

## News Release from



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### **August Single Family Building Permits Up 5% Even as Interest Rates Rise**

**Lansing, MI** - Today the Home Builders Association of Michigan (HBAM) announced that single family housing permits across the state rose last month by roughly 5% compared to August of 2021. According to U.S. Census data, 1,389 single family housing permits were pulled last month compared to only 1,321 in August of 2021. Year-to-date, Michigan is still down nearly 8% with 10,654 single family permits pulled compared to 11,537 at this time last year.

“With all the negative national housing news people are reading about, this is a reminder that the need and demand for housing in our state is strong,” said Bob Filka, HBAM CEO. “Interest rates, while higher, are still below the 75-year historic average mortgage rate of 7.7%. Higher interest rates, ongoing supply chain challenges and other inflationary factors have made many people pause or delay home construction decisions, but the fact is our state has a huge shortage of homes at nearly all price points. Supply simply hasn’t been able to keep up with demand for more than a decade in our state. This, in turn, has fueled increases in home values and rental rates, making it harder and harder for the average Michigan citizen to find decent, attainable housing.”

In making this announcement, Filka drew further attention to the dysfunctional housing marketplace, noting the huge challenge Michigan has in being able to build workforce or “missing-middle” housing as some refer to it. “Given the many local zoning challenges that exist, along with other regulatory and development costs, it is virtually impossible to build homes at price points where need and demand is the highest,” said Filka. “Local communities are starting to understand this and want to work with builders and developers to attract more missing-middle housing investment, but they need more tools to do so. The Housing Michigan Coalition’s package of bills, aimed at providing more of these tools for the development of workforce housing across the state, needs to be acted on by the Legislature and sent to the Governor. These bills have passed the Senate on a bi-partisan basis and await House action.”

This past year HBAM helped form the Housing Michigan Coalition which consists of nearly one hundred community, business, and government organizations whose efforts are targeted at policy changes that will increase workforce housing supply. Filka concluded, “enhancing access to more workforce housing will strengthen communities, support economic and job growth, and improve outcomes for all Michigan families. Aligning our state programs and policies toward this goal is needed now more than ever.”

*The Home Builders Association of Michigan, a professional trade association comprised of 20 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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