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LACK OF ATTAINABLE HOUSING AT CRISIS POINT YET NEW HOME PRODUCTION DROPS

Lansing, MI - Today the Home Builders Association of Michigan (HBAM) announced that single family housing permits across the state dropped by more than 14% in January compared to the same period last year. According to U.S. Census data, 1,076 single family housing permits were pulled last year compared to only 929 through January of 2022.

“With supply chain challenges and building material prices skyrocketing, interest rates poised to move up, ongoing workforce shortages and new code requirements under review, including thousands of dollars in mandatory new energy regulations now under consideration, building homes at attainable prices for the average Michigan family is becoming nearly impossible,” said Bob Filka, HBAM CEO. “We’re hitting a cost ceiling that is pushing more and more Michigan families away from being able to purchase a home.”

According to a recent study by the National Association of Home Builders, for every thousand-dollar increase in the cost of a new home in Michigan, more than 5,400 households are priced out of being able to afford one. There are more than 4.6 million existing homes in our state that, on average, are more than 50 years old. Conversely, there are about 16,000 new homes built each year and current code requirements make these homes very energy efficient. Filka continued: “given these facts the State’s focus should be on creating incentives to update people’s existing homes, not making it harder and more costly to build new ones—forcing families into older, less energy efficient homes. The Housing Michigan Coalition’s package of bills, aimed at providing more tools for the development of attainable housing across the state, also 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 numerous community, business, and government organizations whose efforts are targeted at policy changes that will increase attainable housing supply. Filka concluded, “enhancing access to more attainable homes 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 affordability.

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