started by the builder in 2024.

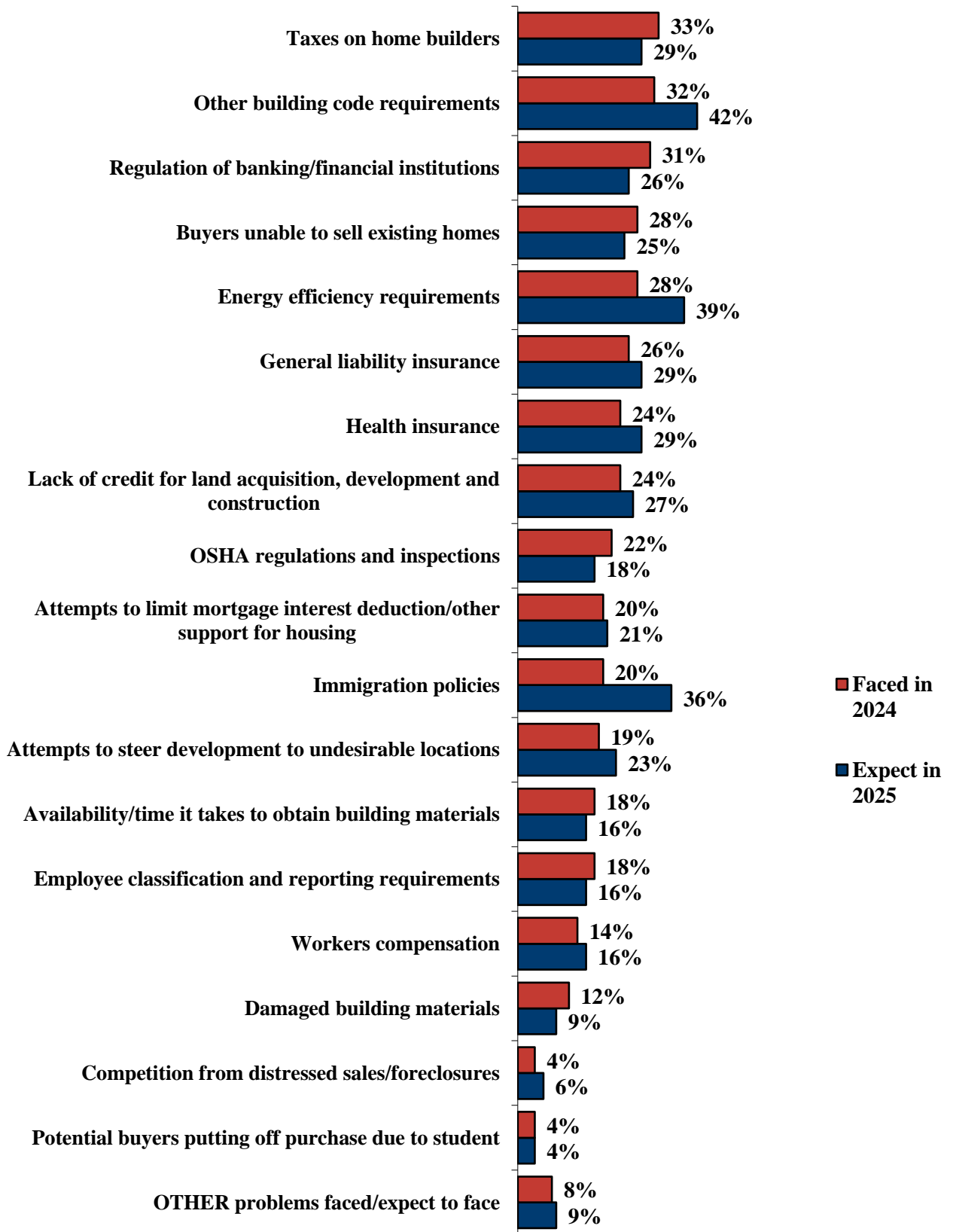
In addition to the questions that provide the data needed to compute the HMI, the survey often also includes a set of “special” questions on a topic of current interest to the housing industry. The January 2025 special questions address issues relating to the most significant problems faced by builders during 2024, and problems they expect to face during 2025.

**What, in your opinion, were the most significant problems faced by builders during 2024, and which do you expect to be most significant during 2025?**

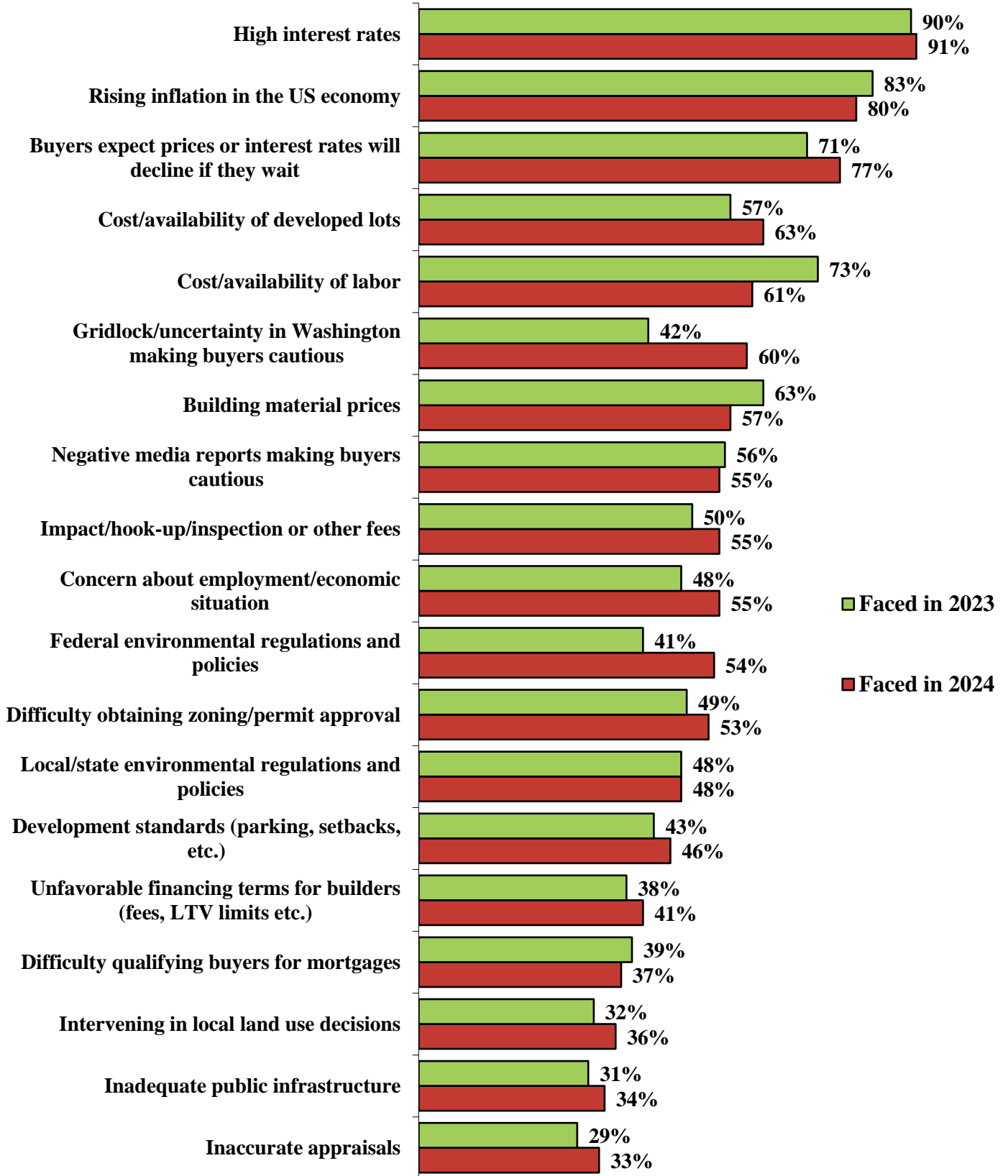
**(Percent of Respondents)**



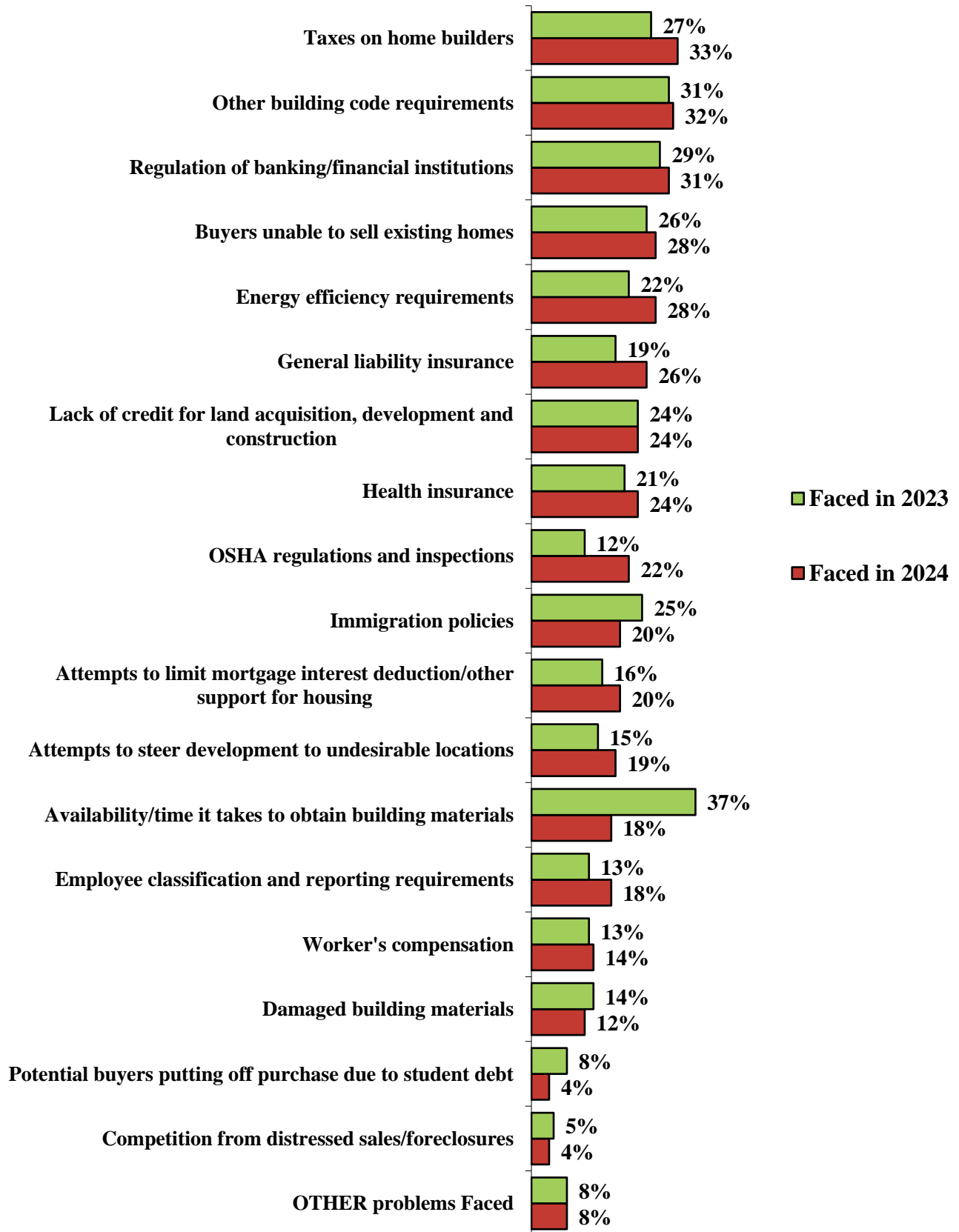
**What, in your opinion, were the most significant problems faced by builders during 2024, and which do you expect to be most significant during 2025? - *continued***  
**(Percent of Respondents)**



**Most significant problems FACED by builders during 2023 vs. 2024  
(Percent of Respondents)**



**Most significant problems FACED by builders during 2023 vs. 2024 - *continued***  
**(Percent of Respondents)**



**Most significant problems Builders Faced and Expect to Face - HISTORY**  
(Percent of Respondents)

	<i>Jan-25</i>		<i>Jan-24</i>		<i>Jan-23</i>		<i>Dec-21</i>		<i>Dec-20</i>		<i>Dec-19</i>		<i>Jan-19</i>		<i>Dec-17</i>	
	<i>Faced in 2024</i>	<i>Expect in 2025</i>	<i>Faced in 2023</i>	<i>Expect in 2024</i>	<i>Faced in 2022</i>	<i>Expect in 2023</i>	<i>Faced in 2021</i>	<i>Expect in 2022</i>	<i>Faced in 2020</i>	<i>Expect in 2021</i>	<i>Faced in 2019</i>	<i>Expect in 2020</i>	<i>Faced in 2018</i>	<i>Expect in 2019</i>	<i>Faced in 2017</i>	<i>Expect in 2018</i>
<b>BUILDER COSTS</b>																
<b>Building material prices</b>	<b>57</b>	<b>64</b>	63	58	96	62	96	91	96	89	66	66	87	69	77	84
<b>Availability/time it takes to obtain building materials</b>	<b>18</b>	<b>16</b>	37	24	86	50	91	90	78	80	na	na	na	na	na	na
<b>Damaged building materials</b>	<b>12</b>	<b>9</b>	14	11	na	na	na	na	na	na	na	na	na	na	na	na
<b>Cost/availability of labor</b>	<b>61</b>	<b>64</b>	73	71	85	73	82	85	65	71	87	85	82	82	82	84
<b>Cost/availability of developed lots</b>	<b>63</b>	<b>65</b>	57	64	51	51	49	61	48	57	63	66	58	63	58	62
<b>Energy efficiency requirements</b>	<b>28</b>	<b>39</b>	22	34	21	40	13	27	13	23	20	25	13	17	17	21
<b>Other building code requirements</b>	<b>32</b>	<b>42</b>	31	43	27	41	21	30	17	26	24	32	21	25	23	29
<b>Workers compensation</b>	<b>14</b>	<b>16</b>	13	15	12	15	12	13	10	12	14	14	12	12	12	13
<b>General liability insurance</b>	<b>26</b>	<b>29</b>	19	23	17	20	12	15	12	15	15	15	13	14	14	15
<b>Health insurance</b>	<b>24</b>	<b>29</b>	21	25	21	25	22	25	18	23	34	36	28	28	37	40



**Most significant problems Builders Faced and Expect to Face – HISTORY**  
**(Percent of Respondents) – *continued***

	<i>Dec-16</i>		<i>Jan-16</i>		<i>Jan-15</i>		<i>Jan-14</i>		<i>Jan-13</i>		<i>Jan-12</i>	
	<i>Faced in 2016</i>	<i>Expect in 2017</i>	<i>Faced in 2015</i>	<i>Expect in 2016</i>	<i>Faced in 2014</i>	<i>Expect in 2015</i>	<i>Faced in 2013</i>	<i>Expect in 2014</i>	<i>Faced in 2012</i>	<i>Expect in 2013</i>	<i>Faced in 2011</i>	<i>Expect in 2012</i>
<b>BUILDER COSTS - <i>continued</i></b>												
Building material prices	48	60	42	56	58	66	68	81	46	76	33	62
Availability/time it takes to obtain building materials	na	na	na	na	na	na	na	na	na	na	na	na
Damaged building materials	na	na	na	na	na	na	na	na	na	na	na	na
Cost/availability of labor	78	82	71	76	61	68	53	65	30	51	13	21
Cost/availability of developed lots	60	67	58	59	55	57	46	55	34	48	21	30
Energy efficiency requirements	24	33	20	26	25	28	26	34	25	33	29	38
Other building code requirements	32	35	28	32	30	37	31	36	27	33	33	39
Workers compensation	18	20	17	18	18	18	19	22	18	20	22	23
General liability insurance	23	25	18	19	21	22	19	21	20	24	25	26
Health insurance	42	40	34	39	34	39	33	48	30	42	37	43

**Most significant problems Builders Faced and Expect to Face – HISTORY**  
**(Percent of Respondents) – *continued***

	<i>Jan-25</i>		<i>Jan-24</i>		<i>Jan-23</i>		<i>Dec-21</i>		<i>Dec-20</i>		<i>Dec-19</i>		<i>Jan-19</i>		<i>Dec-17</i>	
	<i>Faced in 2024</i>	<i>Expect in 2025</i>	<i>Faced in 2023</i>	<i>Expect in 2024</i>	<i>Faced in 2022</i>	<i>Expect in 2023</i>	<i>Faced in 2021</i>	<i>Expect in 2022</i>	<i>Faced in 2020</i>	<i>Expect in 2021</i>	<i>Faced in 2019</i>	<i>Expect in 2020</i>	<i>Faced in 2018</i>	<i>Expect in 2019</i>	<i>Faced in 2017</i>	<i>Expect in 2018</i>
<b>FINANCING PROBLEMS</b>																
<b>High interest rates</b>	<b>91</b>	<b>78</b>	90	77	66	93	2	31	1	7	3	6	27	56	4	18
<b>Unfavorable financing terms (fees, LTV limits etc.)</b>	<b>41</b>	<b>40</b>	38	41	24	45	9	17	14	18	21	20	20	24	23	25
<b>Difficulty qualifying buyers for mortgages</b>	<b>37</b>	<b>36</b>	39	40	34	61	9	23	7	14	13	16	17	26	17	21
<b>Lack of credit for land acquisition, development and construction</b>	<b>24</b>	<b>27</b>	24	29	16	29	12	20	20	21	19	20	21	21	23	26
<b>Inaccurate appraisals</b>	<b>33</b>	<b>30</b>	29	34	27	38	45	51	46	49	41	40	40	37	47	42

**Most significant problems Builders Faced and Expect to Face – HISTORY**  
**(Percent of Respondents) – *continued***

	<i>Dec-16</i>		<i>Jan-16</i>		<i>Jan-15</i>		<i>Jan-14</i>		<i>Jan-13</i>		<i>Jan-12</i>	
	<i>Faced in 2016</i>	<i>Expect in 2017</i>	<i>Faced in 2015</i>	<i>Expect in 2016</i>	<i>Faced in 2014</i>	<i>Expect in 2015</i>	<i>Faced in 2013</i>	<i>Expect in 2014</i>	<i>Faced in 2012</i>	<i>Expect in 2013</i>	<i>Faced in 2011</i>	<i>Expect in 2012</i>
<b>FINANCING PROBLEMS - <i>continued</i></b>												
High interest rates	3	28	4	15	3	10	5	26	3	5	5	6
Unfavorable financing terms (fees, LTV limits etc.)	28	28	25	26	28	30	33	38	33	37	43	50
Difficulty qualifying buyers for mortgages	26	29	33	35	46	43	46	48	57	58	69	69
Lack of credit for land acquisition, development and construction	27	28	26	26	37	36	36	36	42	47	42	48
Inaccurate appraisals	49	46	52	48	58	50	58	50	68	59	69	66

**Most significant problems Builders Faced and Expect to Face - HISTORY**  
(Percent of Respondents) – *continued*

	<i>Jan-25</i>		<i>Jan-24</i>		<i>Jan-23</i>		<i>Dec-21</i>		<i>Dec-20</i>		<i>Dec-19</i>		<i>Jan-19</i>		<i>Dec-17</i>	
	<i>Faced in 2024</i>	<i>Expect in 2025</i>	<i>Faced in 2023</i>	<i>Expect in 2024</i>	<i>Faced in 2022</i>	<i>Expect in 2023</i>	<i>Faced in 2021</i>	<i>Expect in 2022</i>	<i>Faced in 2020</i>	<i>Expect in 2021</i>	<i>Faced in 2019</i>	<i>Expect in 2020</i>	<i>Faced in 2018</i>	<i>Expect in 2019</i>	<i>Faced in 2017</i>	<i>Expect in 2018</i>
<b>PROBLEMS ATTRACTING BUYERS</b>																
<b>Buyers unable to sell existing homes</b>	<b>28</b>	<b>25</b>	26	25	13	52	1	4	2	5	13	18	19	24	15	17
<b>Concern about employment/economic situation</b>	<b>55</b>	<b>39</b>	48	55	41	73	24	46	48	57	25	32	28	46	25	27
<b>Competition from distressed sales/foreclosures</b>	<b>4</b>	<b>6</b>	5	10	2	20	3	6	4	12	6	6	6	7	11	8
<b>Buyers expect prices or interest rates will decline if they wait</b>	<b>77</b>	<b>74</b>	71	77	49	80	23	26	15	15	21	19	23	31	13	11
<b>Negative media reports making buyers cautious</b>	<b>55</b>	<b>43</b>	56	54	55	79	26	38	30	34	39	44	48	62	22	28
<b>Gridlock/uncertainty in Washington making buyers cautious</b>	<b>60</b>	<b>32</b>	42	54	38	54	32	50	42	44	45	56	45	53	39	42
<b>Potential buyers putting off purchase due to student debt</b>	<b>4</b>	<b>4</b>	8	11	6	8	5	6	8	9	18	19	12	12	17	19
<b>COVID-19 making buyers reluctant to shop for a home</b>	<b>na</b>	<b>na</b>	na	na	na	na	16	10	43	32	na	na	na	na	na	na

**Most significant problems Builders Faced and Expect to Face - HISTORY**  
**(Percent of Respondents) – continued**

	<i>Dec-16</i>		<i>Jan-16</i>		<i>Jan-15</i>		<i>Jan-14</i>		<i>Jan-13</i>		<i>Jan-12</i>	
	<i>Faced in 2016</i>	<i>Expect in 2017</i>	<i>Faced in 2015</i>	<i>Expect in 2016</i>	<i>Faced in 2014</i>	<i>Expect in 2015</i>	<i>Faced in 2013</i>	<i>Expect in 2014</i>	<i>Faced in 2012</i>	<i>Expect in 2013</i>	<i>Faced in 2011</i>	<i>Expect in 2012</i>
<b>PROBLEMS ATTRACTING BUYERS - continued</b>												
Buyers unable to sell existing homes	20	19	27	26	42	40	42	32	60	44	83	77
Concern about employment/ economic situation	44	39	47	55	51	54	60	60	71	69	79	73
Competition from distressed sales/foreclosures	15	10	21	14	32	19	40	23	54	39	72	70
Buyers expect prices or interest rates will decline if they wait	12	12	13	11	16	15	16	14	20	13	35	27
Negative media reports making buyers cautious	25	30	28	35	26	30	31	29	47	37	63	56
Gridlock/uncertainty in Washington making buyers cautious	50	26	46	53	48	45	65	62	67	70	68	72
Potential buyers putting off purchase due to student debt	19	18	na	na	na	na	na	na	na	na	na	na
COVID-19 making buyers reluctant to shop for a home	na	na	na	na	na	na	na	na	na	na	na	na

**Most significant problems Builders Faced and Expect to Face - HISTORY**  
**(Percent of Respondents) – continued**

	<i>Jan-25</i>		<i>Jan-24</i>		<i>Jan-23</i>		<i>Dec-21</i>		<i>Dec-20</i>		<i>Dec-19</i>		<i>Jan-19</i>		<i>Dec-17</i>	
	<i>Faced in 2024</i>	<i>Expect in 2025</i>	<i>Faced in 2023</i>	<i>Expect in 2024</i>	<i>Faced in 2022</i>	<i>Expect in 2023</i>	<i>Faced in 2021</i>	<i>Expect in 2022</i>	<i>Faced in 2020</i>	<i>Expect in 2021</i>	<i>Faced in 2019</i>	<i>Expect in 2020</i>	<i>Faced in 2018</i>	<i>Expect in 2019</i>	<i>Faced in 2017</i>	<i>Expect in 2018</i>
<b>FEDERAL GOVERNMENT POLICIES</b>																
<b>Federal environmental regulations and policies</b>	<b>54</b>	<b>43</b>	41	47	38	53	37	52	28	48	34	36	35	38	44	42
<b>Rising inflation in the US economy</b>	<b>80</b>	<b>52</b>	83	52	85	83	63	90	na	na	na	na	na	na	na	na
<b>OSHA regulations and inspections</b>	<b>22</b>	<b>18</b>	12	16	14	19	20	32	18	31	24	26	23	23	31	33
<b>Regulation of banking/financial institutions</b>	<b>31</b>	<b>26</b>	29	34	19	30	14	28	18	33	23	24	31	33	38	36
<b>Attempts to limit mortgage interest deduction/other support for housing</b>	<b>20</b>	<b>21</b>	16	23	17	31	12	30	23	36	33	36	31	38	31	49
<b>Taxes on home builders</b>	<b>33</b>	<b>29</b>	27	29	26	35	23	43	21	41	27	32	23	26	29	29
<b>Employee classification and reporting requirements</b>	<b>18</b>	<b>16</b>	13	15	13	22	11	20	12	20	12	15	12	15	12	14
<b>Immigration policies</b>	<b>20</b>	<b>36</b>	25	30	29	35	31	36	27	27	37	39	40	46	34	41
<b>Intervening in local land use decisions</b>	<b>36</b>	<b>34</b>	32	37	27	34	25	33	21	30	25	28	21	20	20	21

**Most significant problems Builders Faced and Expect to Face - HISTORY**  
**(Percent of Respondents) – continued**

	<i>Dec-16</i>		<i>Jan-16</i>		<i>Jan-15</i>		<i>Jan-14</i>		<i>Jan-13</i>		<i>Jan-12</i>	
	<i>Faced in 2016</i>	<i>Expect in 2017</i>	<i>Faced in 2015</i>	<i>Expect in 2016</i>	<i>Faced in 2014</i>	<i>Expect in 2015</i>	<i>Faced in 2013</i>	<i>Expect in 2014</i>	<i>Faced in 2012</i>	<i>Expect in 2013</i>	<i>Faced in 2011</i>	<i>Expect in 2012</i>
<b>FEDERAL GOVERNMENT POLICIES - continued</b>												
Federal environmental regulations and policies	58	52	55	57	53	57	46	54	43	49	47	53
Rising inflation in the US economy	na	na	na	na	na	na	na	na	na	na	na	na
OSHA regulations and inspections	39	39	36	41	34	38	39	43	34	42	40	47
Regulation of banking/financial institutions	55	48	53	53	62	61	63	67	70	69	77	78
Attempts to limit mortgage interest deduction/other support for housing	21	30	23	32	31	40	37	50	35	55	42	60
Taxes on home builders	32	30	22	26	29	33	26	31	22	36	27	33
Employee classification and reporting requirements	24	24	19	23	13	15	16	21	12	18	17	21
Immigration policies	22	33	25	30	24	30	17	22	12	16	15	19
Intervening in local land use decisions	28	26	25	28	27	30	26	29	19	24	18	24

**Most significant problems Builders Faced and Expect to Face - HISTORY**  
**(Percent of Respondents) – continued**

	<i>Jan-25</i>		<i>Jan-24</i>		<i>Jan-23</i>		<i>Dec-21</i>		<i>Dec-20</i>		<i>Dec-19</i>		<i>Jan-19</i>		<i>Dec-17</i>	
	<i>Faced in 2024</i>	<i>Expect in 2025</i>	<i>Faced in 2023</i>	<i>Expect in 2024</i>	<i>Faced in 2022</i>	<i>Expect in 2023</i>	<i>Faced in 2021</i>	<i>Expect in 2022</i>	<i>Faced in 2020</i>	<i>Expect in 2021</i>	<i>Faced in 2019</i>	<i>Expect in 2020</i>	<i>Faced in 2018</i>	<i>Expect in 2019</i>	<i>Faced in 2017</i>	<i>Expect in 2018</i>
<b>LOCAL LAND USE POLICIES</b>																
<b>Impact/hook-up/inspection or other fees</b>	<b>55</b>	<b>58</b>	50	55	38	53	37	52	28	48	34	36	35	38	44	42
<b>Inadequate public infrastructure</b>	<b>34</b>	<b>36</b>	31	34	85	83	63	90	na	na	na	na	na	na	na	na
<b>Difficulty obtaining zoning/permit approval</b>	<b>53</b>	<b>53</b>	49	51	14	19	20	32	18	31	24	26	23	23	31	33
<b>Local/state environmental regulations and policies</b>	<b>48</b>	<b>49</b>	48	52	19	30	14	28	18	33	23	24	31	33	38	36
<b>Attempts to steer development to undesirable locations</b>	<b>19</b>	<b>23</b>	15	20	17	31	12	30	23	36	33	36	31	38	31	49
<b>Development standards (parking, setbacks, etc.)</b>	<b>46</b>	<b>46</b>	43	47	26	35	23	43	21	41	27	32	23	26	29	29
<b>OTHER problems</b>	<b>8</b>	<b>9</b>	9	8	13	22	11	20	12	20	12	15	12	15	12	14



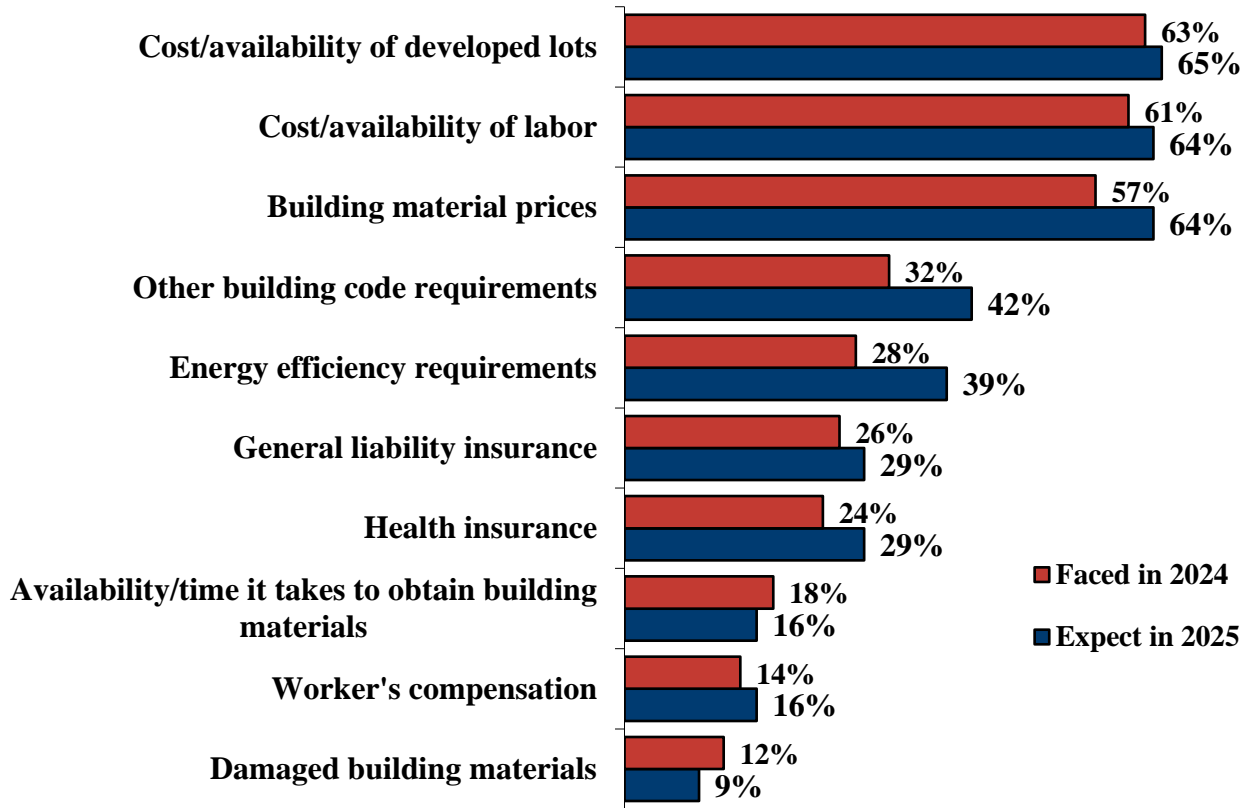
**Most significant problems Builders Faced and Expect to Face – HISTORY**  
**(Percent of Respondents) – continued**

	<i>Dec-16</i>		<i>Jan-16</i>		<i>Jan-15</i>		<i>Jan-14</i>		<i>Jan-13</i>		<i>Jan-12</i>	
	<i>Faced in 2016</i>	<i>Expect in 2017</i>	<i>Faced in 2015</i>	<i>Expect in 2016</i>	<i>Faced in 2014</i>	<i>Expect in 2015</i>	<i>Faced in 2013</i>	<i>Expect in 2014</i>	<i>Faced in 2012</i>	<i>Expect in 2013</i>	<i>Faced in 2011</i>	<i>Expect in 2012</i>
<b>LOCAL LAND USE POLICIES - continued</b>												
Impact/hook-up/inspection or other fees	58	52	55	57	53	57	46	54	43	49	47	53
Inadequate public infrastructure	na	na	Na	na	na	na	na	na	na	na	na	na
Difficulty obtaining zoning/permit approval	39	39	36	41	34	38	39	43	34	42	40	47
Local/state environmental regulations and policies	55	48	53	53	62	61	63	67	70	69	77	78
Attempts to steer development to undesirable locations	21	30	23	32	31	40	37	50	35	55	42	60
Development standards (parking, setbacks, etc.)	32	30	22	26	29	33	26	31	22	36	27	33
<b>OTHER problems</b>	24	24	19	23	13	15	16	21	12	18	17	21

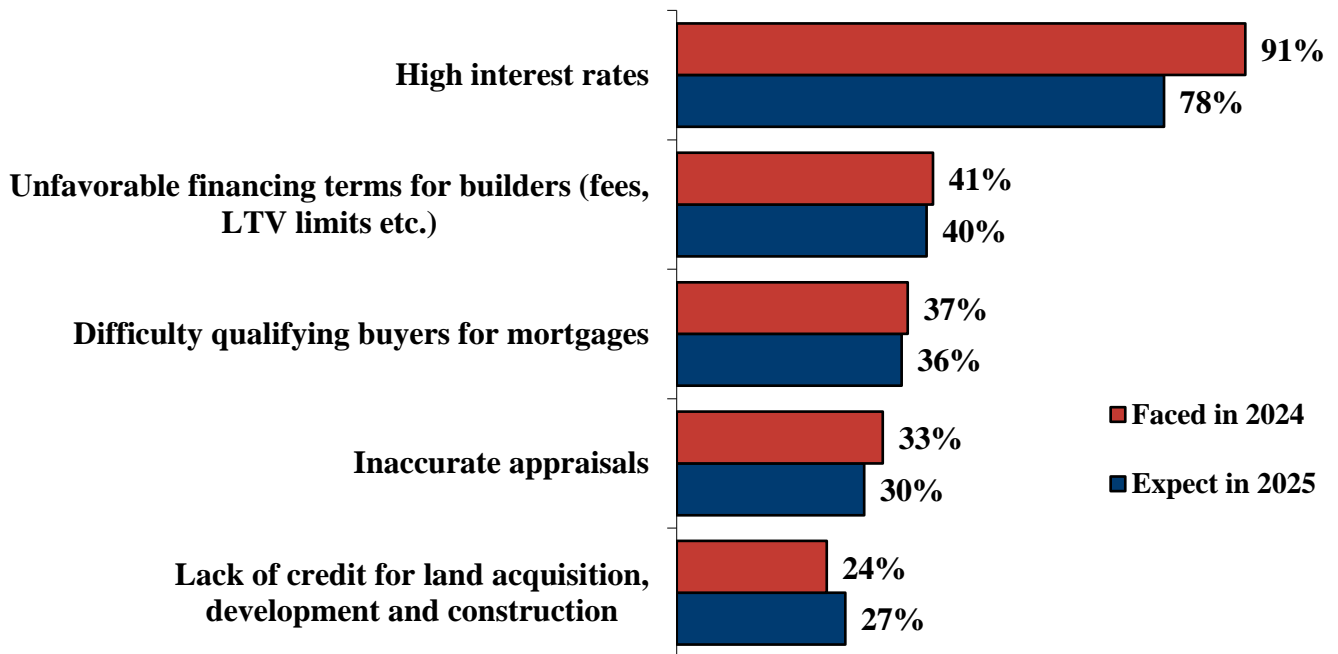
**What, in your opinion, were the most significant problems faced by builders during 2024, and which do you expect to be most significant during 2025? – BY CATEGORY**

**(Percent of Respondents)**

**BUILDER COSTS**



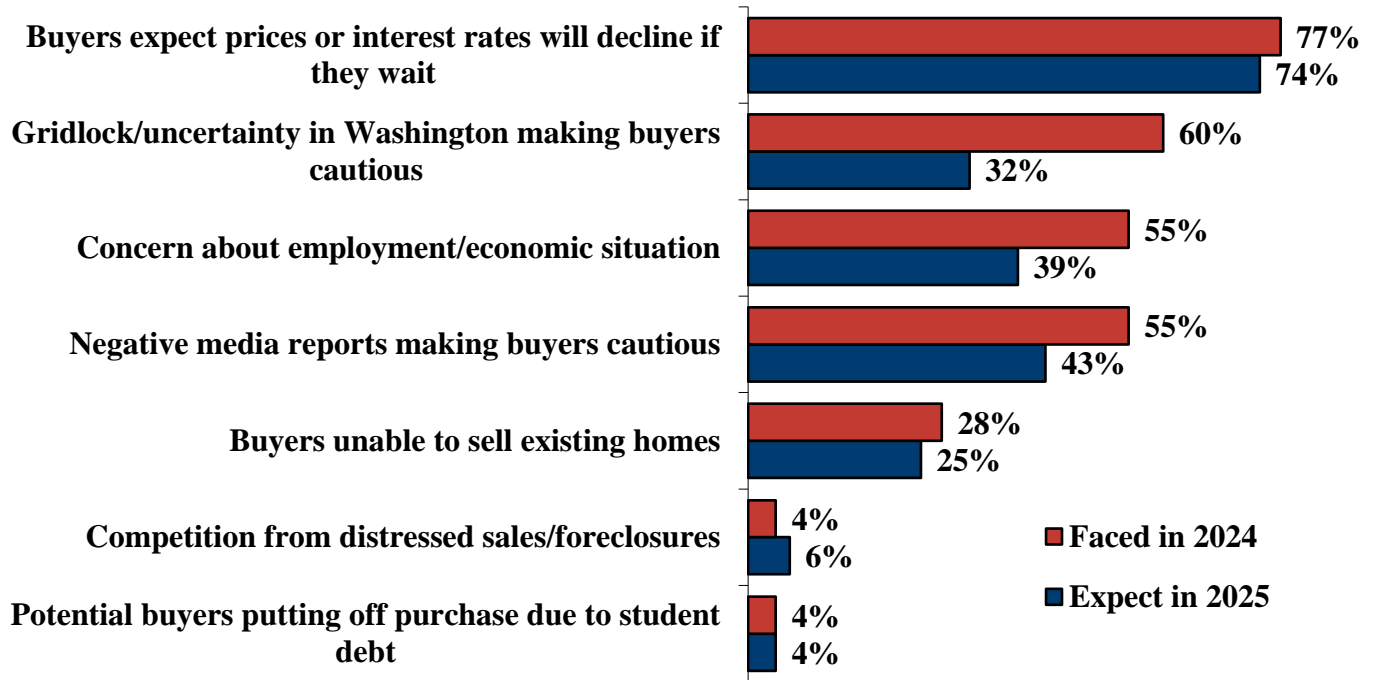
**FINANCING PROBLEMS**



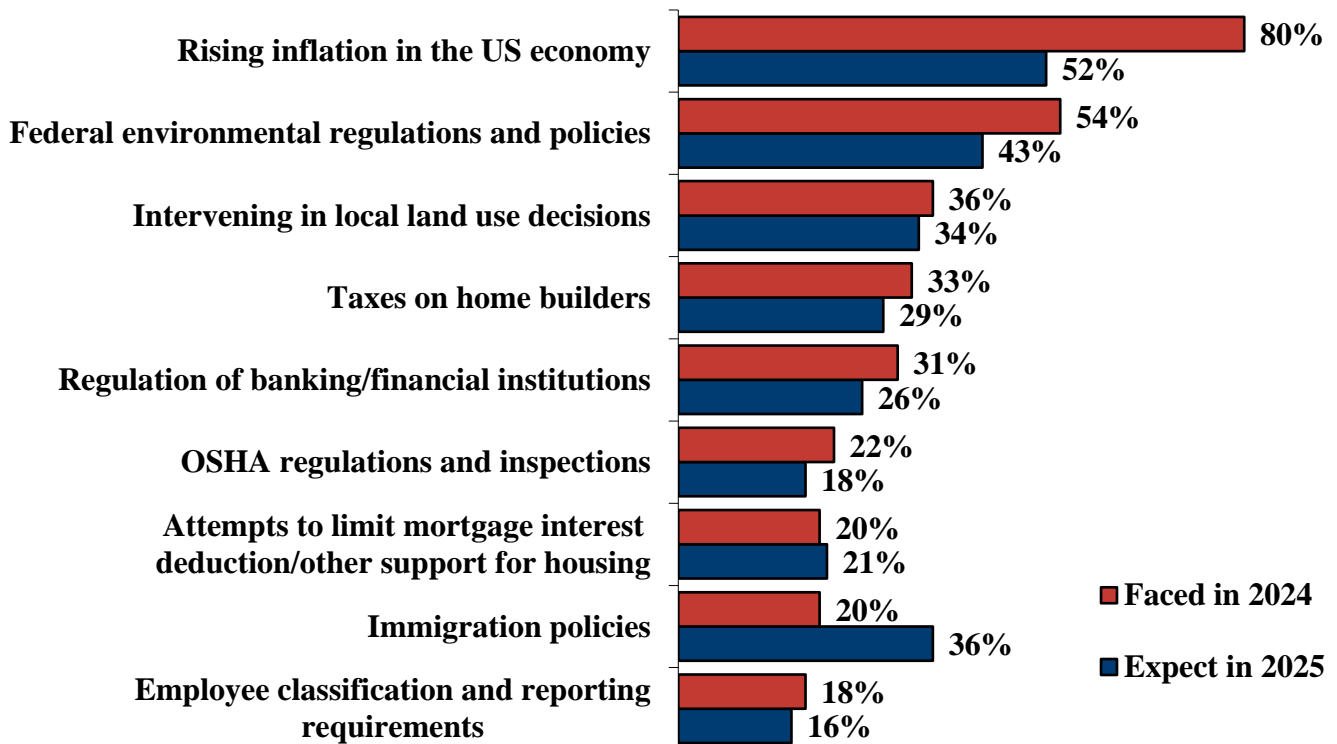
What, in your opinion, were the most significant problems faced by builders during 2024, and which do you expect to be most significant during 2025? – By Category (*continued*)

(Percent of Respondents)

**PROBLEMS ATTRACTING BUYERS**

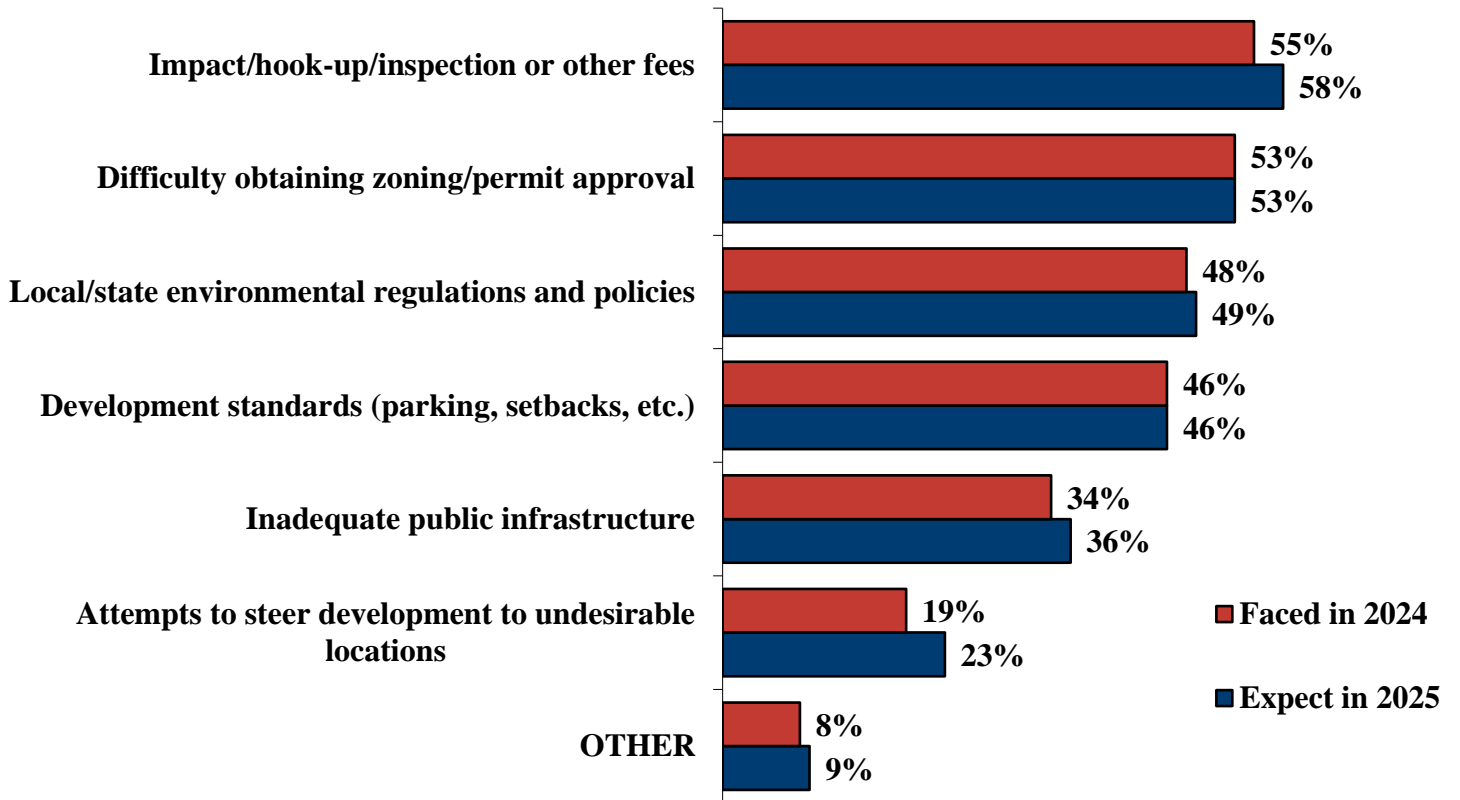


**FEDERAL GOVERNMENT POLICIES**



What, in your opinion, were the most significant problems faced by builders during 2024 and which do you expect to be most significant during 2025? – By Category (*continued*)  
 (Percent of Respondents)

**LOCAL LAND USE POLICIES**



## **Detailed Tables**

**What, in your opinion, were the most significant problems FACED by builders during 2024?  
(Percent of Respondents)**

	Total	Region				Total Number of Units Started during 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
<b>BUILDER COSTS</b>									
Building material prices	57	70	60	53	56	62	63	48	42
Availability/time it takes to obtain building materials	18	19	21	17	16	19	23	16	6
Damaged building materials	12	4	12	12	13	12	8	16	12
Cost/availability of labor	61	56	64	57	71	69	61	51	56
Cost/availability of developed lots	63	67	58	65	68	57	60	78	72
Energy efficiency requirements	28	37	25	23	43	21	29	34	34
Other building code requirements	32	37	31	32	32	28	37	33	30
Worker's compensation	14	26	14	13	14	17	9	20	6
General liability insurance	26	30	28	23	33	31	24	21	26
Health insurance	24	44	28	19	21	20	25	30	18
<b>FINANCING PROBLEMS</b>									
High interest rates	91	85	92	90	92	91	90	89	96
Unfavorable financing terms for builders (fees, LTV limits etc.)	41	33	31	49	35	38	40	44	46
Difficulty qualifying buyers for mortgages	37	22	33	36	49	31	31	39	62
Lack of credit for land acquisition, development and construction	24	22	22	26	21	21	28	25	20
Inaccurate appraisals	33	15	40	32	30	35	26	35	36
<b>PROBLEMS ATTRACTING BUYERS</b>									
Buyers unable to sell existing homes	28	7	18	32	40	25	28	26	38
Concern about employment/economic situation	55	48	51	56	60	54	62	50	54
Competition from distressed sales/foreclosures	4	0	3	5	3	4	4	1	4
Buyers expect prices or interest rates will decline if they wait	77	74	76	74	90	72	77	83	88
Negative media reports making buyers cautious	55	33	48	60	65	49	56	55	76
Gridlock/uncertainty in Washington making buyers cautious	60	41	52	65	65	58	57	61	68
Potential buyers putting off purchase due to student debt	4	0	7	3	5	4	3	5	6

**What, in your opinion, were the most significant problems FACED by builders during 2024?  
(Percent of Respondents) - *continued***

	Total	Region				Total Number of Units Started during 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
<b>FEDERAL GOVERNMENT POLICIES</b>									
Federal environmental regulations and policies	54	52	52	53	60	49	58	60	52
Rising inflation in the US economy	80	78	84	80	75	81	84	75	80
OSHA regulations and inspections	22	26	26	20	17	17	22	29	28
Regulation of banking/financial institutions	31	26	21	39	25	28	31	35	36
Attempts to limit mortgage interest deduction/other support for housing	20	30	15	22	17	17	23	20	20
Taxes on home builders	33	41	31	34	32	31	31	41	32
Employee classification and reporting requirements	18	22	22	17	11	18	17	20	16
Immigration policies	20	19	15	23	17	20	17	18	28
Intervening in local land use decisions	36	52	32	37	35	29	34	46	46
<b>LOCAL LAND USE POLICIES</b>									
Impact/hook-up/inspection or other fees	55	67	52	55	54	47	57	58	70
Inadequate public infrastructure	34	41	19	41	32	33	28	30	52
Difficulty obtaining zoning/permit approval	53	59	48	53	60	42	53	58	78
Local/state environmental regulations and policies	48	74	39	45	60	40	50	55	58
Attempts to steer development to undesirable locations	19	26	10	23	17	14	15	20	40
Development standards (parking, setbacks, etc.)	46	63	36	48	49	37	42	56	68
<b>OTHER problems Faced in 2024</b>	8	15	8	8	6	6	7	14	6
<b>Responses</b>	402	27	111	201	63	156	109	80	50

**What, in your opinion, are problems you EXPECT to be most significant during 2025?**

**(Percent of Respondents)**

	Total	Region				Total Number of Units Started during 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
<b>BUILDER COSTS</b>									
Building material prices	64	74	67	58	71	71	61	59	56
Availability/time it takes to obtain building materials	16	19	17	14	18	17	17	15	14
Damaged building materials	9	4	9	8	13	9	6	13	10
Cost/availability of labor	64	67	70	57	73	70	62	55	62
Cost/availability of developed lots	65	74	59	66	68	60	59	79	74
Energy efficiency requirements	39	48	38	36	45	32	34	47	54
Other building code requirements	42	48	41	43	35	36	41	51	42
Workers compensation	16	22	18	14	16	19	11	19	10
General liability insurance	29	37	31	25	35	32	28	28	26
Health insurance	29	48	33	25	24	27	28	37	18
<b>FINANCING PROBLEMS</b>									
High interest rates	78	89	78	76	84	77	75	82	82
Unfavorable financing terms for builders (fees, LTV limits etc.)	40	37	33	48	29	40	39	44	44
Difficulty qualifying buyers for mortgages	36	26	35	36	44	31	30	37	66
Lack of credit for land acquisition, development and construction	27	30	23	29	24	25	30	27	26
Inaccurate appraisals	30	19	37	29	27	32	29	28	32
<b>PROBLEMS ATTRACTING BUYERS</b>									
Buyers unable to sell existing homes	25	7	19	27	37	24	22	32	26
Concern about employment/economic situation	39	41	41	37	44	43	38	37	36
Competition from distressed sales/foreclosures	6	4	6	6	6	8	5	4	6
Buyers expect prices or interest rates will decline if they wait	74	67	74	74	81	72	78	72	80
Negative media reports making buyers cautious	43	30	40	45	52	40	43	42	60
Gridlock/uncertainty in Washington making buyers cautious	32	33	31	33	31	34	33	28	26
Potential buyers putting off purchase due to student	4	0	4	4	5	5	3	3	6



**What, in your opinion, are problems you EXPECT to be most significant during 2025?  
(Percent of Respondents) - *continued***

	Total	Region				Total Number of Units Started during 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
<b>FEDERAL GOVERNMENT POLICIES</b>									
Federal environmental regulations and policies	43	52	41	42	47	36	50	47	44
Rising inflation in the US economy	52	59	52	51	53	51	55	53	50
OSHA regulations and inspections	18	26	21	16	15	10	20	29	20
Regulation of banking/financial institutions	26	30	23	29	21	25	24	29	30
Attempts to limit mortgage interest deduction/other support for housing	21	37	19	20	19	21	22	18	16
Taxes on home builders	29	37	28	31	24	28	30	35	24
Employee classification and reporting requirements	16	19	20	14	11	18	17	17	8
Immigration policies	36	30	24	41	42	32	41	29	42
Intervening in local land use decisions	34	52	31	32	37	27	31	47	40
<b>LOCAL LAND USE POLICIES</b>									
Impact/hook-up/inspection or other fees	58	67	56	56	60	53	56	59	72
Inadequate public infrastructure	36	48	21	44	29	35	31	33	50
Difficulty obtaining zoning/permit approval	53	67	49	50	60	43	50	58	76
Local/state environmental regulations and policies	49	85	44	44	61	41	50	59	62
Attempts to steer development to undesirable locations	23	41	19	23	23	20	19	27	32
Development standards (parking, setbacks, etc.)	46	67	36	48	50	36	42	56	70
<b>OTHER problems Expect to face in 2025</b>	9	15	8	8	6	6	7	14	6
<b>Responses</b>	398	27	108	201	62	154	109	78	50

**Appendix: Survey Questionnaire: HMI Special Questions for January 2025**

**What, in your opinion, were the most significant problems faced by builders during 2024, and which do you expect to be most significant during 2025? Check all that apply.**

<b>Faced in 2024</b>	<b><i>Expect in 2025</i></b>	<b>PROBLEMS</b>
		<b><i>BUILDER COSTS</i></b>
<input type="checkbox"/>	<input type="checkbox"/>	Building material prices
<input type="checkbox"/>	<input type="checkbox"/>	Availability/time it takes to obtain building materials
<input type="checkbox"/>	<input type="checkbox"/>	Damaged building materials
<input type="checkbox"/>	<input type="checkbox"/>	Cost/availability of labor
<input type="checkbox"/>	<input type="checkbox"/>	Cost/availability of developed lots
<input type="checkbox"/>	<input type="checkbox"/>	Energy efficiency requirements
<input type="checkbox"/>	<input type="checkbox"/>	Other building code requirements
<input type="checkbox"/>	<input type="checkbox"/>	Worker's compensation
<input type="checkbox"/>	<input type="checkbox"/>	General liability insurance
<input type="checkbox"/>	<input type="checkbox"/>	Health insurance
		<b><i>FINANCING PROBLEMS</i></b>
<input type="checkbox"/>	<input type="checkbox"/>	High interest rates
<input type="checkbox"/>	<input type="checkbox"/>	Unfavorable financing terms for builders (fees, LTV limits etc.)
<input type="checkbox"/>	<input type="checkbox"/>	Difficulty qualifying buyers for mortgages
<input type="checkbox"/>	<input type="checkbox"/>	Lack of credit for land acquisition, development and construction
<input type="checkbox"/>	<input type="checkbox"/>	Inaccurate appraisals
		<b><i>PROBLEMS ATTRACTING BUYERS</i></b>
<input type="checkbox"/>	<input type="checkbox"/>	Buyers unable to sell existing homes
<input type="checkbox"/>	<input type="checkbox"/>	Concern about employment/economic situation
<input type="checkbox"/>	<input type="checkbox"/>	Competition from distressed sales/foreclosures
<input type="checkbox"/>	<input type="checkbox"/>	Buyers expect prices or interest rates will decline if they wait
<input type="checkbox"/>	<input type="checkbox"/>	Negative media reports making buyers cautious
<input type="checkbox"/>	<input type="checkbox"/>	Gridlock/uncertainty in Washington making buyers cautious
<input type="checkbox"/>	<input type="checkbox"/>	Potential buyers putting off purchase due to student debt
		<b><i>FEDERAL GOVERNMENT POLICIES</i></b>
<input type="checkbox"/>	<input type="checkbox"/>	Federal environmental regulations and policies
<input type="checkbox"/>	<input type="checkbox"/>	Rising inflation in the US economy
<input type="checkbox"/>	<input type="checkbox"/>	OSHA regulations and inspections
<input type="checkbox"/>	<input type="checkbox"/>	Regulation of banking/financial institutions
<input type="checkbox"/>	<input type="checkbox"/>	Attempts to limit mortgage interest deduction/other support for housing
<input type="checkbox"/>	<input type="checkbox"/>	Taxes on home builders
<input type="checkbox"/>	<input type="checkbox"/>	Employee classification and reporting requirements
<input type="checkbox"/>	<input type="checkbox"/>	Immigration policies
<input type="checkbox"/>	<input type="checkbox"/>	Intervening in local land use decisions
		<b><i>LOCAL LAND USE POLICIES</i></b>
<input type="checkbox"/>	<input type="checkbox"/>	Impact/hook-up/inspection or other fees
<input type="checkbox"/>	<input type="checkbox"/>	Inadequate public infrastructure
<input type="checkbox"/>	<input type="checkbox"/>	Difficulty obtaining zoning/permit approval
<input type="checkbox"/>	<input type="checkbox"/>	Local/state environmental regulations and policies
<input type="checkbox"/>	<input type="checkbox"/>	Attempts to steer development to undesirable locations
<input type="checkbox"/>	<input type="checkbox"/>	Development standards (parking, setbacks, etc.)
<input type="checkbox"/>		<b><i>OTHER: Faced in 2024</i></b>
	<input type="checkbox"/>	<b><i>OTHER: Expect to face in 2025</i></b>

**THANK YOU**