



Presentation Notes: Mr. Dave Belman of Belman Homes
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The 4-L's affecting new homes: Land, Labor, Lumber, and Legislation

National Association of Home Builders (NAHB) published its 2018 Wisconsin Housing Impact Study, examining the effect of residential construction activity on the state's economy. The news is good: residential construction in Wisconsin generates income and jobs for state residents, as well as substantial revenue for state and local governments.

Specifically, for every 1,000 single-family homes built in Wisconsin, NAHB estimated the

- One-year economic impact at \$298.8 million in income for residents
- \$56.3 million in taxes and other revenue for state and local governments
- 4,451 additional jobs.

The annually recurring impacts of 1,000 homes would include

- \$52 million in income for residents,
- \$20.4 million in taxes and other revenue for state and local governments
- 1,014 additional jobs.

The study additionally compared costs to revenue, finding that after 15 years 1,000 single-family homes in Wisconsin would generate:

- A cumulative \$351.7 million in revenue compared to \$223.3 million in costs, including annual current expenses, capital investment, and interest on debt.

“The Impact Study makes it clear that new housing options for Wisconsin families provide good-paying jobs and additional tax revenues for state and local units of government,” said WBA Executive Director Brad Boycks. “WBA members look forward to working with any community in Wisconsin to provide more housing options, more good-paying jobs, and additional tax revenues for our communities.”

- 2015 NAHB Housing Study Indicates that \$84,671 dollars are added to the cost of a typical new home in Wisconsin due to local, state, and federal regulations. This is 25% the cost of a new home.
- The cost of regulation on new home construction and development went up nearly 30% from 2011 to 2015 per NAHB studies.
- 2/3 of that regulatory cost is on the development side of building
- Framing Lumber composite is 17% higher today compared to 4 months ago and up almost 35% from a year ago
- Wisconsin is in the top 6 Nationally for the Oldest Construction workers with a median age of 44.
- The nation has doubled it's output of homes permitted but has added only 4% to the work force in the last year.

Ways to create more affordable housing:

- Faster approval processes on developments at all levels of government
- Less in-fighting and competing regulations between county, local, and state government
- Incentivize starter home construction
- Regulatory relief on development standards: Street sizes, smaller setbacks, reduce storm water requirements, reduce requirements on 3rd party reports & engineering for both building and development
- Developers, Builders, and elected officials need to change their mindset on what type of homes we should be designing and building

- We all have to work together on these issues to create more affordable new housing

Existing Homes Vs. New Homes (Based on MLS DATA in Waukesha Co.)

- Currently sold 14% more existing homes last year compared to 2006 in Waukesha County but sold 33% less new homes compared to then. 271 vs. 407
- Ave. Existing home went up \$25K since 2006 8% increase
- Ave. New Home went up \$39,837 since 2006 9.2% increase
- Average size of new home went down 1.8% since 2006