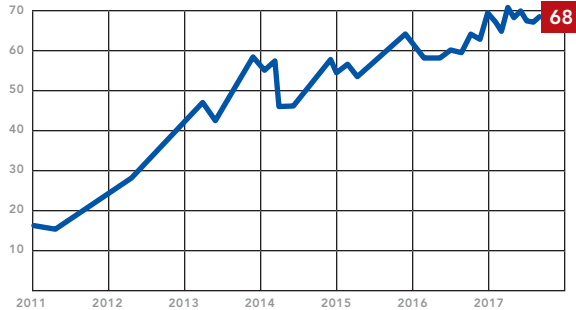
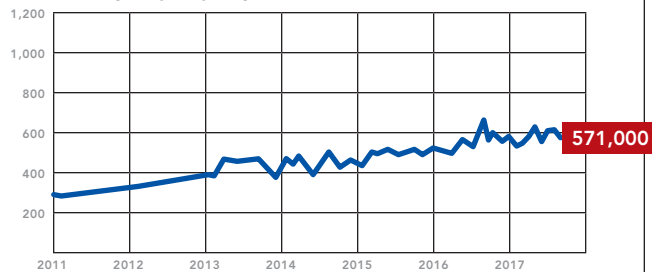


## HOUSING MARKET SNAPSHOT

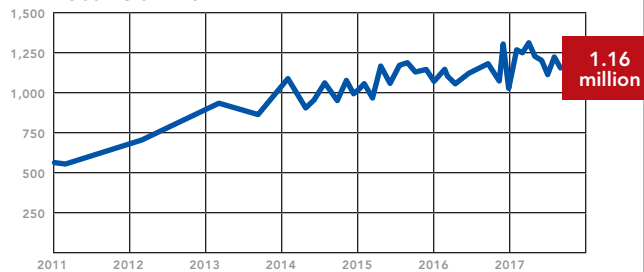
BUILDER CONFIDENCE INCREASED



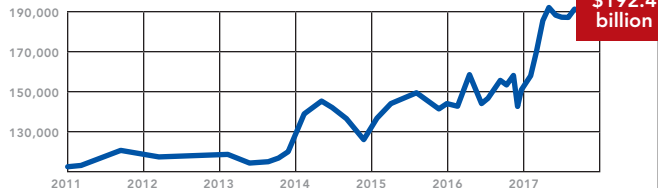
NEW-HOME SALES DROPPED



HOUSING STARTS FELL



REMODELING SPENDING ROSE



According to the NAHB/Wells Fargo Housing Market Index, builder confidence increased four points to 68 in August. July new-home sales declined 9.4 percent from June, and housing starts dropped 4.8 percent during the same period, both on a seasonally adjusted annual basis. Remodeling spending in July climbed 1.4 percent, reaching a seasonally adjusted annual rate of \$192.4 billion.

## FEDERAL JUDGE OVERTURNS OBAMA-ERA OVERTIME RULE

A federal judge in Texas recently struck down a Department of Labor rule that would have raised the minimum salary for an individual to be exempt from overtime pay from \$23,660 per year to \$47,476 per year.

The rule, released by the Obama administration in May 2016, was set to take effect Dec. 1, 2016. However, a preliminary injunction had prevented it from being enacted.

When he struck down the rule, Judge Amos L. Mazzant III of the U.S. District Court for the Eastern District of Texas said that the Labor Department improperly looked at salaries instead of job descriptions in making determinations about who would be eligible for overtime pay.

The National Association of Home Builders led a coalition of business groups seeking to mitigate the impact of the rule. Last year, the group filed a lawsuit in federal court challenging it. Mazzant, an Obama appointee, subsequently issued a preliminary injunction in November 2016. As a result, the overtime rule was never enforced.

The Department of Labor “does not have the authority to use a salary-level test that will effectively eliminate the duties test as prescribed in Section 213(a)(1),” Mazzant wrote in his decision. “... Nor does the Department have the authority to categorically exclude those who perform bona fide executive, administrative, or professional capacity duties on salary level alone.”

The Labor Department “creates a final rule that makes overtime status depend predominately on a minimum salary level, thereby supplanting an analysis of an employee’s job duties,” Mazzant wrote. “Because the final rule would exclude so many employees who perform exempt duties, the department fails to carry out Congress’s unambiguous intent.”

The aspect of the rule that would have automatically adjusted the minimum salary level every three years was also determined to be unlawful by Mazzant.

The Justice Department announced on Sept. 5 that it would not appeal Mazzant’s ruling. Although the Obama-era version of the rule may never take effect, Secretary of Labor Alexander Acosta has indicated that the agency is considering a revised rule. **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.