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## **New Housing Permits in Michigan Up 23 Percent in the First Two Months of 2018**

(Lansing, MI) – Michigan’s homebuilding industry started 2018 on a solid upswing. Housing permits for single family home construction through the first two months of 2018 are 22.8% ahead of year ago levels. According to the U.S. Census Bureau, there were 2,065 permits issued in the first two months of the year, compared to 1,681 for the same period a year ago. For the month of February, there were 1,103 housing permits issued statewide compared to 910 a year ago.

“We are heading into the spring building season on a nice upswing,” said HBAM CEO Bob Filka. “The number of permits issued in the winter months are typically far lower than other periods, so at this point it is best to say we are cautiously optimistic about the trendlines we are seeing.”

Though the increases in the number of housing permits are encouraging, the marketplace continues to see changes that are threatening the availability of new homes at lower price points. Homebuilders and their subcontractors are seeing labor costs rise as they struggle to find workers. Material costs are also spiking due to tariffs and growing demand. Additionally, there is a lack of buildable lots in many areas and inconsistent local government regulations often delay new developments and discourage entry-level housing. All of these factors are translating into higher and higher prices for newly constructed homes.

“The economics of the homebuilding environment in Michigan right now are, in effect, causing many homebuilders to construct more expensive homes,” said Filka. “While that works for those that can afford higher-priced homes, it is not good for the average Michigander looking for housing. There is a real shortage of lower to moderate-priced new homes, which is serving to squeeze more and more middle-class consumers out of the ability to pursue the American dream of home ownership.”

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 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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