



FOR IMMEDIATE RELEASE  
July 1, 2024

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## **SINGLE FAMILY HOUSING PERMITS UP 22% YEAR-TO-DATE OVER LAST YEAR**

**Lansing, MI** - Today the Home Builders Association of Michigan (HBAM) announced that single family housing permits across the state have risen nearly 22% so far this year. According to U.S. Census data, there were 5,987 single family housing permits pulled in Michigan through May. This compares to just 4,924 permits pulled last year over the same time period.

“Many may find this surprising, but even in the current higher interest rate environment, demand for housing has remained steady on a statewide basis. We have been seeing some softening in parts of the state, but demand and need for more housing is clearly evident,” said HBAM CEO Bob Filka. However, Filka warned about more and more households being priced-out of the new construction marketplace. “We’re hitting a cost ceiling that is pushing more and more Michigan households away from being able to purchase a new home. According to research conducted by our National Association of Home Builders, for every thousand-dollar increase in the cost of a newly constructed home in Michigan, more than 4,500 households are priced out of being able to afford one. Whether the cost increase is triggered by interest rates or government regulations, it means fewer and fewer are able to realize the American dream of homeownership in our state. Now, more than ever, state leaders need to be looking at how new code and other regulatory requirements will impact housing affordability. Every small change that some might say only costs a few thousand dollars can mean tens of thousands of families being priced-out. This, then, pushes more and more toward our older housing stock, 60% of which was built before 1980. Ironically, if not balanced properly, code changes designed to protect homeowners and save energy will actually do the opposite, by lowering production and eliminating more families from being able to buy new.”

In making the announcement, Filka lauded legislative leaders, the Michigan State Housing Development Authority and the Governor for targeting more resources toward housing production: “We’ve seen a transformation at our state housing agency. They are moving beyond the traditional affordable housing programs of the past and are utilizing new tools the legislature and Governor have made available. These tools have been used for years for job attraction, but communities can now utilize them to attract the housing investment they need. But we can’t just subsidize our way out of our housing crisis. We need to make sure code requirements and development policies are balanced and not tilted toward manufacturers who simply want to sell more insulation or unnecessary sprinklers and electrical equipment. The state’s Department of Licensing & Regulatory Affairs has proposed an old 2021 model code that should be scrapped. Why adopt a code that is three years old and was developed to benefit manufactures not homeowners? HBAM believes the Administration should look to the 2024 International Residential Code (IRC) as a starting point for an update in our state. This newer “model code” is far less costly and would provide more flexibility for builders to innovate in meeting safety and energy efficiency targets.”

*The Home Builders Association of Michigan, 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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