

## News Release from



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### **Home Builders Revise 2022 Forecast**

#### *Permits Up 4% by Year-End Despite Interest Rate and Inflationary Challenges*

LANSING, MI - Residential permit data, compiled by the Home Builders Association of Michigan (HBAM) from US Census Bureau reporting, shows that a total of 6,356 single-family home (SFH) (1-unit) permits have been issued across Michigan, from January through May 2022. This represents a 13% reduction over the same period last year. Despite this fact, the HBA of Michigan is now projecting that permits will rise and exceed 2021 totals. Absent a recession, HBAM is now forecasting a total of 17,114 SFH permits in calendar year 2022. This revised forecast is up nearly 4 percent from the original forecast of 16,476 for the year.

“This updated forecast is going to surprise some, but the underlying need and demand for housing remains strong,” noted HBAM CEO Bob Filka. “We can’t forget that our state has a severe housing shortage and that we have underproduced for more than a decade.” Filka also noted that employment levels and other key economic indicators in its model suggest more building activity should happen. “Obviously, we are in an unprecedented era coming out of a pandemic that saw historic federal spending, so the big asterisk on our revised forecast is whether we have prolonged inflation and/or a recession.” Driving economic factors for this upward revision include improving employment levels along with declining initial jobless claims. North American Vehicle Production is also improving, as some of their supply chain issues begin to ease.

Filka also drew attention to critical workforce housing legislation now under consideration in the Michigan House of Representatives. “The Michigan Senate, on a bipartisan basis, passed a Housing Michigan Coalition package of bills in July of 2021. The House needs to follow course and help create more ways for communities to attract the workforce housing needed in their communities. There has been a void of starter home production in our state and that is where the need and demand is.” The Housing Michigan Coalition is made up of a diverse group of more than 100 business and non-profit organizations (including HBAM). More information on their efforts can be found at <https://housingmichigan.weebly.com/>

*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 affordability.*

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