

Housing Market Index (HMI)

Special Question on Long-Term Impact of Trends and Forces
on the Health of the Home Building Industry and Housing
Demand

December 2025



Economics & Housing Policy Group

Introduction:

For more than 40 years, the National Association of Home Builders (NAHB) has conducted a monthly survey of single-family builder members 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.

In addition to collecting the data needed to compute the HMI, the survey also includes a set of “special” questions on a topic of current interest to the housing industry. In December 2025, special questions asked builders about the long-term impact builders expect 14 trends/forces to have on the health of the home building industry and housing demand.

The survey was sent electronically to a panel of 2,885 builder members. A total of 420 builders responded to the survey, for a response rate of 15%. This report analyses all responses in aggregate, but also provides results broken down across the four census regions of the U.S. and across different builder size categories based on the number of for-sale single family starts in 2025.

EXECUTIVE SUMMARY

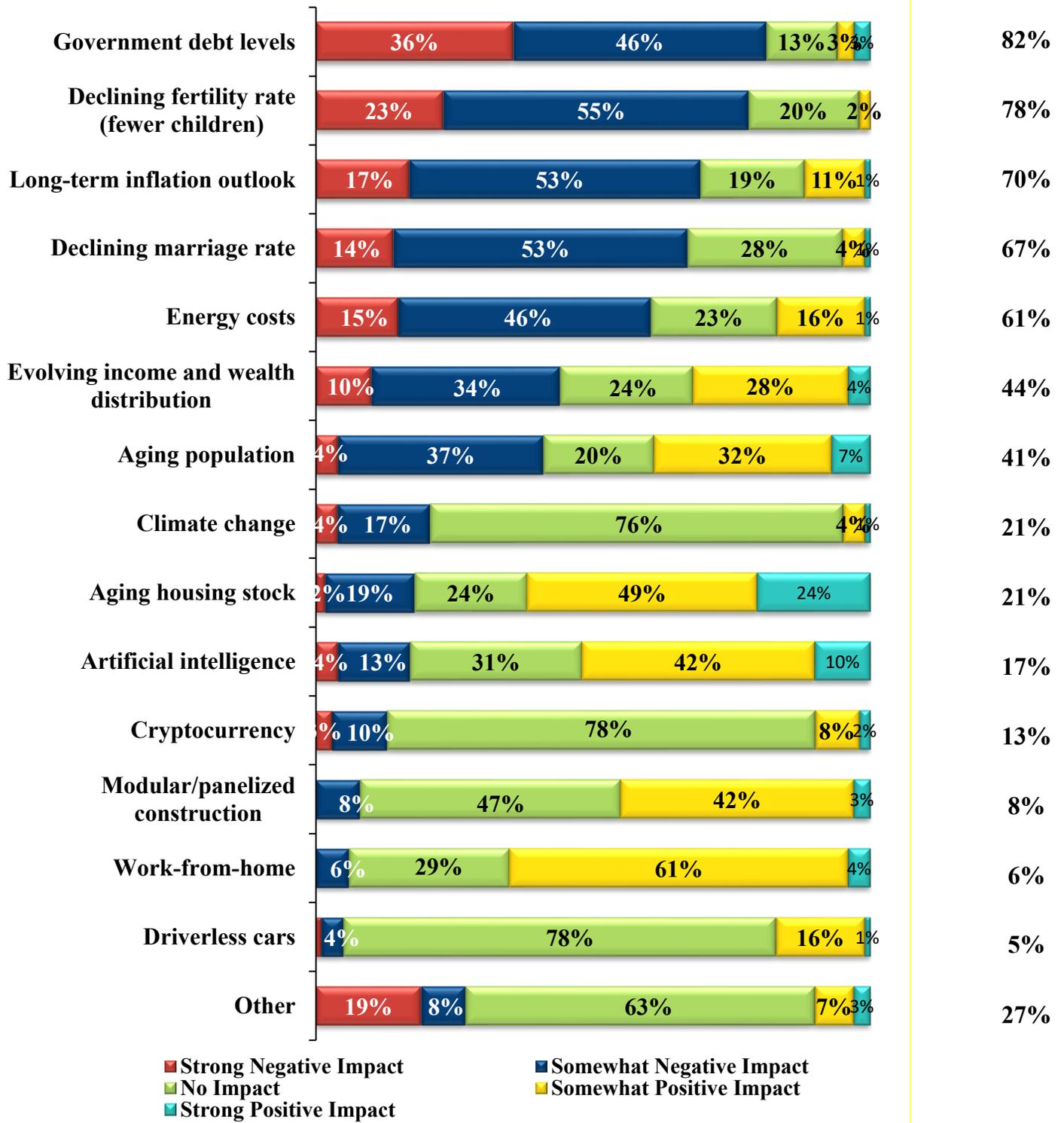
- Builders across the country were asked to look ahead 10 years and assess the long-term impact of 14 trends/forces on the health of the home building industry and housing demand, if any.
- In general, more builders expect more of these forces to have ‘somewhat to strong *negative*’ impacts on the industry than ‘somewhat to strong *positive*’ impacts.
- Of the 14 trends/forces, five were evaluated as *negative* long-term risks by more than 50% of builders:
 - Government debt levels: 82%
 - Declining fertility rate: 78%
 - Long-term inflation outlook: 70%
 - Declining marriage rate: 67%
 - Energy costs: 61%
- Two other forces were assessed to carry long-term *negative* consequences for the industry by 40% to 45% of builders:
 - Evolving income and wealth distribution: 44%
 - Aging population: 41%
- In contrast, only three of the 14 forces/trends were assessed by more than 50% of builders as *positive* for the future of the home building industry:
 - Aging housing stock: 73%
 - Work-from-home: 65%
 - Artificial intelligence: 52%
- One additional trend was assessed as a potential *positive* for the industry by 40% to 45% of builders:
 - Modular/panelized construction: 45%
- Meanwhile, three of the 14 forces were considered as having ‘*no impact*’ on the long-term health of the industry by more than 70% of builders:
 - Driverless cars: 78%
 - Cryptocurrency: 78%
 - Climate change: 76%

Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

(Percent of Respondents)

SORTED BY STRONG/SOMEWHAT *NEGATIVE* IMPACT

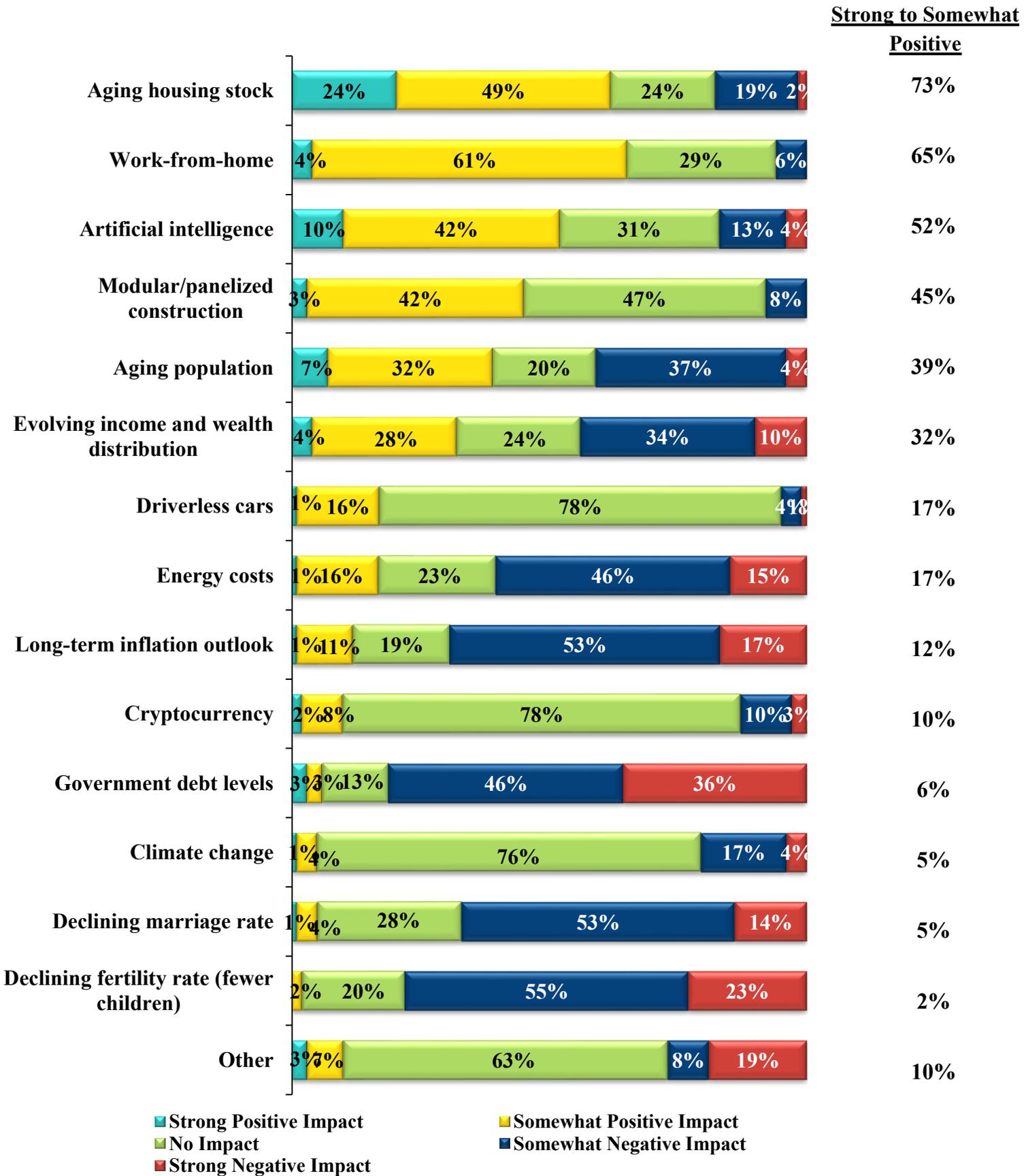
Strong to Somewhat Negative



Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

(Percent of Respondents)

SORTED BY STRONG/SOMEWHAT POSITIVE IMPACT



Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Aging population									
Strong Negative Impact	4	6	4	5	3	5	5	1	4
Somewhat Negative Impact	37	29	47	36	32	36	35	40	41
No Impact	20	26	14	23	19	23	15	27	14
Somewhat Positive Impact	32	31	29	32	35	28	35	29	35
Strong Positive Impact	7	9	7	5	12	7	10	2	6
Responses	400	35	103	193	69	137	132	82	49
Aging housing stock									
Strong Negative Impact	2		4	1	3	3	1	4	
Somewhat Negative Impact	19	20	22	17	22	23	23	12	13
No Impact	24	23	16	26	29	22	27	26	15
Somewhat Positive Impact	49	51	51	49	41	45	41	55	71
Strong Positive Impact	6	6	7	6	6	7	9	4	2
Responses	401	35	105	192	69	138	133	82	48
Artificial intelligence									
Strong Negative Impact	4	6	7	3		7	2	2	2
Somewhat Negative Impact	13	18	10	14	12	19	11	10	8
No Impact	31	32	34	29	33	31	32	30	33
Somewhat Positive Impact	42	38	40	43	46	35	44	48	48
Strong Positive Impact	10	6	10	11	9	9	12	10	8
Responses	394	34	101	190	69	135	130	81	48
Government debt levels									
Strong Negative Impact	36	24	41	33	43	42	30	30	47
Somewhat Negative Impact	46	53	47	44	47	42	43	57	47
No Impact	13	15	8	19	6	12	23	6	2
Somewhat Positive Impact	3	6	3	3	4	3	2	5	4
Strong Positive Impact	1	3	2	2		1	2	2	
Responses	401	34	105	192	70	137	132	83	49
Declining fertility rate (fewer children)									
Strong Negative Impact	23	20	30	19	24	24	16	33	24
Somewhat Negative Impact	55	51	51	56	56	54	58	46	61
No Impact	20	26	17	22	17	20	25	19	10
Somewhat Positive Impact	2	3	1	2	3	2	1	2	4
Strong Positive Impact				1			1		
Responses	403	35	105	193	70	138	133	83	49

Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

(Percent of Respondents) – continued

	Total	Region				Total No. of Units Started in 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Declining marriage rate									
Strong Negative Impact	14	11	10	16	17	11	16	14	16
Somewhat Negative Impact	53	40	57	53	56	56	49	58	49
No Impact	28	43	29	26	24	30	28	20	33
Somewhat Positive Impact	4	6	4	4	3	2	5	7	2
Strong Positive Impact	1		1	2		1	2		
Responses	401	35	104	192	70	138	131	83	49
Climate change									
Strong Negative Impact	4	3	1	3	9	7	2	1	4
Somewhat Negative Impact	17	38	18	14	14	21	14	20	8
No Impact	76	53	78	79	74	68	79	76	86
Somewhat Positive Impact	4	6	2	4	3	4	4	4	2
Strong Positive Impact	1		1	1			2		
Responses	397	34	102	191	70	135	131	82	49
Evolving income and wealth distribution									
Strong Negative Impact	10	11	11	7	16	16	7	6	8
Somewhat Negative Impact	34	31	32	36	32	29	33	40	41
No Impact	24	23	29	25	16	24	21	27	27
Somewhat Positive Impact	28	29	24	28	34	27	34	23	24
Strong Positive Impact	4	6	5	3	1	3	5	4	
Responses	397	35	104	190	68	135	131	82	49
Long-term inflation outlook									
Strong Negative Impact	17	14	15	18	17	24	11	20	8
Somewhat Negative Impact	53	57	58	49	53	48	55	56	55
No Impact	19	20	14	21	20	20	19	17	18
Somewhat Positive Impact	11	9	12	12	10	7	15	7	18
Strong Positive Impact	1		1	1		1	1		
Responses	399	35	104	190	70	137	131	82	49
Cryptocurrency									
Strong Negative Impact	3	6		3	4	6	2		
Somewhat Negative Impact	10	18	15	5	12	11	10	10	6
No Impact	78	68	79	80	74	73	76	84	84
Somewhat Positive Impact	8	9	5	10	9	8	9	6	10
Strong Positive Impact	2		2	2	1	1	3		
Responses	395	34	103	189	69	134	130	82	49

Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

(Percent of Respondents) - *continued*

	Total	Region				Total No. of Units Started in 2024			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Modular/panelized construction									
Strong Negative Impact				1				1	
Somewhat Negative Impact	8	3	9	8	9	9	10	7	
No Impact	47	49	41	53	39	45	51	42	47
Somewhat Positive Impact	42	46	45	37	49	43	34	47	51
Strong Positive Impact	3	3	6	2	4	3	5	2	2
Responses	400	35	105	190	70	137	131	83	49
Work-from-home									
Strong Negative Impact		3				1			
Somewhat Negative Impact	6	9	6	7	3	7	6	6	4
No Impact	29	20	25	34	23	32	27	23	35
Somewhat Positive Impact	61	66	64	55	69	56	62	66	61
Strong Positive Impact	4	3	6	4	6	5	5	5	
Responses	402	35	105	192	70	138	132	83	49
Driverless cars									
Strong Negative Impact	1	3		1	1	1		1	
Somewhat Negative Impact	4	6	5	5	3	6	5	2	4
No Impact	78	80	79	80	69	79	77	84	63
Somewhat Positive Impact	16	9	15	14	27	12	16	12	33
Strong Positive Impact	1	3	1	2		1	2		
Responses	401	35	104	192	70	137	132	83	49
Energy costs									
Strong Negative Impact	15	26	11	11	24	18	15	12	12
Somewhat Negative Impact	46	51	46	46	41	50	40	49	41
No Impact	23	6	24	27	19	20	24	28	20
Somewhat Positive Impact	16	17	19	15	16	12	21	11	27
Strong Positive Impact	1			1		1	1		
Responses	399	35	105	189	70	137	131	82	49
Other									
Strong Negative Impact	19	22	6	20	26	25	12	13	25
Somewhat Negative Impact	8	11	12	4	11	6		19	17
No Impact	63	56	65	67	58	58	81	63	42
Somewhat Positive Impact	7	11	18	2	5	3	8	6	17
Strong Positive Impact	3			7		8			
Responses	90	9	17	45	19	36	26	16	12

Appendix: Survey Questionnaire: HMI Special Questions for December 2025

Looking ahead 10 years, how much of a long-term impact do you expect the following trends/forces to have on the health of the home building industry and housing demand (if any)?

	Strong Negative Impact	Somewhat Negative Impact	No Impact	Somewhat Positive Impact	Strong Positive Impact
Aging population	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aging housing stock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Artificial intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government debt levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Declining fertility rate (fewer children)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Declining marriage rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evolving income and wealth distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long-term inflation outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Modular/panelized construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work-from-home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Driverless cars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU