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## Front Page Wall Street Journal Report Spotlights Emerging Michigan Housing Crisis

(Lansing, MI) – A front page Wall Street Journal (WSJ) report yesterday spotlighted the housing crisis now impacting Grand Rapids. It also highlighted what Michigan homebuilders have been warning about since last year: historically low levels of new home construction may well lead to a shortage of housing of crisis proportions in many communities across our state. The WSJ report includes interviews with several people connected to the homebuilding industry in west Michigan. The WSJ report says that home construction per household is near the lowest level in 60 years.

“The Wall Street Journal report supports the conclusions that we highlighted in our own report on Michigan’s homebuilding industry last summer,” said Bob Filka, CEO of the Home Builders Association of Michigan (HBAM). “The demand from consumers is there, but the combination of a chronic shortage of skilled labor, inconsistent and often burdensome government regulations, a shortage of land and rising costs are hampering our ability to construct new homes, particularly in the lower price point range desired by first or even second-time home buyers.”

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 WSJ report cites statistics from the National Association of Home Builders that shows that builders nationally will start 400,000 fewer homes this year than is needed to keep up with population growth. “We are experiencing the same trends here in Michigan,” said Filka. “Back in the late 90’s, homebuilders in Michigan were building close to 40,000 homes per year. We expect to hit about 17,000 units in 2018. That is not only well below historic highs, but at least 10,000 homes below where economists say we should be to keep pace with the needs of Michigan’s population.”

At its height, Michigan’s residential building industry annually contributed more than \$3.3 billion in local and state taxes, generated nearly \$10 billion in income and helped generate and sustain more than 153,000 jobs. Today the industry is less than half this size even though demand for housing and renovation services continues to grow.

*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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