

## News Release from



FOR IMMEDIATE RELEASE  
February 1, 2024

CONTACT: Narine Manukova  
517-490-8232

### **Housing Permits Dropped Nearly 8% Last Year As Housing Crisis Grows**

Lansing, MI - Today the Home Builders Association of Michigan (HBAM) announced that preliminary survey results from the U.S. Census Bureau show that single family home construction in our state shrunk by nearly 8% in 2023 compared to 2022. The total number of single-family housing permits issued in the state last year totaled 13,856 compared to more than 15,000 that were issued in 2022. Most economists believe a state the size of Michigan should be building 25,000 new homes per year just to keep up with population shifts and the loss of aging housing stock. The last time production levels hit this mark was in 2006. Since then, Michigan has built 13,000 new homes a year on average.

In making this announcement, HBAM cautioned that recently proposed changes to building codes by the Michigan Department of Licensing and Regulatory Affairs (LARA) will further lower production by needlessly raising building costs. These proposals, which include mandatory sprinkler requirements in all new homes, will raise the cost of building a typical Michigan home by more than \$20,000. According to HBAM, this will price-out some 100,000 families (or more) from being able to afford a home in Michigan. Median sale prices for newly constructed homes are already exceeding \$450,000 or more in some areas.

“LARA officials claim they are required to adopt model codes produced by an entity called the International Code Council, but Michigan has never unilaterally adopted these without major revisions. To increase costs like this during our state’s worst housing attainability crisis ever, is tantamount to raising taxes during the middle of an economic recession,” noted HBAM CEO Bob Filka. “It should never be done. Michiganders struggling to find housing for themselves or family members should be outraged by these proposals. These cost increases will ripple through the housing ecosystem and will not just be paid for by those fortunate enough to buy a newly built home. Existing home prices and rents will rise as the supply of new housing is constrained further by the Administration’s proposals.”

LARA’s proposals, as currently drafted, will require new residential homes (and most renovated homes) to have 2 X 6 wall framing, R-60 insulation in ceilings, inch thick exterior sheathing, mandatory fire suppression systems (sprinklers inside all homes) and arc fault circuit interrupters in every room, among other costly measures.

To oppose these proposed changes, HBAM encourages individuals to contact Governor Whitmer and to send public comments to LARA at [lara-bcc-rules@michigan.gov](mailto:lara-bcc-rules@michigan.gov).

*The Home Builders Association of Michigan is a professional trade association comprised of 18 local homebuilder associations around the state and their 5,000 builder, subcontractor and supplier members. HBAM works to positively promote the building industry and impact legislative, regulatory and legal issues affecting housing attainability.*

####