

# Magic Valley BUILDER

The Newsletter of the Magic Valley Builders Association



## Builder Confidence Hits 20-Month High

Builder confidence in the market for newly-built single-family homes rose three points to 71 in October, according to the latest NAHB/Wells Fargo [Housing Market Index](#) (HMI) released in mid-October. Sentiment levels are at their highest point since February 2018.



"The second half of 2019 has seen steady gains in single-family construction, and this is mirrored by the gradual uptick in builder sentiment over the past few months," said NAHB Chief Economist Robert Dietz. "However, builders continue to remain cautious due to ongoing supply side constraints and concerns about a slowing economy."

Derived from a monthly survey that NAHB has been conducting for 30 years, the HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

## November 2019

### LEADERSHIP

#### Leadership List

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## Construction Trades Enjoy Competitive Wages

Half of payroll workers in construction earn more than \$47,290 and the top 25% make at least \$66,290, according to NAHB analysis



of 2018 Bureau of Labor Statistics Occupational Employment Statistics Survey data. In comparison, the U.S. median wage is \$38,640, while the top 25% make at least \$62,510.

Year-over-year, [median wages in construction](#) outpaced the national median wages, 3.2% vs 2.5%. Wages of various construction trades and laborers rose even faster, ranging from about 7% for plasterers, stucco masons, roofers' helpers, tapers and floor layers to 3.6% for construction laborers. Stonemasons saw their wages rise by more than 6% and terrazzo workers received wage hikes of more than 5%.

Among construction trades, elevator installers top the median wages list with half of them earning over \$78,990 a year, and the top 25% making at least \$100,720. The median wage for rotary drill operators is close to \$70,000, with the top quartile of the pay scale earning over \$77,610 annually. First-line supervisors of construction trades are next on the list, with half of them making over \$64,600. Boilermakers are a close fourth-highest paid construction craft, with half of these craftsmen working in construction earning over \$64,480, and the highest paid 25% bringing in over \$78,250.

In general, construction trades that require more years of formal education, specialized training or licensing tend to enjoy higher annual wages.

Carpenters are one of the most prevalent construction trades in the industry. Though the trade requires less formal education, the median wages of carpenters exceed the national median. Half of carpenters working in construction earn over \$46,810, and the highest paid 25% earn at least \$61,810 annually.

## CALENDAR OF EVENTS

### Residential Air Sealing Class

December 3rd

TitleOne

9 AM - 4 PM

### ANNUAL PARTY

January 24th

6 PM - 12 PM

Canyon Crest

## New Rule Exempts Appraisals on Some Homes

The Federal Deposit Insurance Corp., Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve have issued a final rule to raise the threshold from \$250,000 to \$400,000 for residential real estate transactions that would [require an appraisal](#).

In a recent press release, the regulators stated that given price appreciation in residential real estate transactions since 1994 (when the appraisal threshold was last increased to \$250,000), “the change will provide burden relief without posing a threat to the safety and soundness of financial institutions.”

## OSHA Grant to Fund Fall Prevention Training

NAHB, in partnership with the Job-Site Safety Institute (JSI), has received a \$150,000 grant from the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA). The grant will allow NAHB and JSI to continue offering the Fall Prevention in Residential Construction course at no cost to NAHB members across the country.

Because of the grant, the four-hour [fall prevention course](#) is available free of charge to NAHB members. It is typically offered through local home builder associations.

## Stucco and Vinyl Most Common Exteriors

The most common exterior wall materials on homes started in 2018 were vinyl siding and stucco, according to data from the Census Bureau’s Survey of Construction (SOC). Vinyl siding (26%) and stucco (26%) were the most commonly used [exterior materials](#) on new homes started in 2018, followed closely by brick or brick veneer at 21% and fiber cement siding (such as Hardiplank or Hardiboard) at 20%.

Smaller shares of single-family homes started last year had wood or wood products (5%) or stone or rock (1%) as the principal exterior wall material.

## Website Explains Opportunity Zones

The White House has released a new website that will serve as an information hub for the [Opportunity Zones](#) initiative established as part of the Tax Cuts and Jobs Act of 2017.

Opportunity Zones provide tax incentives for investors with capital gains to invest in and provide an economic boost to under-served communities.

## VA Accepts NAHB's Radon Revisions

In a victory for NAHB, the U.S. Department of Veterans Affairs (VA) has accepted our suggested revisions and clarifications regarding requirements for [radon gas mitigation](#) on properties located in Zone 1 counties, which have the highest potential radon levels.

Earlier this year, VA revisions to its Lenders Handbook (VA Pamphlet 26-7) caused confusion regarding builder requirements for radon gas mitigation. As a result of an NAHB letter, the VA clarified that radon mitigation is necessary only on properties built in Zone 1.

# Report Cites Growing Housing Inequality Among Older Adults

Housing inequality is becoming more pronounced among older Americans as the number of [older households](#) continues to rise at unprecedented levels, according to a new report, *Housing America's Older Adults 2019*, released recently by the Harvard Joint Center for Housing Studies.

Between 2012 and 2017, the number of households headed by someone 65 or older jumped from 27 million to 31 million and will continue to grow. At the same time, the

number of older adults facing housing cost burdens reached an all-time high of 10 million. Meanwhile, homeownership rates are lower and debt rates are higher for those 50 to 64, as compared to earlier generations.

The report shows that between 2012 to 2017, household incomes among the top 10% of wage earners age 65 and over increased by 22% while incomes of those in the bottom 10% fell by 4%.

## Millennials Want Bigger Homes

When it comes to the size of a home sought by buyers, age matters.

The median square footage millennials (those born in 1980 or after) want in a home is 2,407 square feet, slightly higher than the Gen X generation (2,280 sq. ft.), and significantly more than baby boomers (1,913 sq. ft.) and seniors (1,869 sq. ft.).

[Millennials are most likely](#) looking for larger spaces because they are at the age most associated with starting a family.

Boomers and seniors, on the other hand, are much more likely to be empty nesters or retirees, so they are more likely to be looking to downsize.

These are among the findings in the latest NAHB report, *What Home Buyers Really Want* (2019 edition).

The report is based on a survey of prospective and recent home buyers that asks them about the features they want in a home and a community.

## How to Value Energy Efficiency

A study from Freddie Mac offers insight regarding how lenders may be able to factor energy-efficiency rating systems into the mortgage underwriting process.

The study, "Energy Efficiency: Value Added to Properties & Loan Performance," tracked property sale prices and loan default rates to explore if [energy-efficient features](#) could increase home value and provide less financial stress to owners based on decreased utility costs.

The study focused on homes that utilized two different energy-efficiency rating systems: the Home Energy Rating System (HERS) Index by the Residential Energy Services Network (RESNET), and the Home Energy Score (HES) by the U.S. Department of Energy (DOE).

The HERS-rated homes represented primarily new construction, while the HES-rated homes were more likely existing homes. The homes in the Freddie Mac study were rated between 2013 and 2017.



# FREE Residential Air Sealing Training!

Register Online at:

<https://dbs.idaho.gov/programs/energy/>

**When?** Tuesday December 3<sup>rd</sup>, 2019 9am-4pm  
**Where?** Title One, 1411 Falls Ave E. Suite 1131, Twin Falls, ID

## “Residential Air Sealing- A Whole House Approach”

This interactive workshop addresses codes and unravels some of the mystery of why one of the most important parts of building an energy efficient home is often overlooked. This whole-house approach also addresses attic ventilation, crawlspaces and how to meet minimum ventilation rate requirements.

Spend the morning in the classroom with Jerry Peterson who has served as the Energy Program Manager for the Division of Building Safety since 2010. The afternoon session will provide a “hands on” experience on the job site where you can apply the methods learned in class.

### Open To:

- Inspectors
- Builders
- Contractors
- Tradespersons
- Installers
- Architects
- Engineers



*Earn while you learn! Eligible for ICC Preferred Provider Credits, AIA Credits, and Professional Engineers PDH Credits.*



MVBA  
PRESENTS

2020

*Annual*

**PARTY**

LETS EAT, DRINK AND BE MERRY

24 January, Friday

*Canyon Crest Event Center*  
330 Canyon Crest Drive - Twin Falls

FUN STARTS AT 6 PM

FREE KEG BEER/ LIVE MUSIC  
RAFFLE PRIZES/KARAOKE

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TICKETS: \$30 per Person

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# **Magic Valley Construction Expo 2020**

**DETAILS COMING SOON!**

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opportunities!**