

News Release from



FOR IMMEDIATE RELEASE
October 31, 2023

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New Home Construction Permits Up 9% in September *YTD still down by 12 %*

Lansing, MI - Today the Home Builders Association of Michigan (HBAM) announced that according to U.S. Census data single family housing permits for the month of September were up by approximately 9% compared to the month of September last year, with 1,367 permits pulled last month compared to 1,252 in September 2022. HBAM did note, however, that permits across the state are down roughly 12% in 2023, with 10,684 single family permits being pulled year-to-date.

“The numbers for September clearly show the dichotomy we face in the housing sector. On one hand we have a strong need for more housing. On the other, we have higher interest rates and building costs that have grown exponentially, limiting who can afford to buy a newly built home,” said Bob Filka, HBAM CEO. “The result is what I would call flat demand, generally limited to those with cash and/or limited alternative options to building new. We have many existing homeowners who in a higher interest market place are not looking to sell their existing homes due to the low interest mortgages they have in place. This has greatly limited the availability of existing homes that might otherwise be for sale. In a way, this dynamic is buoying the new home production marketplace. But, unfortunately, most of this production is at the higher end of the market. Our state is in the middle of a serious workforce housing crisis and policymakers need to continue their focus on housing attainability solutions across the state. This includes those looking to update Michigan’s building codes. Our state Bureau of Construction Codes (BCC) is looking to update our codes and potentially add tens of thousands of dollars in additional costs to each new home that is constructed in our state. It is imperative that the BCC balance these changes so that increased cost burdens don’t limit who can afford a home.”

“We have made progress on the legislative front with numerous bipartisan legislative initiatives to direct more resources toward workforce housing, but we need our lawmakers to continue recognizing the urgency of the housing challenges we face,” noted Dawn Crandall, EVP of Government Relations for HBAM. “We can’t move the wrong way on codes and there is still a lot of work to do on zoning and regulatory reform, among other things, to make affordable/attainable housing available to more Michiganders.”

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. As the state’s largest association representing construction-related sectors, the HBA of Michigan works to positively promote the building industry and impact legislative, regulatory and legal issues affecting housing attainability.

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