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## **Strong Finish to 2017: Michigan Single Family Housing Permits Up 10.3% Over 2016**

*Homebuilders Concerned That Constraints May Hinder Future Growth*

(Lansing, MI) – Housing permits for new single family home construction increased 10.3% in Michigan last year. According to the U.S. Census Bureau, there were 16,743 permits issued in 2017, compared to 15,176 the year prior. The rate of increase was more than double the annual housing permit forecast for Michigan issued in January 2017 by the Home Builders Association of Michigan (HBAM). The trade group had predicted just under 5% growth last year.

“The stronger than anticipated year underscores the fact that there is considerable pent up demand for new housing in Michigan,” said HBAM CEO Bob Filka. “It also demonstrates that Michigan’s economy is diversifying more since our forecasting model gives considerable weight to auto production levels.”

Despite the encouraging increase in housing permits, homebuilders remain concerned that several barriers to future growth remain a serious issue. Those concerns include a severe shortage of skilled workers, a lack of available lots, rising building material costs and delays in utility hook-ups.

“In addition to labor force and land development issues many builders are experiencing long delays in being able to get necessary utility hook-ups to build sites, which delays construction and raises costs,” said Filka. “All of these issues are making it increasingly difficult for builders to keep up with the demand for new housing. More and more communities are seeing the inventory of existing homes for sale shrink, along with rising rental prices. While there is some short-term benefit to this, in terms of home values and equity rising for homeowners, it is not in our state’s best interest to see this dynamic continue unchecked.”

HBAM has warned of a looming housing shortage in Michigan when it issued a proposed 13-point action plan to aggressively attack challenges faced by the industry. Copies of the HBAM report, “Housing Challenges Threaten Our Economic Growth—Where Will Ten Million Michiganders Live?” can be downloaded at [HBAofMichigan.com](http://HBAofMichigan.com).

“The industry dynamics of land development decision-making have dramatically changed,” said Filka. “Community and policy leaders at all levels should read our report to better understand this and begin looking at ways to attract the housing investment they need.”

*The Home Builders Association of Michigan is a professional trade association comprised of 24 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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