

Magic Valley BUILDER

The Newsletter of the Magic Valley Builders Association



SF Permits Fall in First Half of 2019

Over the first six months of 2019, the total number of [single-family permits](#) issued year-to-date (YTD) nationwide reached 417,453. On a year-over-year basis, this is a 6.1% decline over the June 2018 level of 444,600.

Year-to-date ending in June, single-family permits reported declines in all four regions. The Midwest, Northeast, South, and the West declined by 9.8%, 3.0%, 3.7%, and 10.2% respectively, compared to the same time period in 2018. The Northeast region had the highest growth in multifamily (8.1%) while the West recorded a decline in multifamily permits growth (-6.3%) during the last 12 months.

Between June 2018 YTD and June 2019 YTD, eight states and the District of Columbia saw growth in single-family permits issued while 42 states registered a decline.

The District of Columbia recorded the highest growth rate during this time at 89.5% from 57 to 108 while single-family permits in Montana declined by 24.9%, from 1380 in 2018 to 1037 in 2019.

Year-to-date, ending in June 2019, the total number of multifamily permits issued nationwide reached 232,682. This is 1.6% ahead of the 229,013 at the same point in 2018.

Between June 2018 YTD and June 2019 YTD, 28 states and the District of Columbia recorded growth while 22 states recorded a decline in multifamily permits.

September 2019

LEADERSHIP

Leadership List

President:

Justin Winson

Vice President:

James Wallace

Associate VP:

Mandi Riddle

Secretary: Deanne Bailey

Treasurer: Scott Standley

Member at Large:

Chad DeBie

Member at Large:

Cindy Collins

Executive Officer:

Sari Jayo

Land Use Regs Foster Income Inequality

Excessive land use regulations contribute to growing income inequality in America, according to a new policy paper from the Harvard University Joint Center for Housing Studies.

Author Michael Stegman, a senior housing policy fellow at the Milken Institute Center for Financial Markets, argues that the collective impact of decades of layering exclusionary zoning and land use controls is not just higher housing prices. These regulations, he says, are also a powerful contributor to declining rates of economic mobility and productivity growth, and widening disparities in the wealth of white and black Americans.

While having local roots, exclusionary land use practices have clearly become a national problem that Stegman says requires bold national action.

Stegman points out that over the last half century there have been at least five presidential commissions and federal initiatives created to address the insufficient supply of affordable housing.

He writes of these commissions: "Though their respective contexts may vary according to the political economy of the time, their centers of gravity are strikingly similar. Each is based on the proposition that unnecessary land use regulations drive up production costs and drive down housing supply, especially for starter homes and affordable apartments. Generally, regulatory barriers include such things as land use restrictions that make developable land much more costly than it is inherently, zoning restrictions, off-street parking requirements, arbitrary or antiquated preservation regulations, residential conversion restrictions, and unnecessarily slow permitting processes."

Stegman's paper, ["Eliminating Exclusionary Land Use Regulations Should Be the Civil Rights Issue of Our Time,"](#) draws on research findings of economists from across the political spectrum.

Stegman notes a growing consensus that land use regulations in recent decades have contributed to growing income inequality nationwide.

CALENDAR OF EVENTS

**October 2nd
Membership
Drive**

**Training in
Idaho Falls**

**October Board
Meeting
October 15th
Noon**

**Nine Beans &
Burrito**

**November
Board Meeting
and 2020
Pre-Parade
Meeting with
Builders**

**11:00 - 1:00
Canyon Crest**

ESA Final Rule Will Streamline Permitting

In a victory for NAHB, the Trump administration recently released final rules updating the Endangered Species Act (ESA) Section 7 Consultation requirements and new regulations governing the designation of critical habitat that will improve the overall efficiency of the [ESA's permitting process](#). The final rule will make compliance less onerous for home builders and developers.

While home builders support efforts to protect endangered species, they also believe that ESA regulations should be reasonable and structured in a way that delivers on the stated purpose of the rule.

DHS Raises EB-5 Investment Requirements

DHS has put out new rules for the EB-5 Immigrant Investor program that increases the level of investment required for foreign-born investors seeking to participate. Immigrants seeking to use the [EB-5 program](#) to gain permanent residency status must invest at least \$900,000 (up from \$500,000) in areas designated by the U.S. Citizenship and Immigration Services as high unemployment or rural areas. They will need to invest at least \$1.8 million (up from \$1 million) for economic projects in all other areas.

Georgia Judge Dismantles WOTUS Rule

The U.S. District Court for the Southern District of Georgia on Aug. 21 filed a decision that dismantles the Obama-era 2015 waters of the U.S. (WOTUS) rule. This is the first court to find that the substance of the 2015 rule violates the Clean Water Act.

The court decision remands the [2015 WOTUS rule](#) back to the Environmental Protection Agency and the U.S. Army Corps of Engineers to fix it. But the court did not vacate the rule. As a result, the Obama-era WOTUS rule remains in effect in 22 states, and the previous regulations issued in 1986 are in effect in the remaining 28 states.

Don't Miss the 2020 Builders' Show

Want to build better homes and enjoy bigger profits? Then come to the [2020 Builders' Show](#), Jan. 21-23 in Las Vegas. The show features more than 1,400 exhibitors from around the globe in 600,000 net square feet of exhibit space, showcasing the latest and most in-demand products and services.

IBS 2020 offers the most up-to-date education the industry has to offer. It features sessions in seven tracks, taught by renowned building industry experts.

OSHA Seeks Input On Silica Rule

OSHA is asking for comment on Table 1 of the agency's Respirable Crystalline Silica Standard for Construction. OSHA seeks information by Oct. 15, 2019 on additional engineering and work practice control methods to effectively limit [exposure to silica](#) for items listed on Table 1 of the silica rule.

For more information, contact Rob Matuga at 800-368-5242 x8507.

Resources to Promote Careers in Construction

October is Careers in Construction Month. If you are looking for ideas on how to highlight the value of a construction career, consider:

Request a proclamation from your mayor or governor, to help NAHB make [Careers in Construction Month](#) officially recognized in every state. Anyone can file a proclamation for his or her governor or mayor to sign.

Display posters to promote opportunities in residential construction and highlight specific

careers. Promotional materials provided by NAHB can be downloaded and taken to a professional printer to make brochures, posters, flyers and pull up banners.

Share information targeted for students by linking materials to nahb.org/trades which includes information such as salaries and job summaries for the most popular trades. Construction management career path information is also available.

Rates on AD&C Loans Trend Up

Interest rates on loans for land acquisition, development, and single-family construction (AD&C) continued to drift upward in the second quarter of 2019, according to results from NAHB's quarterly [AD&C Financing Survey](#).

Relationships among the various subcategories of AD&C loans remained about the same, with the highest average interest rate – 6.59% – recorded on loans for land acquisition loans, followed by 6.49% on loans for land development, 6.21% on loans for speculative single-family construction, and 5.97% on loans for pre-sold single-family construction.

In each case, the average rate in the second quarter of 2019 was higher than in either the first quarter of 2019 or the fourth quarter of 2018.

The upward trend occurred while the Federal Reserve's target federal funds rate remained stable and mortgage rates were trending downward.

Home Building Slows in Heartland

In a possible sign of economic softening in the industrial heartland, home construction in the nation's major manufacturing areas registered declines on a year-over-year basis in the second quarter of 2019, according to NAHB's [Home Building Geography Index \(HBGI\)](#).

When the manufacturing sector was exhibiting stronger growth in 2017, the rate of home construction in counties with more local manufacturing employment outpaced the rest of the nation.

The second quarterly release of the HBGI focuses on the housing markets in the top manufacturing counties, which represent 10% of the nation's single-family production output and 7% of multifamily construction.

Home building in these areas posted a decline in the first half of 2019, and second quarter data reveal that single- and multi-family construction decreased by 3.8% and 4.1%, respectively, on a year-over-year basis.

Building Permits for August 2019

Twin Falls City: 25

Jerome City: 8

Member Advantage Spotlight:



Flat Rate Discounts on Shipping

NAHB and UPS took the guesswork out and put the easy in. Members now have access to new and improved flat rate pricing with savings of:

- 45% on Domestic Next Day/Deferred
- 25% on Ground Commercial / Residential and
- up to 50% on additional services
- Click HERE for more info!

Thank you to Mayor Barigar and Costco for a very successful 2019 New Member Luncheon!





The 2020 Parade Meeting with our Builders is scheduled for November 14th, at noon, at Canyon Crest. We do have some room for the general membership to attend - please email us if you are interested! Thank you!