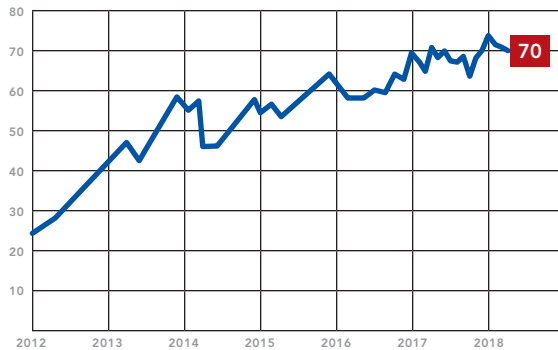
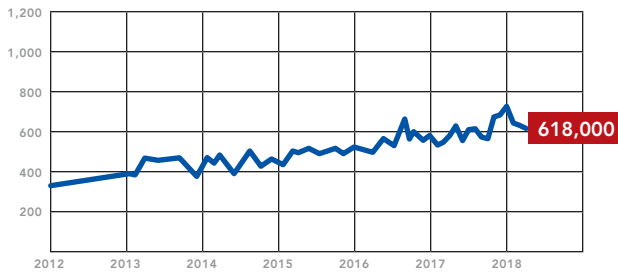


## HOUSING MARKET SNAPSHOT

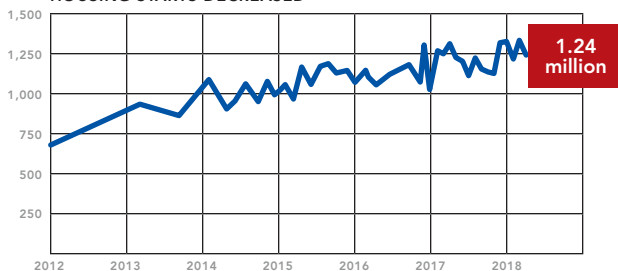
BUILDER CONFIDENCE DIPPED



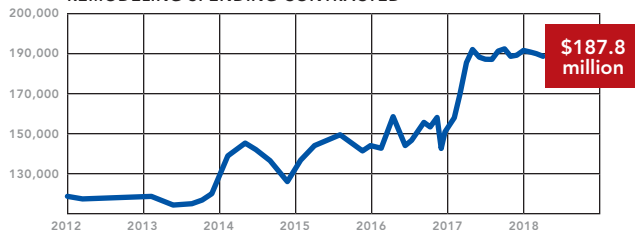
NEW-HOME SALES WANED



HOUSING STARTS DECREASED



REMODELING SPENDING CONTRACTED



According to the NAHB/Wells Fargo Housing Market Index, builder confidence diminished slightly to 70 points in March. In February, housing starts dropped by 7 percent, and new-home sales receded to a seasonally adjusted annual rate (SAAR) of 0.64 percent. Remodeling spending also decreased in February, down 1.5 percent, to a SAAR of \$187.7 million.

## LUMBER TARIFFS DAMAGING CONSTRUCTION INDUSTRY

America's softwood lumber trade dispute with Canada has gone largely unnoticed. But the effects of tariffs imposed in 2017 are very real and very damaging.

Since January of last year, rising lumber prices have increased the price of the average single-family home by \$6,388. Much of this unprecedented price hike is due to tariffs averaging more than 20 percent on Canadian softwood lumber shipments into the United States. The tariffs are acting as a tax on home builders and homebuyers, making housing less affordable for American families.

There is no getting around the fact that the U.S. must rely on Canada to meet its lumber needs. More than one-third of the lumber consumed in the U.S. last year was imported, and more than 95 percent of the imports came from Canada.

Lumber accounts for a larger share of the cost of a home than any other building material. At current prices, lumber accounts for approximately \$18,000 of the cost of constructing a typical single-family home.

American home builders need reasonably priced lumber in order to deliver homes that working households can afford. As we enter the critical spring and summer building season, this matter is becoming increasingly urgent.

It is imperative that the Trump administration resume talks with Canada to find a long-term solution to this trade dispute. American home builders and homebuyers need access to a reliable supply of softwood lumber at reasonable prices.

Unfortunately, the U.S. Lumber Coalition has no incentive to go back to the negotiating table. The punitive tariffs slapped on Canadian lumber exports into the U.S. exacerbate market volatility and put upward pressure on lumber prices, and have steeply increased domestic lumber producers' profits.

During the week ending March 2, the Random Lengths Framing Lumber Composite price hit its highest recorded level—\$512 per thousand board feet, representing a 25 percent increase from one year ago.

Even as U.S. lumber producers seek relief from alleged unfair trade practices by our neighbors to the north, they have boosted profits by exporting increasing amounts of lumber. At the least, these U.S. exports should be discouraged when there is a serious need at home. **PB**

ABOUT NAHB: THE NATIONAL ASSOCIATION OF HOME BUILDERS IS A WASHINGTON, D.C.-BASED TRADE ASSOCIATION REPRESENTING MORE THAN 140,000 MEMBERS INVOLVED IN HOME BUILDING, REMODELING, MULTIFAMILY CONSTRUCTION, PROPERTY MANAGEMENT, SUBCONTRACTING, DESIGN, HOUSING FINANCE, BUILDING PRODUCT MANUFACTURING, AND OTHER ASPECTS OF RESIDENTIAL AND LIGHT COMMERCIAL CONSTRUCTION. FOR MORE, VISIT NAHB.ORG.