Housing Market Index (HMI)

Special Questions on Price Reduction, Incentives Currently Used to Bolster Sales/Limit Cancellations, Lot Availability, Building Materials & Products, Labor and Subcontractor availability, Merger and Acquisition Activity, Future Company's Business Plan, and Implementation of Fees, Surcharges, or Escalation Clauses Related to Increased Fuel Costs.

June 2026

National Association of Home Builders

Economics & Housing Policy Group

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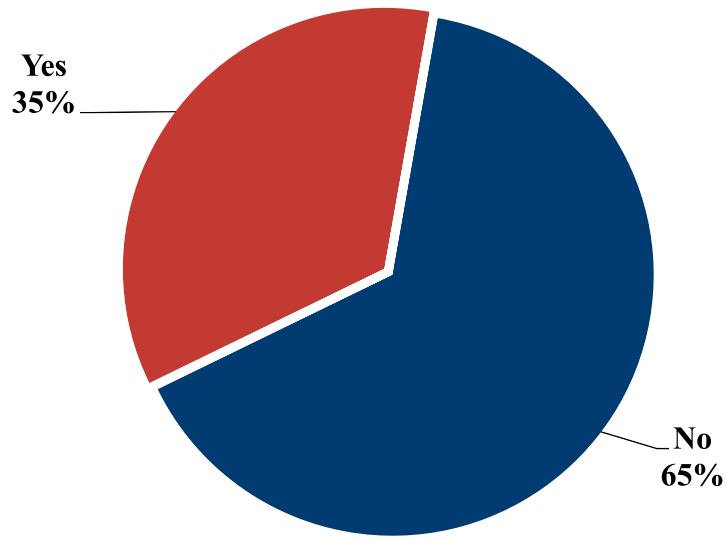
Introduction:

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 June 2026 special questions asked builders about reducing home prices, the incentives currently using to bolster sales and/or limit cancellation. Also, builders were asked about the current availability of lots, building materials and products, labor, subcontractors, merger and acquisition activity, companies' future plans and implementation of fees, surcharges, or escalation clauses related to increased fuel costs.

The survey questionnaire (Appendix I) was sent electronically to a panel of 3,225 builder members. A total of 362 builders responded to the survey, for a response rate of 11%. 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.

Q1a. Reduced home prices during the past month to bolster sales volume and/or limit cancellations (Percent of Respondents)



Reduced home prices to bolster sales volume and/or limit cancellations - HISTORY (Percent of Respondents)

	2005	2006				
	Sep. ‘05	**Jan.**	**Jun.**	**Jul.**	**Sep.**	**Nov.**
Yes	19%	18%	41%	37%	44%	48%
No	81	82	59	63	56	52

	2007								2008	
	Jan. *Compared to 4th qtr ‘2006*	**Mar.** *Compared to past month*	**Apr.** *Compared to past month*	**May** *Compared to past month*	**Jun.** *Compared to past month*	**Aug.** *Compared to past month*	**Oct.** *Compared to past month*	**Nov.** *Compared to past month*	**Jan.** *Compared to past month*	**Feb.** *Compared to past month*
Yes	45%	39%	42%	52%	56%	52%	59%	58%	48%	52%
No	55	61	58	48	44	48	41	42	52	48

	2008 - *contd.*			2020		2022				
	Mar. *Compared to past month*	**Jun.** *Compared to past year*	**Oct.** *Compared to past 3 months*	**May** *Compared to past month*	**Jun.** *Compared to past month*	**Jul.** *Compared to past month*	**Aug.** *Compared to past month*	**Sep.** *Compared to past month*	**Nov.** *Compared to past month*	**Dec.** *Compared to past month*
Yes	49%	67%	63%	22%	15%	13%	19%	26%	36%	35%
No	51	33	37	78	85	87	81	74	81	74

	2023									
	Feb. *Compared to past month*	**Mar.** *Compared to past month*	**Apr.** *Compared to past month*	**May** *Compared to past month*	**Jun.** *Compared to past month*	**Jul.** *Compared to past month*	**Aug.** *Compared to past month*	**Sep.** *Compared to past month*	**Oct.** *Compared to past month*	***Nov.*** *Compared to past month*
Yes	31%	31%	30%	27%	25%	22%	25%	32%	32%	36%
No	69	69	70	73	75	78	75	68	68	64

Reduced home prices during the past month to bolster sales volume and/or limit cancellations – History
continued
(Percent of Respondents)

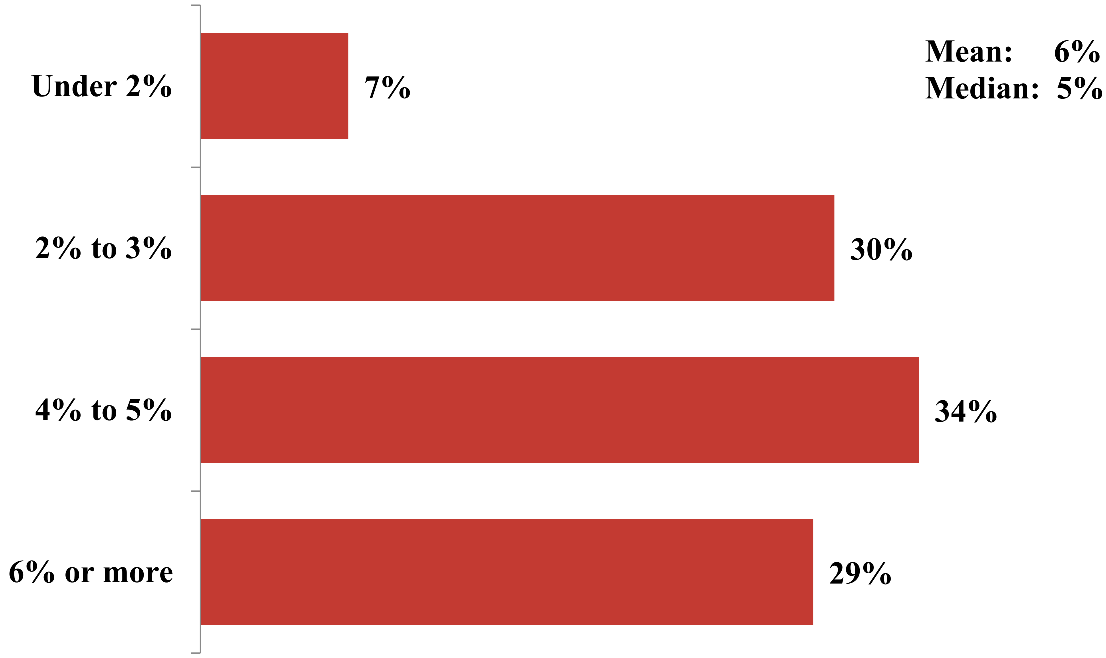
	2023	2024								
	Dec. Compared to past month	*Jan. Compared to past month*	*Feb. Compared to past month*	*Mar. Compared to past month*	*Apr. Compared to past month*	*May Compared to past month*	*Jun. Compared to past month*	*Jul. Compared to past month*	*Aug. Compared to past month*	*Sep. Compared to past month*
Yes	36%	31%	25%	24%	22%	25%	29%	31%	33%	32%
No	64	69	75	76	78	75	71	69	67	68

	2024			2025						
	Oct. Compared to past month	*Nov. Compared to past month*	*Dec. Compared to past month*	*Jan. Compared to past month*	*Feb. Compared to past month*	*Mar. Compared to past month*	*Apr. Compared to past month*	*May Compared to past month*	*Jun. Compared to past month*	*Jul. Compared to past month*
Yes	32%	31%	31%	30%	26%	29%	29%	34%	37%	38%
No	68	69	69	70	74	71	71	66	63	62

	2025				
	Aug. Compared to past month	*Sep. Compared to past month*	*Oct. Compared to past month*	*Nov. Compared to past month*	*Dec. Compared to past month*
Yes	37%	39%	38%	41%	40%
No	63	61	62	59	60

	2026					
	Jan. Compared to past month	*Feb. Compared to past month*	*Mar. Compared to past month*	*Apr. Compared to past month*	*May Compared to past month*	*Jun. Compared to past month*
Yes	40%	36%	37%	36%	32%	**35%**
No	60	64	63	64	68	**65**

Q1b. If price of a home is reduced, by how much is it reduced?
(Percent of Respondents)



If price of a home is reduced, by how much is it reduced? – HISTORY

	2006					2007				
	Jan.	Jun.	Jul.	Sep.	Nov.	Jan. *Compared to 4th qtr. '06*	Mar *Compared to Jan. '07*	Apr. *Compared to Jan. '07*	May *Compared to past month*	Jun. *Compared to past month*
Mean	5%	7%	6%	7%	8%	7%	7%	8%	7%	8%
Median	5%	5%	5%	5%	5%	5%	5%	6%	5%	5%

	2007 - *continued*			2008						
	Aug. *Compared to past month*	Oct. *Compared to past month*	Nov. *Compared to past month*	Jan. *Compared to past month*	Feb. *Compared to past month*	Mar. *Compared to past month*	Jun. *Compared to past year*	Oct. *Compared to past 3 months*	May *Compared to past month*	Jun. *Compared to past month*
Mean	8%	8%	8%	9%	10%	8%	12%	9%	5%	5%
Median	5%	6%	6%	8	10	7	10	8	5	5

	2022					2023			
	Jul. *Compared to past month*	Aug. *Compared to past month*	Sept. *Compared to past month*	Nov. *Compared to past month*	Dec. *Compared to past month*	Feb. *Compared to past month*	Mar. *Compared to past month*	Apr. *Compared to past month*	May *Compared to past month*
Mean	5%	6%	6%	6%	8%	6%	6%	6%	6%
Median	5	5	5	5	5	5	5	5	5

If price of a home is reduced, by how much is it reduced? – HISTORY *continued*

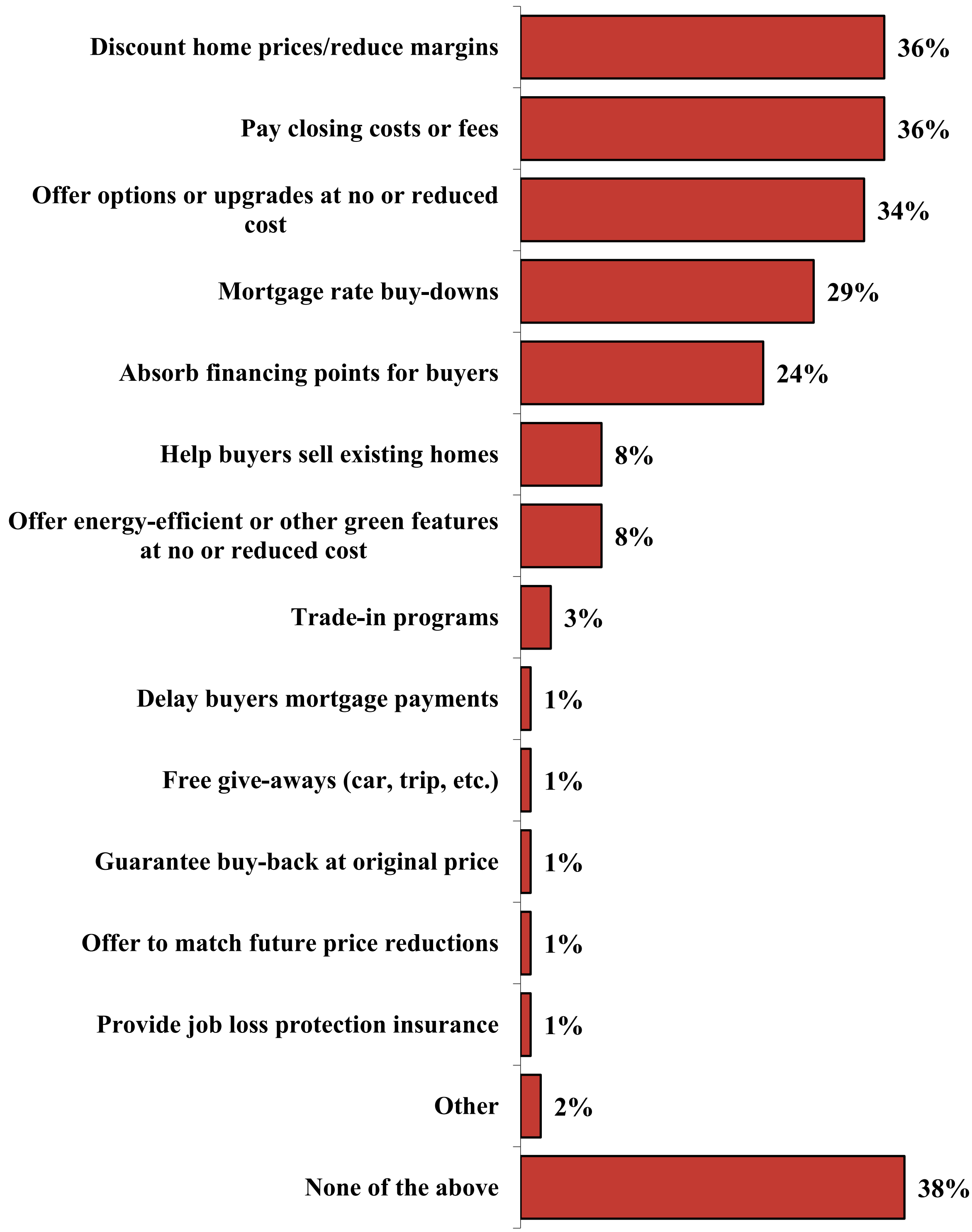
	2023 - *continued*						**2024**		
	Jul. ***Compared to past month***	**Aug.** ***Compared to past month***	**Sept.** ***Compared to past month***	**Oct.** ***Compared to past month***	**Nov.** ***Compared to past month***	**Dec.** ***Compared to past month***	**Jan.** ***Compared to past month***	**Feb.** ***Compared to past month***	**Mar.** ***Compared to past month***
Mean	6%	6%	6%	6%	6%	6%	6%	6%	6%
Median	5	5	5	5	5	5	5	5	5

	2024 - *continued*								
	Apr. ***Compared to past month***	***May*** ***Compared to past month***	**Jun.** ***Compared to past month***	**Jul.** ***Compared to past month***	***Aug.*** ***Compared to past month***	***Sep.*** ***Compared to past month***	***Oct.*** ***Compared to past month***	***Nov.*** ***Compared to past month***	***Dec.*** ***Compared to past month***
Mean	6%	6%	6%	6%	6%	5%	6%	5%	5%
Median	5	5	5	5	5	5	5	5	4

	2025								
	Jan. ***Compared to past month***	***Feb.*** ***Compared to past month***	***Mar.*** ***Compared to past month***	***Apr.*** ***Compared to past month***	***May*** ***Compared to past month***	***Jun.*** ***Compared to past month***	***Jul.*** ***Compared to past month***	***Aug.*** ***Compared to past month***	***Sep.*** ***Compared to past month***
Mean	5%	5%	5%	5%	5%	5%	5%	**5%**	5%
Median	4	5	5	5	5	5	5	**5**	5

	2025 - *continued*		**2026**					
	Nov. ***Compared to past month***	***Dec.*** ***Compared to past month***	***Jan.*** ***Compared to past month***	***Feb.*** ***Compared to past month***	***Mar.*** ***Compared to past month***	***Apr.*** ***Compared to past month***	***May*** ***Compared to past month***	***Jun.*** ***Compared to past month***
Mean	6%	5%	6%	6%	6%	5%	6%	**6%**
Median	5	5	5	5	5	5	5	**5**

Q2. Sales incentives *currently using* to bolster sales and/or limit cancellations (Percent of Respondents)



Marketing strategies or incentives currently using to bolster sales or limit cancellations – HISTORY
(Percent of Respondents)

	June 2026	May '26	Apr. '26	Mar. '26	Feb. '26	Jan. '26	Dec. '25	Nov. '25	Oct. '25	Sep. '25	Aug. '25	Jul. '25	Jun. '25	May '25	Apr. '25	Mar. '25	Feb. '25	Jan. '25
Discount home prices/reduce margins	**36**	36	33	37	36	38	39	39	35	36	34	36	37	33	31	26	28	31
Pay closing costs or fees	**36**	37	37	41	38	40	39	39	38	40	39	33	34	34	32	30	34	33
Offer options or upgrades at no or reduced cost	**34**	37	36	38	37	38	39	39	39	39	39	36	35	32	32	30	28	32
Mortgage rate "Buy downs"	**29**	27	26	27	27	29	28	29	29	30	29	29	26	27	23	24	25	23
Absorb financing points for buyer	**24**	22	21	26	22	24	25	24	26	25	25	23	22	19	21	20	19	21
Help buyers sell existing homes	**8**	9	7	7	9	9	9	9	10	8	9	6	7	6	9	8	6	7
Offer energy-efficient or other "green" features at no or reduced cost	**8**	6	7	10	10	10	7	9	8	8	8	8	7	7	7	9	7	9
Trade in programs	**3**	1	2	2	3	3	3	2	2	2	2	2	2	2	2	1	1	2
Delay buyers' mortgage payments	**1**	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	0
Free give aways (car, trip, etc.)	**1**	1	1	1	2	1	1	1	1	1	2	1	1	1	1	1	1	1
Guarantee buy-back at original price	**1**	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Offer to match future price reductions	**1**	1	1	1	1	1	1	1	1	2	1	1	2	1	1	1	1	1
Provide job loss protection insurance	**1**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	**2**	3	3	2	3	2	2	2	2	2	3	3	2	3	3	3	2	3
None of the above	**38**	39	40	36	35	35	33	35	35	35	34	38	38	39	39	41	41	39

Marketing strategies or incentives currently using to bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

	Dec. '24	Nov. '24	Oct. '24	Sep. '24	Aug. '24	Jul. '24	Jun. '24	May '24	Apr. '24	Mar. '24	Feb. '24	Jan. '24	Dec. '23	Nov. '23	Oct. '23	Sep. '23	Aug. '23	Jul '23
Pay closing costs or fees	35	31	34	33	35	35	33	34	33	32	31	35	32	33	35	34	28	29
Offer options or upgrades at no or reduced cost	28	30	33	32	33	32	28	30	29	30	30	30	31	29	32	30	27	27
Discount home prices/reduce margins	29	30	29	29	31	29	30	28	23	22	25	27	31	33	31	30	26	20
Mortgage rate "Buy downs"	24	24	27	25	27	24	27	26	24	26	25	28	31	32	29	25	22	22
Absorb financing points for buyer	21	17	20	21	19	17	20	19	20	19	21	20	24	23	21	20	16	18
Help buyers sell existing homes	6	6	7	8	6	7	6	4	7	6	7	5	6	8	8	7	8	7
Offer energy-efficient or other "green" features at no or reduced cost	5	7	5	9	8	7	8	6	7	7	7	6	7	4	4	4	4	6
Trade in programs	2	2	2	2	2	2	2	1	1	2	2	2	2	1	2	1	2	2
Free give aways (car, trip, etc.)	1	1	1	1	1	1	1	1	1	1	1	0	1	1	0	0	1	1
Delay buyers' mortgage payments	2	1	0	0	1	1	1	0	0	1	0	0	0	0	0	0	0	0
Offer to match future price reductions	1	2	1	1	1	1	0	1	1	1	1	0	0	1	1	1	1	1
Guarantee buy-back at original price	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provide job loss protection insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	3	3	4	2	2	2	3	2	2	3	3	2	3	2	2	2	1	2
None of the above	40	40	38	39	36	39	39	41	43	41	42	38	40	40	38	41	45	48

Marketing strategies or incentives currently using to_bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

	Jun. '23	May '23	Apr. '23	Mar. '23	Feb. '23	Dec. '22	Nov. '22	Sep. '22	Jul. '22	May '20	Apr. '19	Nov. '14	Oct. '13	Nov. '12	Jun. '09	Feb. '09
Offer options or upgrades at no or reduced cost (^)	29	28	36	26	27	35	27	20	15	19	32	38	35	41	55	66
Pay closing costs or fees	31	29	30	31	31	41	29	27	18	19	31	27	27	33	45	55
Discount home prices/reduce margins (#)	26	24	29	28	27	34	30	23	14	18	26	30	32	44	64	72
Help buyers sell existing homes	7	5	7	7	5	8	6	4	2	6	12	14	15	14	19	26
Offer energy-efficient or other "green" features at no or reduced cost	5	5	5	5	4	17	5	6	4	5	15	26	28	31	na	na
Absorb financing points for buyer	16	18	21	16	21	27	24	13	7	3	7	8	7	9	28	39
Mortgage rate "Buy downs"	19	21	26	24	26	32	26	19	13	2	4	3	4	4	17	29
Offer to match future price reductions	1	1	2	1	2	4	3	2	1	1	0	1	1	1	4	7
Trade in programs	1	2	1	2	2	3	2	2	1	1	2	3	3	4	13	15
Delay buyers' mortgage payments	0	0	0	0	0	2	1	0	1	0	0	0	0	0	3	8
Free give aways (car, trip, etc.) (+)	1	0	1	1	1	1	0	0	0	0	0	1	1	2	na	na
Guarantee buy-back at original price	1	1	0	0	0	3	0	0	0	0	0	0	1	1	3	4
Provide job loss protection insurance	0	0	0	0	0	1	0	0	1	0	0	0	0	1	na	na
Other	2	1	2	3	3	2	2	4	4	6	6	4	5	5	8	10
None of the above	44	46	41	42	43	38	41	47	57	48	36	35	36	30	21	15

(^) Prior to Nov. '12 it was "Include optional items at no cost".
(#) Prior to Nov. 12 it was "Reduced home prices".
(+) In Nov. '12 "Offer a free holiday trip" and "Include a car with the home" were combined.

Marketing strategies or incentives currently using to bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

	Dec. '08	Oct. '08	Aug. '08	Jun. '08	Mar. '08	Feb. '08	Jan. '08	Nov. '07	Oct. '07	Aug. '07	Jun. '07	May '07
Offer options or upgrades at no or reduced cost	67%	65%	60%	61%	56%	55%	55%	61%	58%	57%	56%	58%
Offer energy-efficient or other "green" features at no or reduced cost	na	na	na	na	na	Na	na	na	na	na	na	na
Discount home prices/reduce margins#	72	63	59	67	49	52	48	58	59	52	56	52
Guarantee buy-back at original price	5	3	3	6	2	3	3	4	1	3	2	2
Offer to match future price reductions	9	7	5	7	6	6	6	7	5	6	3	4
Help buyer sell existing home	29	24	18	23	24	20	21	24	21	17	16	16
Trade in programs	19	14	12	13	15	14	11	16	13	16	9	10
Pay closing costs or fees	59	56	50	50	47	43	44	53	51	46	45	46
Absorb all financing points for buyer	41	34	32	31	27	26	26	36	31	28	26	26
Mortgage rate "Buy downs"	28	22	18	22	18	16	18	29	21	18	16	17
Delay monthly mortgage payments	8	8	9	10	7	7	9	14	10	9	6	6
Provide job loss protection insurance	na	na	na	na	na	Na	na	na	na	na	na	na
Free give aways (car, trip, etc.)	na	na	na	na	na	Na	na	na	na	na	na	na
Other	6	7	5	7	5	3	5	10	5	10	8	7
None of the above	14	20	19	25	29	33	33	27	28	29	29	27

Marketing strategies or incentives currently using to_bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

	Mar '07	Jan. '07	Nov. '06	Sep. '06	Jul. '06	Jun. '06	Jan. '06	Dec. '05	Sep. '05
Offer options or upgrades at no or reduced cost	56%	60%	59%	55%	51%	53%	41%	40%	37%
Offer energy-efficient or other "green" features at no or reduced cost	na	na	na	na	na	na	na	na	na
Discount home prices/reduce margins#	39**	45*	48	44	37	41	18	na	19
Guarantee buy-back at original contract prices	2	3	2	5	1	na	na	na	Na
Offer to match future price reductions	2	4	4	4	2	na	na	na	na
Help buyer sell existing home	16	20	17	na	na	na	na	na	na
Trade in programs	9	11	7	9	5	na	na	na	na
Pay closing costs or fees	50	52	50	43	38	42	31	33	26
Absorb all financing points for buyer	26	30	31	26	23	24	15	16	10
Mortgage rate "Buy downs"	18	21	21	20	13	12	8	7	4
Delay monthly mortgage payments	8	7	6	7	2	na	na	na	na
Provide job loss protection insurance	na	na	na	na	na	na	na	na	na
Free give aways (car, trip, etc.)	na	na	na	na	na	na	na	na	na
Other	11	12	10	9	7	11	6	10	7
None of the above	20	23	21	23	23	23	35	35	42

(**) January and February of 2007.
(*) Fourth quarter of 2006.

Marketing strategies or incentives currently using to_bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

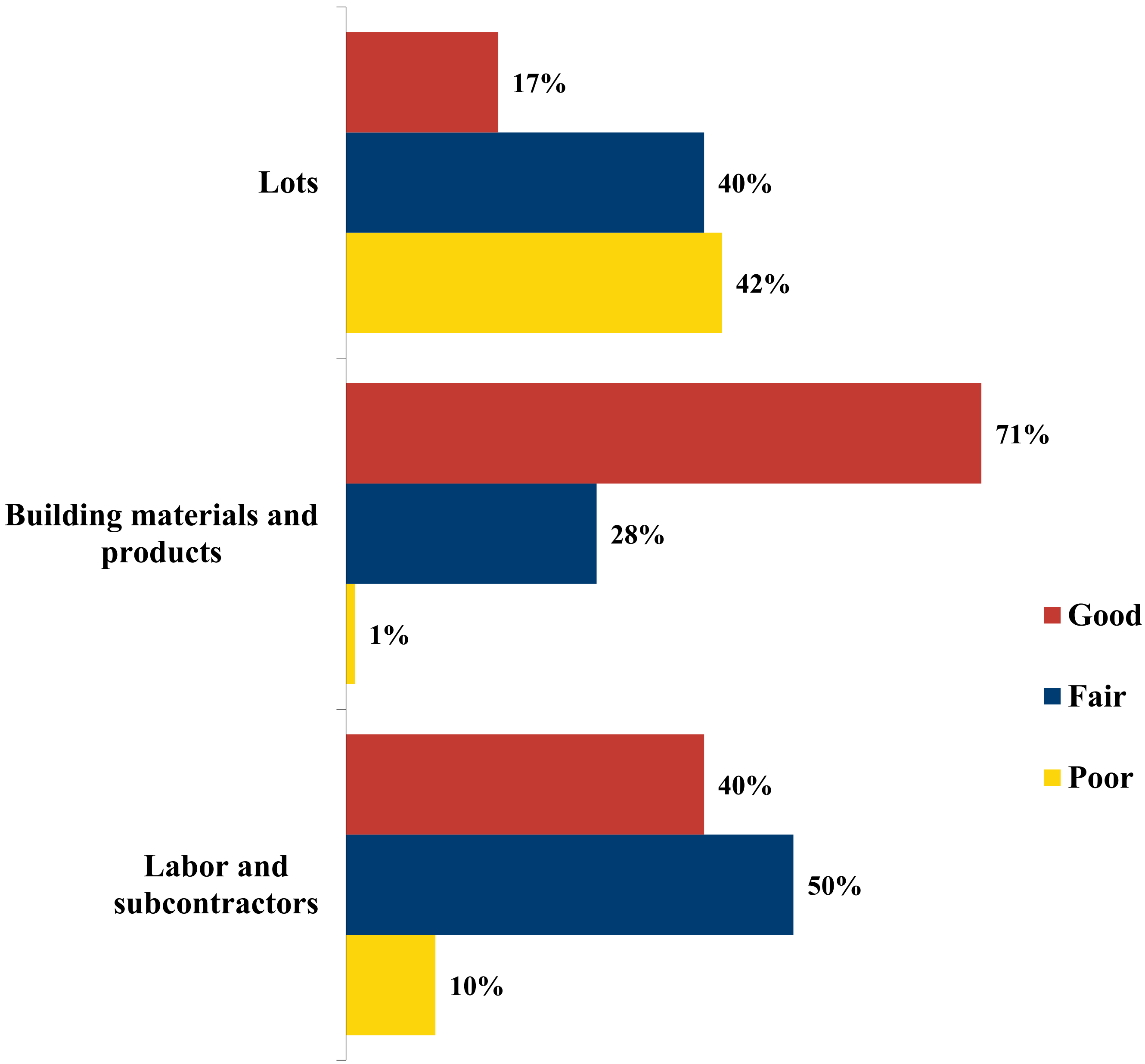
	Nov. '04	Aug. '03	Apr. '03	Dec. '02	Mar. '02	Nov. '01	Sep. '01	Jan. '01
Offer options or upgrades at no or reduced cost	28%	29%	27%	37%	32%	37%	37%	35%
Offer energy-efficient or other "green" features at no or reduced cost	na	na	Na	na	na	na	na	na
Discount home prices/reduce margins#	na	na	Na	na	na	na	na	na
Guarantee buy-back at original contract prices	na	na	Na	na	na	na	na	na
Offer to match future price reductions	na	na	Na	na	na	na	na	na
Help buyer sell existing home	na	na	Na	na	na	na	na	na
Trade in programs	na	na	Na	na	na	na	na	na
Pay closing costs or fees	11	13	10	31	27	18	20	18
Absorb all financing points for buyer	6	6	3	18	14	11	13	12
Mortgage rate "Buy downs"	4	4	4	12	8	15	10	9
Delay monthly mortgage payments	na	na	Na	na	na	na	na	na
Provide job loss protection insurance	na	na	Na	na	na	na	na	na
Free give aways (car, trip, etc.)	na	na	Na	na	na	na	na	na
Other	16	5	10	7	7	14	9	8
None of the above	38	50	49	40	38	42	41	42

Marketing strategies or incentives currently using to_bolster sales or limit cancellations HISTORY – *continued*
(Percent of Respondents)

	Apr. '00	Jul. '99	Mar. 96	May. 95	Jan. 95	Jul. 93	Nov. 90	Aug. 82
Offer options or upgrades at no or reduced cost	33%	25%	36%	43%	na	na	50%	55%
Offer energy-efficient or other "green" features at no or reduced cost	na	na	Na	na	na	na	na	na
Discount home prices/reduce margins#	na	na	Na	na	na	na	na	na
Guarantee buy-back at original contract prices	na	1	6	5	na	na	6	20
Match future price reductions	na	na	Na	na	na	na	na	na
Help buyer sell existing home	na	na	Na	na	na	na	na	na
Trade in programs	na	6	11	13	na	na	17	26
Pay closing costs or fees	17	10	26	29	31	34	34	52
Absorb all financing points for buyer	13	6	16	23	0	0	35	58
Mortgage rate "Buy downs"	13	4	13	17	17	10	17	59
Delay monthly mortgage payments	na	1	5	4	na	na	3	18
Provide job loss protection insurance	na	na	Na	na	na	na	na	na
Free give aways (car, trip, etc.)	na	na	Na	na	na	na	na	na
Special price incentive, reduction, or rebate	na	13	25	30	na	na	45	41
Auction sale of existing inventory	na	1	3	2	na	na	2	19
Preconstruction pricing for new phase	na	23	22	27	na	na	24	35
ARMs, VRMs, RRMs	na	6	Na	na	na	na	na	na
Monthly mortgage subsidy	na	na	Na	na	na	na	na	na
Shared appreciation or co-investor loan	na	1	Na	na	na	na	na	na
Land-lease	na	1	Na	na	na	na	na	na
Lease-purchase option program	na	2	Na	na	na	na	na	na
No-interest loan with payout at 5 to 10 years	na	na	Na	na	na	na	na	na
Insuring PITI payments for a period for involuntary job loss	na	na	3	na	na	na	na	na
Waive community association fees	na	na	4	na	na	na	na	na
Other	5	5	6	5	na	na	7	7
None of the above	45	35	31	26	na	na	na	na

Q3. In the areas where you build, how would you rate the current availability of the following inputs required for home building?

(Percent of Respondents)



In the areas where you build, how would you rate the current availability of the following inputs required for home building? - HISTORY (Percent of Respondents)

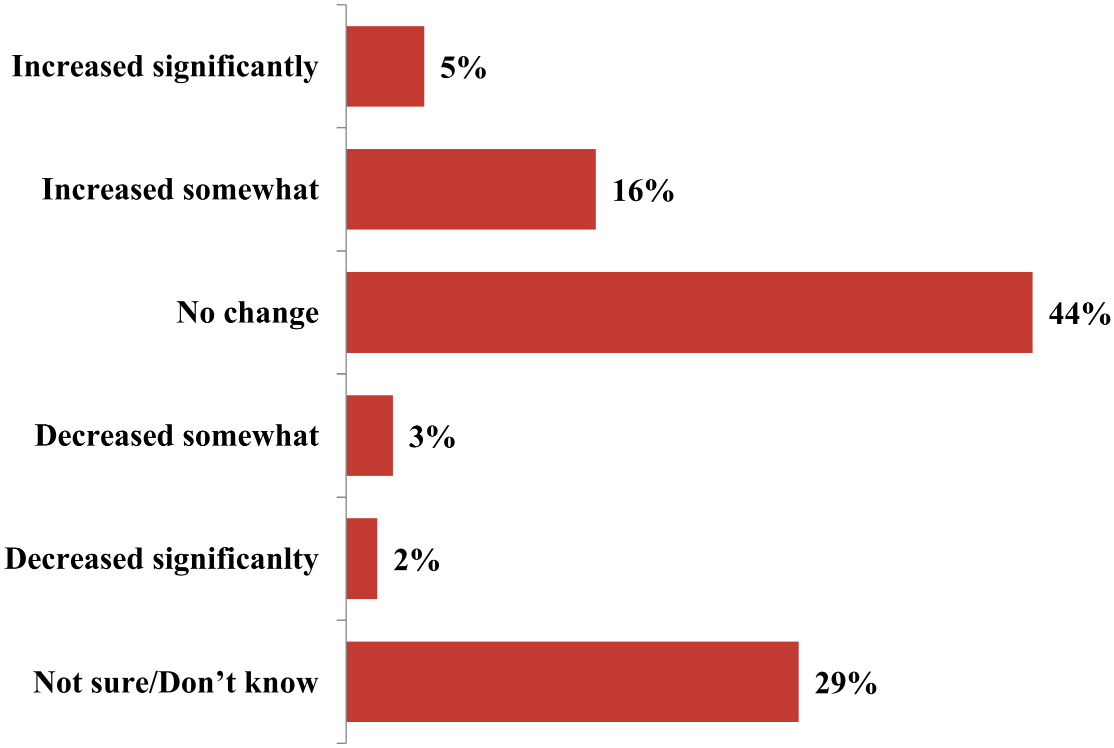
	Diffusion Index*																	
	2022				2023				2024				2025				2026	
	Feb.	Mar.	May	Aug.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Lots	29	30	27	34	38	35	37	39	36	32	32	35	31	36	33	34	36	**38**
Building materials and products	29	28	34	46	66	74	76	82	83	80	81	83	86	84	84	84	85	**85**
Labor and subcontractors	27	29	27	31	47	48	52	57	56	56	59	64	55	66	63	63	63	**65**
Supply Chain Index+	*28*	*29*	*29*	*37*	*50*	*52*	*55*	*59*	*58*	*56*	*57*	*60*	*57*	*62*	*60*	*60*	*61*	***63***

Note: * Diffusion Index=(Good-Poor+100)/2

+ "Supply Chain Index" is calculated as the average of the Lot, Materials & Labor diffusion indices.

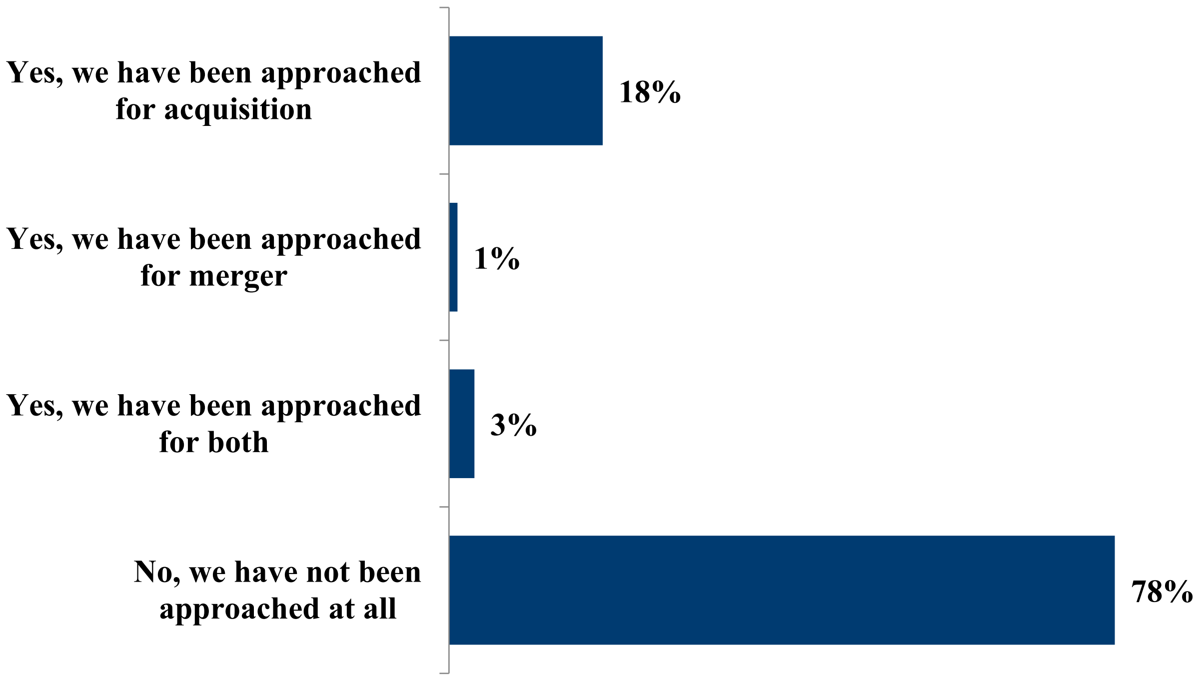
Q4. How would you describe the changes in the number of acquisitions and mergers among residential builders in your local market area during the past year?

(Percent of Respondents)



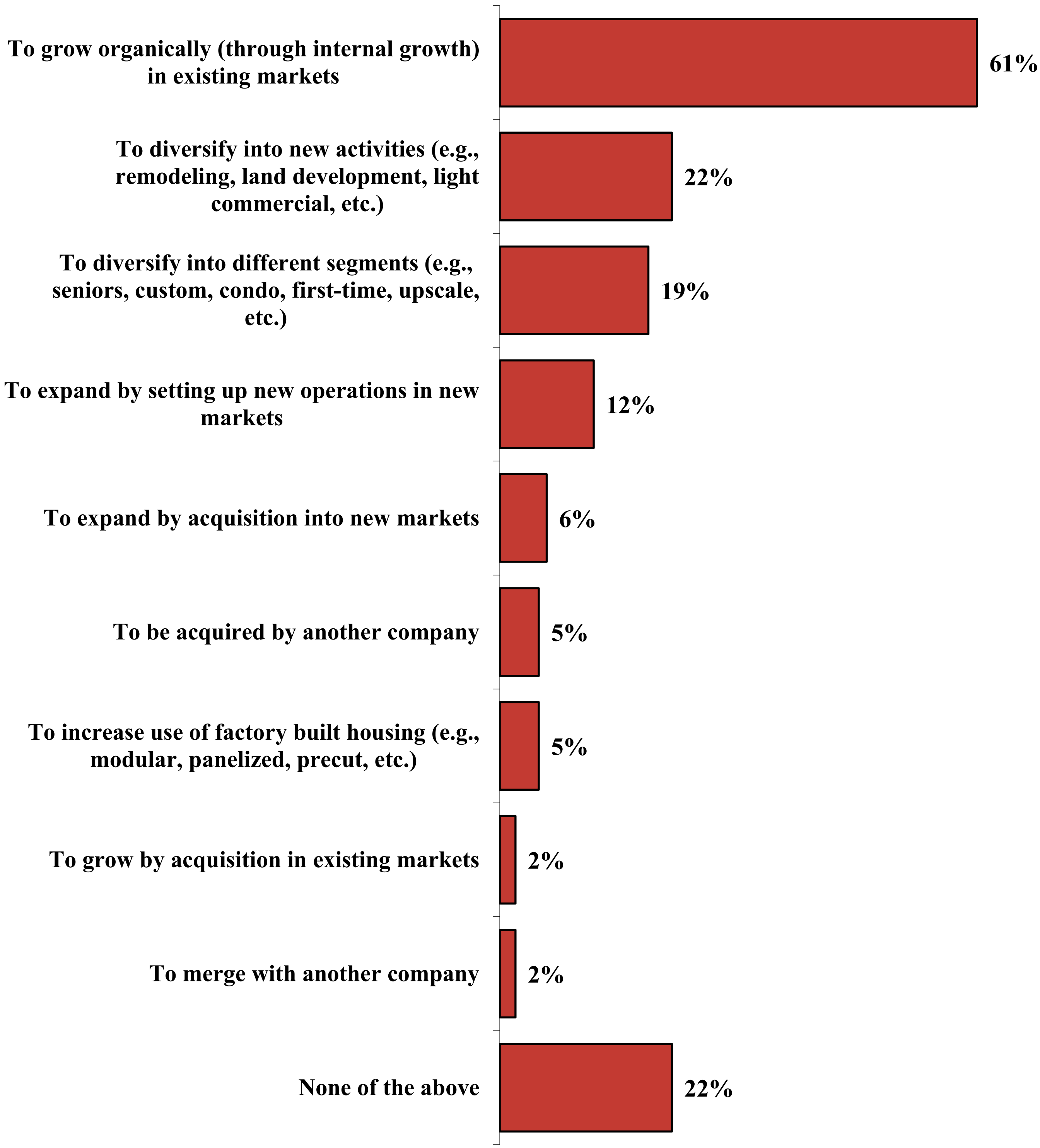
	2025	2026
	August	June
Increased Significantly	2%	**5%**
Increased Somewhat	12	**16**
No change	45	**44**
Decreased Somewhat	5	**3**
Decreased Significantly	4	**2**
Not sure/Don’t Know	33	**29**

Q5. Has your company been approached for acquisition and/or merger during the past year? (Percent of Respondents)



	2025	2026
	August	**June**
Yes, we have been approached for acquisition	9%	**18%**
Yes, we have been approached for merger	2	**1**
Yes, we have been approached for both	3	**3**
No, we have not been approached at all	87	**78**

**Q6. Company's Future plans
(Percent of Respondents)**



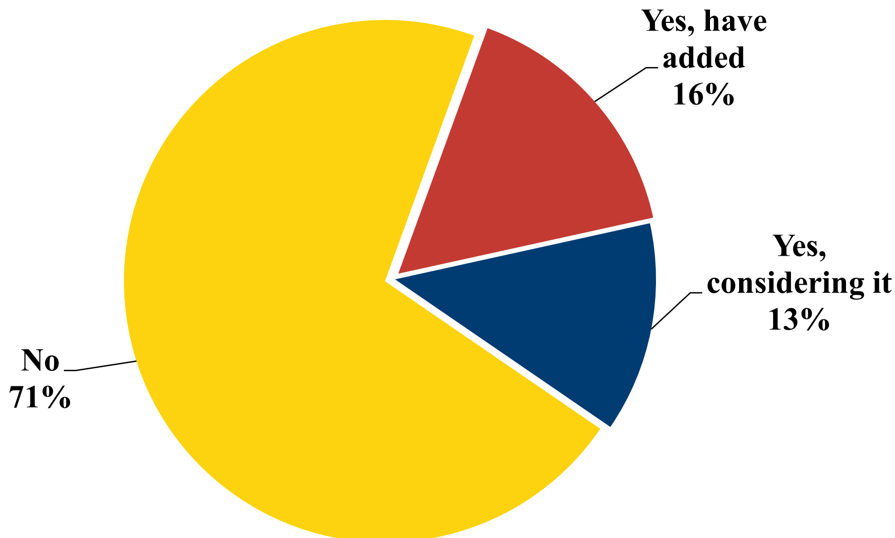
Company's Future plans - HISTORY
(Percent of Respondents)

	2025	2026
	August	June
To grow organically (through internal growth) in existing markets	56%	**61%**
To diversify into new activities (e.g., remodeling, land development, light commercial, etc.)	20	**22**
To diversify into different segments (e.g., seniors, custom, condo, first-time, upscale, etc.)	19	**19**
To expand by setting up new operations in new markets	13	**12**
To expand by acquisition into new markets	3	**6**
To be acquired by another company	4	**5**
To increase use of factory built housing (e.g., modular, panelized, precut, etc.)	6	**5**
To grow by acquisition in existing markets	3	**2**
To merge with another company	2	**2**
None of the above	26	**22**

7

Q7. Have you added fees/surcharges/escalation clauses to contracts with your home buyers directly due to higher fuel costs (or considering doing so)?

(Percent of Respondents)



Detailed Tables

Q1a. Have you reduced home prices during the past month to bolster sales volume and/or limit cancellations?
(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Yes	35	23	23	39	48	26	28	56	42
No	65	77	77	61	52	74	72	44	58
Responses	358	35	83	174	66	137	103	78	38

Q1b. If you reduced your home prices in question 1a, how much?
(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Under 2%	7		21	3	7	6		15	
2% to 3%	30	13	32	23	50	28	29	37	25
4% to 5%	34	25	32	43	20	31	39	27	50
6% or more	29	63	16	31	23	36	32	22	25
Average	*6*	*6*	*4*	*7*	*5*	*6*	*6*	*5*	*6*
Median	*5*	*7*	*3*	*5*	*3*	*5*	*5*	*4*	*5*
Responses	122	8	19	65	30	36	28	41	16

Q2. Please indicate the incentives you are currently using to bolster sales and/or limit cancellations
(Check all that apply)

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Offer options or upgrades at no or reduced cost	34	30	24	38	38	20	31	53	58
Offer energy-efficient or other green features at no or reduced cost	8	6	8	7	14	9	7	9	11
Discount home prices/reduce margins	36	15	25	40	51	24	29	55	63
Guarantee buy-back at original price	1	0	0	1	0	0	0	0	5
Offer to match future price reductions	1	0	2	1	2	1	1	1	3
Help buyers sell existing homes	8	3	8	6	15	8	7	9	11
Trade-in programs	3	0	4	4	3	4	2	3	5
Pay closing costs or fees	36	15	24	45	37	13	34	65	66
Absorb financing points for buyers	24	12	10	28	37	9	18	44	50
Mortgage rate buy-downs	29	9	12	35	42	12	17	48	76
Delay buyers mortgage payments	1	3	0	2	2	2	0	1	3
Provide job loss protection insurance	1	0	0	1	2	0	1	0	3
Free give-aways (car, trip, etc.)	1	0	0	2	2	2	0	0	3
Other	2	3	5	2	0	2	2	3	3
None of the above	38	48	51	36	23	57	40	17	11
Responses	353	33	83	172	65	137	99	77	38

Q3. In the areas where you build, how would you rate the current availability of the following inputs required for home building?

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
LOTS									
Good	17		17	20	17	18	17	14	19
Fair	40	22	43	41	45	35	42	47	43
Poor	42	78	40	39	38	47	41	39	38
Responses	349	32	82	171	64	133	103	74	37
BUILDING MATERIALS and PRODUCTS									
Good	71	62	73	72	70	66	75	77	66
Fair	28	38	27	27	29	33	25	22	34
Poor	1			1	2	1		1	
Responses	356	34	83	173	66	136	103	77	38
LABOR and SUBCONTRACTORS									
Good	40	24	35	45	42	35	41	47	42
Fair	50	65	53	45	50	56	48	44	45
Poor	10	12	12	10	8	9	12	9	13
Responses	356	34	83	173	66	136	103	77	38

Q4. How would you describe the changes in the number of acquisitions and mergers among residential builders in your local market area during the past year?

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Increased Significantly	5		4	6	6	5	4	5	5
Increased Somewhat	16	9	13	17	23	12	13	21	29
No change	44	50	54	42	35	39	51	47	42
Decreased Somewhat	3	6	2	3	5	4		4	11
Decreased Significantly	2	6		2	2	3	1		5
Not sure/Don't Know	29	29	27	31	30	37	31	23	8
Responses	356	34	83	173	66	137	102	77	38

Q5. Has your company been approached for acquisition and/or merger during the past year?
(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Yes, we have been approached for acquisition	18	12	18	19	17	13	21	19	24
Yes, we have been approached for merger	1	3		1	3	1		3	
Yes, we have been approached for both	3		5	1	6	4	1	1	5
No, we have not been approached at all	78	85	77	80	74	81	78	77	71
Responses	351	33	82	171	65	134	102	75	38

Q6. Which of the following, if any, are future plans for your company?
(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
To grow organically (through internal growth) in existing markets	61	59	61	61	64	55	56	70	79
To grow by acquisition in existing markets	2	3	1	3	0	1	0	3	11
To expand by acquisition into new markets	6	6	5	7	8	3	4	9	21
To expand by setting up new operations in new markets	12	9	10	13	17	7	7	17	39
To diversify into different segments (e.g., seniors, custom, condo, first-time, upscale, etc.)	19	21	21	16	26	15	19	25	24
To diversify into new activities (e.g., remodeling, land development, light commercial, etc.)	22	24	21	23	23	23	25	18	21
To increase use of factory built housing (e.g., modular, panelized, precut, etc.)	5	6	6	2	9	4	2	6	8
To be acquired by another company	5	6	4	5	5	3	7	5	5
To merge with another company	2	0	2	1	3	1	1	3	3
None of the above	22	24	23	24	14	28	23	18	5
Responses	355	34	82	173	66	137	102	77	38

Q7. Have you added fees/surcharges/escalation clauses to contracts with your home buyers directly due to higher fuel costs (or considering doing so)?

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2025			
		NE	MW	S	W	5 or Fewer	6 to 24	25 to 99	100+
Yes, have added	16	24	11	12	29	23	17	8	8
Yes, considering it	13	12	13	15	8	18	11	10	5
No	71	65	76	73	64	59	73	82	87
Responses	356	34	83	173	66	137	102	77	38

Appendix: Survey Questionnaire: HMI Special Questions for June 2026

1a. Have you reduced home prices during the past month to bolster sales volume and/or limit cancellations?

☐ Yes ☐ No

1b. If "yes" in *question 1a*, by how much? _____________%

2. Please indicate the incentives you are currently using to bolster sales and/or limit cancellations. ***(Check all that apply)***

☐ Offer options or upgrades at no or reduced cost	☐ Pay closing costs or fees
☐ Offer energy-efficient or other "green" features at no or reduced cost	☐ Absorb financing points for buyers
☐ Discount home prices/reduce margins	☐ Mortgage rate buy-downs
☐ Guarantee buy-back at original price	☐ Delay buyers' mortgage payments
☐ Offer to match future price reductions	☐ Provide job loss protection insurance
☐ Help buyers sell existing homes	☐ Free give-aways (car, trip, etc.)
☐ Trade-in programs	☐ Other
	☐ None of the above

3. In the areas where you build, how would you rate the current availability of the following inputs required for home building?

	Good	Fair	Poor
Lots	☐	☐	☐
Building materials and products	☐	☐	☐
Labor and subcontractors	☐	☐	☐

4. How would you describe the changes in the number of acquisitions and mergers among residential builders in your local market area during the past year?

☐ Increased Significantly	☐ Decreased Somewhat
☐ Increased Somewhat	☐ Decreased Significantly
☐ No Change	☐ Not sure/Don't Know

5. Has your company been approached for acquisition and/or merger during the past year?

☐ Yes, we have been approached for acquisition
☐ Yes, we have been approached for merger
☐ Yes, we have been approached for both
☐ No, we have not been approached at all

6. Which of the following, if any, are future plans for your company? ***(Check all that apply)***

☐ To grow organically (through internal growth) in existing markets
☐ To grow by acquisition in existing markets
☐ To expand by acquisition into new markets
☐ To expand by setting up new operations in new markets
☐ To diversify into different segments (e.g., seniors, custom, condo, first-time, upscale, etc.)
☐ To diversify into new activities (e.g., remodeling, land development, light commercial, etc.)
☐ To increase use of factory built housing (e.g., modular, panelized, precut, etc.)
☐ To be acquired by another company
☐ To merge with another company
☐ None of the above

7. Have you added fees/surcharges/escalation clauses to contracts with your home buyers directly due to higher fuel costs (or considering doing so)? ☐ Yes, have added ☐ Yes, considering it ☐No

THANK YOU