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FOR IMMEDIATE RELEASE

January 3, 2013

Contact: Ross Woodstock
Kolt Communications, Inc.
517-706-0001/517-410-7636
Ross@Koltpr.com

Home Builders Association of Michigan Forecasts Strong Increase for Home Construction in 2013

(Lansing, MI) – The Home Builders Association of Michigan (HBA Michigan) is forecasting that single-family home construction in 2013 will increase by 39 percent over 2012 levels. HBA Michigan attributes the positive forecast to a stronger Michigan economy and state legislation aimed at stimulating the housing industry.

“With record low new home production for the past several years, pent up demand is finally beginning to burst through in the marketplace,” noted Robert Filka, CEO of HBA Michigan. “When combined with positive tax and regulatory changes that will encourage more investment, our outlook is more optimistic than it’s been in nearly a decade.”

The number of single-family home permits recorded year-to-date in Michigan was up 36 percent through the end of October 2012. Those are the latest numbers available from the US Census Bureau. Current projections are for some 10,000 single-family home permits to be issued in Michigan for all of 2012.

Looking ahead at single-family home permits in 2013 – and assuming a reasonable solution to the looming US “fiscal cliff” negotiations – HBA Michigan forecasts 13,928 permits to be issued in the coming year. In addition to stronger economic factors, Filka said the housing industry will be assisted next year by a new law adopted by the state legislature and recently signed by Governor Rick Snyder. Public Act 494 of 2012 reduces the tax on new inventory homes that are constructed by homebuilders.

“Reducing this punitive tax on inventory homes will lower risk and encourage homebuilders to construct more homes in the future,” said Filka. “Building inventory homes is a critical marketing tool that has proven successful in generating new home sales. Thanks to the foresight of the legislature and the Governor, homebuilders will now be able to invest more in our communities around the state.”

The Home Builders Association of Michigan is a professional trade association comprised of 27 local homebuilder associations around the state and their builder, subcontractor and supplier members. HBA of Michigan works to positively promote the building industry and impact legislative, regulatory and legal issues affecting housing affordability.

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