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2024 New Home Construction Permits at Highest Level Since 2021 3.9% Growth Forecast for 2025

Lansing, MI - Today the Home Builders Association of Michigan (HBAM) announced that last year's single family home production in the state grew by 5% over 2023. Residential permit data, compiled by HBAM from US Census Bureau reporting, shows a total of 15,137 single-family home (SFH) (1-unit) permits were issued from January through December 2024. This compares to 14,413 SFH permits issued in 2023. Additionally, HBAM unveiled its econometric model for 2025, showing an anticipated 3.9% increase in production this year, with 15,728 SFH permits expected to be issued by year-end. HBAM also noted that the median (or typical) SFH home price for a newly constructed home in 2024 was \$448,520. This compares to a median price of \$375,352 in 2023.

"Given the fact that interest rates remained relatively high last year and building costs continued to rise, these numbers might surprise some people," noted HBAM CEO Bob Filka. "Demand and the need for housing remains high and with fewer existing home purchase options for people, we're seeing new home construction stay steady in most parts of the state." In underscoring several housing policy concerns, Filka stressed that escalating costs are pricing-out the majority of Michigan households from being able to afford newly constructed homes. "To qualify for financing on the typical home being built in our state today, most will have to have a household income of more than \$143,000. That's nearly double the median household income in our state. With demand for higher-end homes remaining strong, it is incumbent upon local and state leaders to partner and leverage new tools to bring more starter home and workforce housing projects to fruition."

HBAM applauded recent efforts by the Michigan State Housing Development Authority (MSHDA) to help communities attract more housing investment across the state. MSHDA is implementing its first ever statewide housing plan and has helped create 15 regional housing planning groups to identify regional needs and priorities. "Today's housing marketplace remains dysfunctional," noted Filka. "With production capacity limited, new financial tools and new ways of streamlining regulatory processes at the local and state level are needed if we hope to significantly increase more attainable housing options for the citizens of our state."

The Home Builders Association of Michigan is a professional trade association comprised of 16 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.

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