



**Northern  
Colorado**  
Home Builders Association

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**April 2023**

## **New Home Sales Relatively Flat in February**

Higher mortgage rates and home prices, as well as increased construction costs, contributed to lackluster new home sales in February, but signs point to improvement later in the year.

### **Sales of newly built, single-family homes**

in February increased 1.1% to a 640,000 seasonally adjusted annual rate from a downwardly revised reading in January, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. However, new home sales are down 19% compared to a year ago.

A new home sale occurs when a sales contract is signed or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the February



reading of 640,000 units is the number of homes that would sell if this pace continued for the next 12 months.

New single-family home inventory fell for the fifth straight month. The February reading indicated an 8.2 months' supply at

the current building pace. A measure near a 6 months' supply is considered balanced. However, single-family resale home inventory stands at a reduced level of 2.5 months.

The median new home sale price rose in February to \$438,200, up 2.5% compared to a year ago.

Regionally, on a year-to-date basis, new home sales fell in all regions, down 29.2% in the Northeast, 21.3% in the Midwest, 7.3% in the South and 40.6% in the West.

## WOTUS Rule Now in Effect in 48 States

The Biden administration's new "waters of the United States" (WOTUS) [rule is in effect](#) in 48 states, but the rule could be short-lived because the Supreme Court's upcoming ruling under *Sackett v. EPA* is squarely focused on the legality of the rule's significant nexus test. The verdict could come in the next few weeks.

Meanwhile, a Texas federal court has blocked the Biden WOTUS rule from taking effect in Texas and Idaho, and specifically cited serious concerns regarding the significant nexus text.

## HUD Proposes New Flood Risk Rule

HUD has published a proposed rule in the Federal Register that would revise HUD's [regulations governing floodplain management](#) and the protection of wetlands in the implementation of the Federal Flood Risk Management Standard.

HUD believes this proposal will improve the resilience of HUD-assisted projects to the effects of climate change and natural disasters and provide for greater flexibility in the use of HUD assistance in floodways under certain circumstances.

## Conn. HBRA Gains Rent Control Win

The Connecticut legislature decided in March that proposed [rent control legislation](#) would not move forward, and instead created two legislative task forces to further explore the issue. The move came after the HBRA of Central Connecticut mobilized its Multifamily Council on the issue.

In concert with NAHB and other partners, the HBRA promoted the value of exploring additional options to the housing affordability crisis and ways to provide tenants with safe, affordable housing.

## SBA Rebukes DOE On Transformer Rule

The Small Business Administration's (SBA) Office of Advocacy has delivered a stinging rebuke to the Department of Energy's (DOE) proposed rule to regulate energy conservation standards for distribution transformers after NAHB voiced its strong concerns at a recent SBA forum.

In a seven-page letter to DOE opposing the agency's proposed transformer rule, the [SBA cited concerns raised by builders](#) and specifically noted small home builders' concerns "that delays in transformer installation have led to significant costs to their projects."

## Kohler Estate Gives Major Gift to NHE

The National Housing Endowment (NHE) announced a [\\$3 million gift](#) from the estate of Herbert V. Kohler, Jr., former Kohler Co. Executive Chairman. As a founding member of NHE, Kohler served on the Board of Trustees for 35 years.

In addition to funding residential construction faculty and curriculum, scholarships help more than 500 students annually attend the International Builders' Show. The contribution also enables expansion of the Skilled Labor Fund's Career Connections grant program to fund local HBA-organized career events.

## A note from our HBA Chair, Mike Welty

From May 12th through the 14th, the NoCo HBA and its sponsors will be hosting the 2023 Home and Remodeling show at the Ranch in Loveland.

This year's show will represent a big undertaking for the association as the board voted in 2022 to run the show solely as an HBA event without any outside help or financial support. The decision was made after careful analysis of last year's show and feedback from many of our members.

Although the show was very successful in 2022, all involved felt like it was of the utmost importance to have this year's show focus on making the home and remodeling show a true "NoCo HBA event".

With about forty-five days to go, this year's home show is shaping up to being an even bigger event than last year, and although booth is filling up, there are still booth and sponsorship opportunities available.

The Home and Remodeling show is important to the HBA for a few reasons:

First and foremost, it's a great opportunity for the association to support our local members and give them a platform to feature and promote their businesses to the Northern Colorado Community. Each member of the association is vital to the association's efforts and the home show is a great opportunity for small and big businesses to showcase the best they have to offer in the home and remodeling industry.

Also for the association, the Home and Remodeling show is one of the biggest revenue driving events of the year which allows the association to focus on other advocacy efforts throughout the year.

The more money that is made during at the Home and Remodeling show, the more money that goes directly towards current efforts that the association is advocating for including but not limited to:

(1) The election of pro-business candidates throughout Northern Colorado. (2) Support for affordable and attainable housing across all Northern Colorado municipalities. (3) Financial support for our paid HBA staff.

To sign up for a booth, or to enquire on sponsorship, click the following link:

<https://www.nocohba.com/home-show>

***Michael Welty***

2023 NoCo HBA Chair

# A Look at the Costs of Constructing a Home

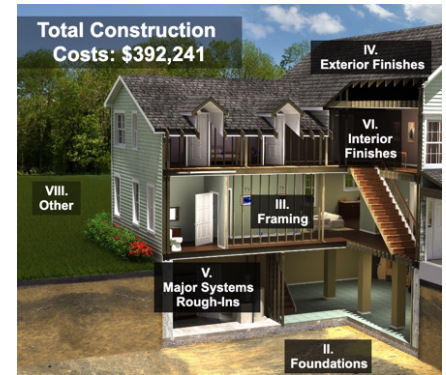
NAHB recently published its latest [Cost of Construction](#) Survey. Results show that construction costs were 60.8% of the average home sale price in 2022, essentially unchanged from the 61.1% posted in 2019.

The finished lot category was the second largest cost at 17.8% of the sales price, down from 18.5% in 2019. The average builder profit margin was 10.1% in 2022, compared to 9.1% in 2019.

At 5.1% in 2022, overhead and general expenses were also essentially unchanged when compared to 2019 (4.9%). The remainder of the average home sale price consisted of sales commission (3.6%), financing costs (1.9%), and marketing costs

(0.7%). These percentages are also similar to their 2019 breakdowns.

Survey respondents broke down construction costs into 8 major construction stages. Interior finishes, at 24.0%, accounted for the largest share of construction costs, followed by framing (20.5%), major system rough-ins (17.9%), exterior finishes (11.8%), foundations (11.0%), site work (7.4%), final steps (5.9%), and other costs (1.5%).



## May Is Home Remodeling Month

During National Home Remodeling Month each May, [NAHB Remodelers](#) implements a campaign to celebrate the remodeling industry, recognize the expertise of remodeling professionals and highlight the benefits of hiring a professional remodeler.

Remodelers and local councils will find tools and tips to help [create a campaign](#) to promote the industry and local members, as well as tips for consumers.

The promotional materials include sample social media posts, web banners, press releases, fact sheets and other consumer materials, as well as articles, op-eds, and fact sheets. These materials are easy to customize.

## Watch the Best of IBS Education

Couldn't make it to the 2023 International Builders' Show (IBS)? Then check out the [Best of IBS Education](#) video series, where the industry's leading voices offer ideas to help you build a better business.

The Best of IBS 2023 Education is a 12-video library that includes the most highly rated education sessions from among the 100+ offered at IBS 2023. This library – available through the NAHB Store – is intended for those who did not attend the 2023 IBS or purchased an Expo-only pass. Access is free to NAHB members. Those who attended IBS and purchased an Education+Expo pass can access the full on-demand library of recorded education sessions.

## Welcome New Members

**Bath Fitter of Colorado**  
**2-10 Home Buyers Warranty**  
**Dynamic Basements**  
**ENT Credit Union**  
**HD Contracting Services**  
**Renewal by Anderson**  
**Highland Cabinetry Colorado**

## Thank you for Renewing

**Richfield Homes**  
**West Range Development, LLC**  
**Thrive Home Builders**  
**Nationwide Expos**  
**Mighty Hand Construction**  
**Toll Brothers**  
**Town of Firestone**  
**Timberline Insulation, Inc**  
**CMG Financial**  
**NoCO Custom Homes**  
**Armstead Construction Inc**  
**Prodesign Specialties Inc**  
**Fossil Creek Drywall**  
**Horizon View Homes**  
**Group Mortgage LLC**  
**Hutch Design Build**  
**Buer Homes, Inc**  
**Stewart Title**  
**Sandler Training**  
**Bridgewater Homes**  
**Petersens Flooring**  
**Ankmar Doors, Inc**  
**Tami Smith with Dream Finders Homes**  
**Rod Beckwith with IPS**  
**Lorie DeHoff with IPS**



**ATTENTION!**

The response to the \$2500 Building The Future Scholarship has been overwhelmingly positive, prompting us to extend the application deadline until April 11th.



# Learn Strategies for Managing Mental Health

Construction workers are particularly susceptible to mental health issues and suicide – which is a silent killer in the industry. Although the most common mental health problems are anxiety and depression, other disorders such as Substance Misuse can be considered a mental health issue as well.

When a worker is struggling to manage mental health issues, their safety and the safety of all those around them on the jobsite can be compromised.

As a part of its ongoing initiative regarding members' [mental health and well-being](#), NAHB recently created a new video “toolbox talk” on mental health.

English and Spanish versions of the video, along with a helpful handout, are available

on the [Mental Health Awareness webpage](#).

For more information on opioid misuse, visit the resources on the [Opioids in the Home Building Industry page](#).



NAHB is also partnering with the North Carolina HBA (NCHBA) on a pilot program called [“Blueprint for Worker Well-Being.”](#) The goal of the program is to develop a strategic plan for mental health promotion and suicide prevention that can be replicated by other HBAs across the country.



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NAHB  
MEMBER.

Members Save Millions  
Start saving at [nahb.org/savings](http://nahb.org/savings)

## NoCo HBA Home & Remodeling Show



The NoCo HBA Home & Remodeling Show is scheduled for May 12-14 at The Ranch Complex in Loveland. Please visit our website for details and to reserve your booth today! There are also opportunities available to sponsor this event. Information on these sponsorships are available on our website.

To reserve a booth and/or sponsor this event, please go online to [NoCo HBA](#) or call the HBA Office at 970.686.2798.

Join the Northern Colorado Home Builders Association's Sales & Marketing Council on Thursday, April 20th for their annual Builders Breakfast. This event is being held at the Windsong Estate Event Center in Severance. Event starts at 8:30AM and open to HBA Members only.

Registration is required to attend. Please click [here](#) to register.

Join NoCo HBA for our upcoming quarterly Membership meeting. Come hear what is happening with your local HBA and network with your fellow HBA members. This event is being held on April 27th from 5-7PM at Elevations Credit Union located at 221 E Mountain ave, Fort Collins, CO.

Registration is open and free to HBA members only. Click [here](#) to register.



NoCo HBA's **Summer Golf Tournament** is scheduled for Monday, June 5 at Ptarmigan Country Club. Spend a day in the sun connecting with your colleagues over a round of golf and enjoy refreshing cocktails and delicious food!

Event is open to members and non-members.

Registration opens Monday April 3 for team registration and sponsorships

Please call the HBA office if you have any questions.

The **2023 Women in Construction Management Summer Institute** application is now open. Deadline to apply is March 15th. Please help spread the word about this opportunity to any high school girls age 15-18 with an interest in Engineering, Design or Construction. It is a fantastic opportunity for young women to learn and explore and grow their self-esteem and confidence while having an amazing time with others with similar interests.

Space is limited. Application accessible through QR code on flyer.



### Developer's Toolkit Training in Greeley:

This two day workshop is on April 13 & 14 and is designed to increase participants understanding of the art and science of affordable housing development. Items covered are:

- The process of developing housing
- Real Estate Terminology
- Production of cost-effective, high-quality housing
- Selection of contract service providers
- Cost containment techniques
- Negotiating with the various player

Cost to attend is \$80 and registration closes April 10th. For additional details and to register please click here.