



Our Mission Statement

The West Tennessee Home Builders Association is the voice of the building industry, advancing homeownership through public policy, education, networking and professionalism in the 21 counties of the Grand Division of West Tennessee.

A Resource the Public Can Trust

Since 1944, the West Tennessee Home Builders Association has been committed to protecting and promoting the housing industry. With over 570 members, the West TN HBA is one of the largest Home Builders Associations in Tennessee. We are professional home builders, architects, remodelers, suppliers, manufacturers, and sales and marketing professionals who believe every American deserves the opportunity of homeownership.

As trusted professionals within our community, our members continue to lead the way in all areas of home construction, driving innovation and giving back to our community with one common goal in mind: to make our community stronger by providing affordable, quality residential housing.

We're excited about the future of West Tennessee!

TENNESSEE IS #1

IN THE U.S. FOR ADVANCED INDUSTRY JOB GROWTH

- No personal income tax on wages and salaries
- A right-to-work state
- A long history of fiscal responsibility that crosses party lines
- Lowest state debt per capita in the country, per The Tax Foundation
- Lowest in the U.S. for state and local taxes paid per capita, per The Tax Foundation
- Triple A rating by all major rating services
- Successful overhaul of our tort and workers compensation laws

NO OTHER STATE OFFERS THE LIFESTYLE TENNESSEE PROVIDES

10.0% Below the cost-of-living national average

20.6% Below national average for housing costs

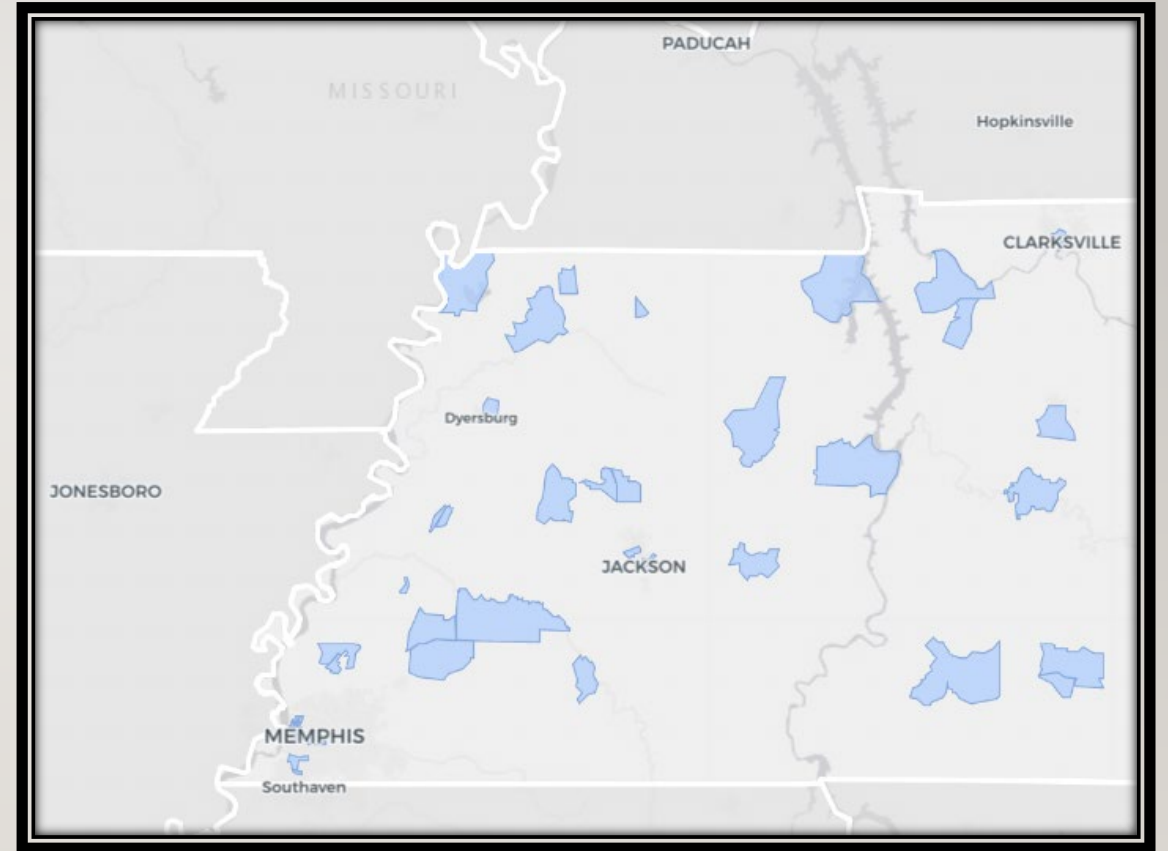
130+ State parks and natural areas

30 National historic landmarks

12 Of the state's colleges and universities compete on the NCAA Division I level

OPPORTUNITY ZONES

Not only do these areas offer ideal opportunities for funds, community leaders, and real estate developers, but they also encourage investment in low-income communities that may benefit the most from capital investment.



BLUE OVAL CITY

3,600 acres

\$5.6 billion in capital investments

\$1.2 billion in annual earnings

5,800 new jobs in Haywood County

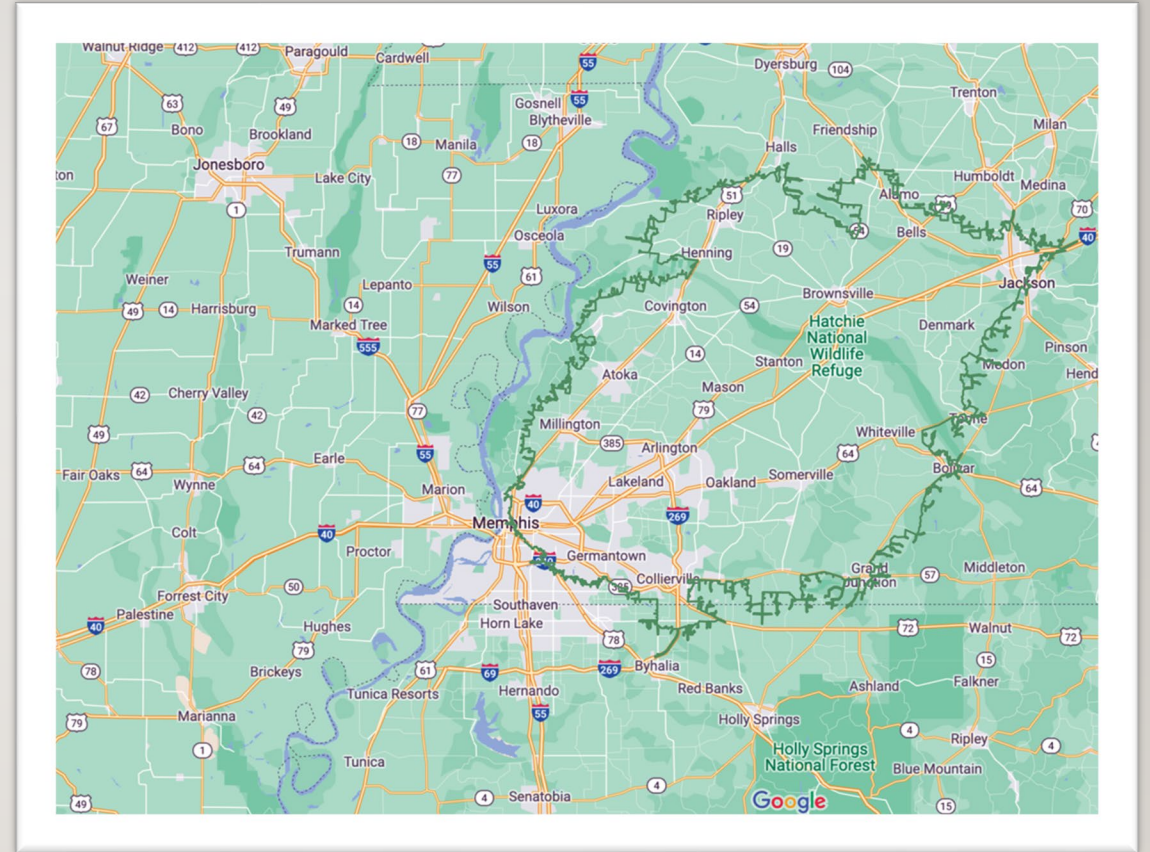
21,300 indirect and induced new jobs

\$1.87 billion in salaries



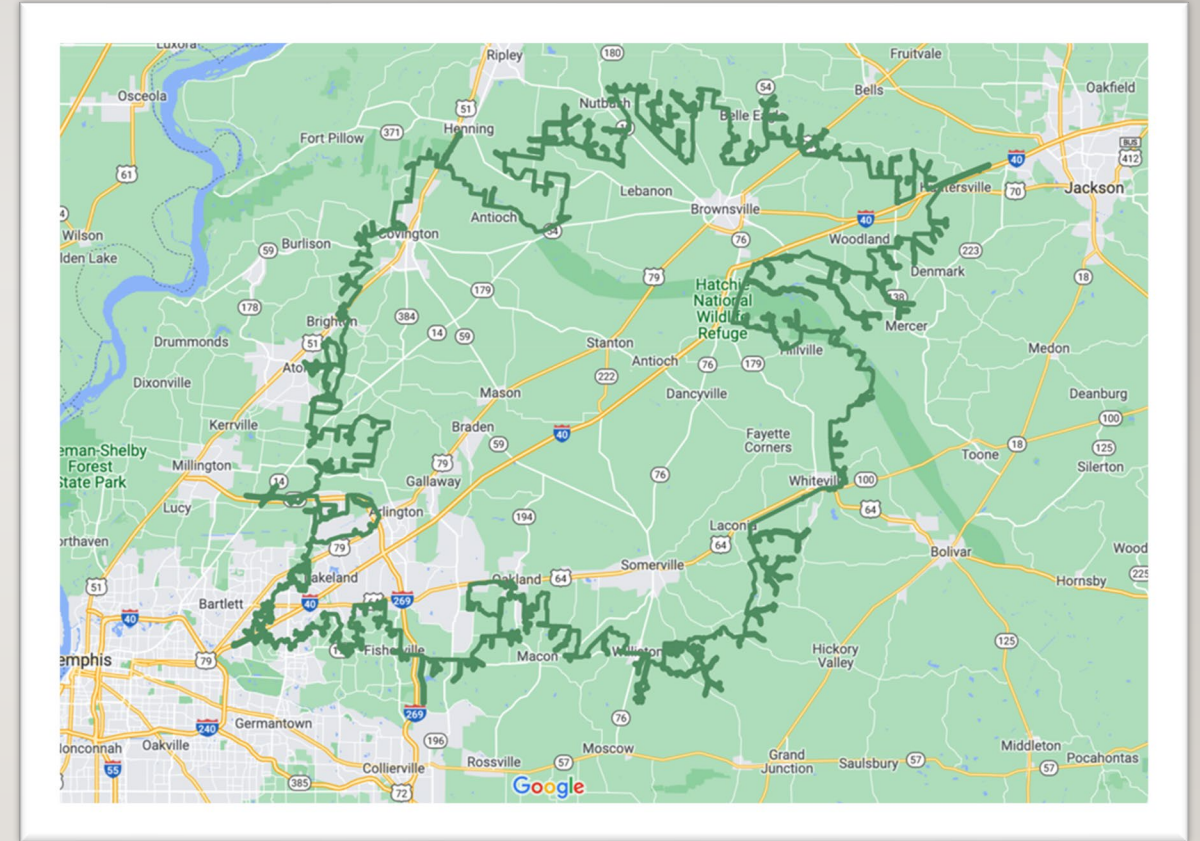
45-MINUTE DRIVE TIME

- Nearly a million people live within a 45-minute drive.



30-MINUTE DRIVE TIME

- The average commute time in the U.S. is just 27 minutes.
- Over the next ten years, the counties that have largely been losing population in the past few decades could see 50,000 new residents.





**BUT WHERE WILL
ALL THE FAMILIES
LIVE?**



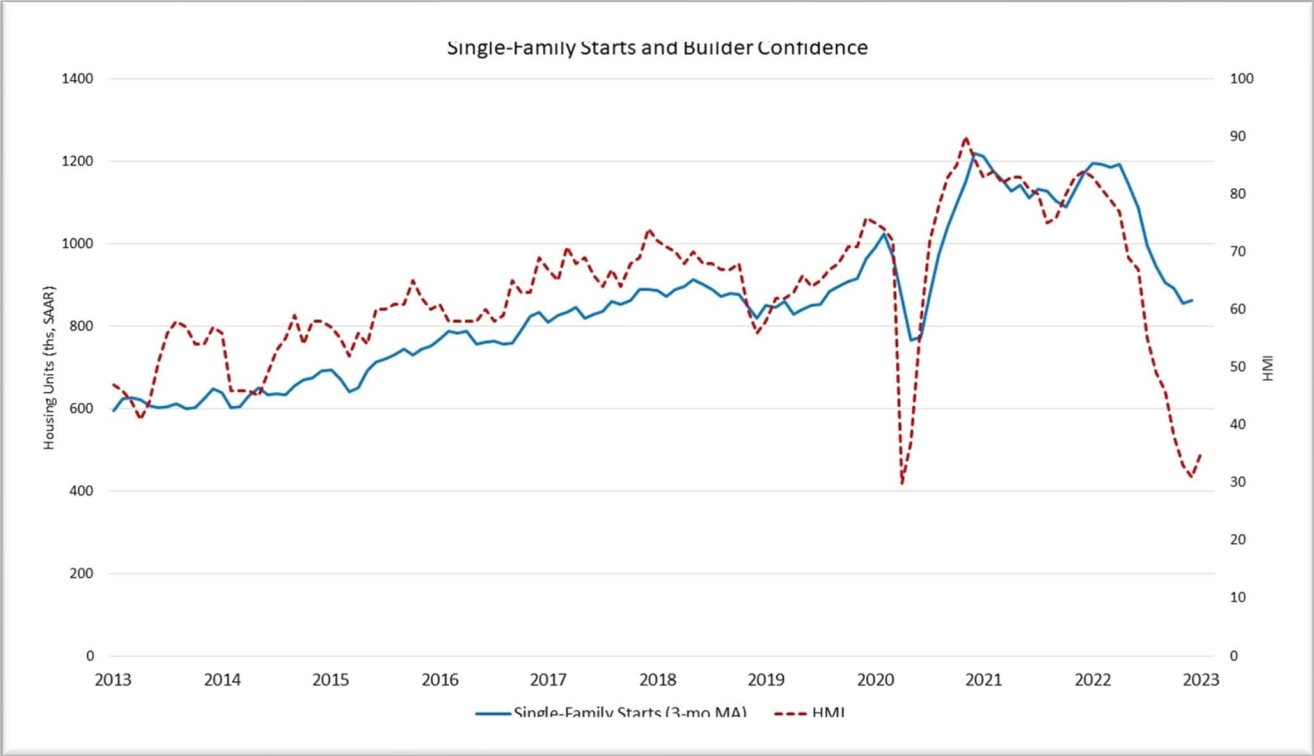
THE CHALLENGES TO MEETING THE DEMAND FOR HOUSING



- Builder Confidence
- Shrinking Market
- Increased Interest Rates
- Material Costs and Supply
- Workforce Shortages
- Government Regulation
- Lack of Infrastructure

BUILDER CONFIDENCE

- Single-family housing starts ended the year down more than 10% in 2022
- That marks the first annual decline since 2011.



MARKET HEALTH

- A healthy housing market is filled with buyers who can afford to buy homes.
- Unhealthy housing markets have a limited number of buyers who can afford to purchase homes.
- The current median price of a new home in Tennessee is \$390,969



TENNESSEE'S SHRINKING MARKET

Tennessee Households priced out the the market by a \$1,000 increase in the price of a home.

	Median New Home Price	Income Needed to Qualify	Total Households	Households Unable to Afford the Median Price	Percent	Additional Households Priced Out by a \$1,000 increase
Tennessee	\$390,969	\$89,349	2,815,746	2,027,961	72.00%	3,343
Metro Areas						
Jackson, TN	\$374,772	\$90,509	189,959	39,996	21.10%	183
Memphis, TN	\$377,236	\$92,760	507,779	132,324	26.10%	639

An average of 72% of Tennessee Households can not afford the median price of a new home.

The percentage is higher in rural areas, but lower in metro areas like Jackson and Memphis.



Members of the West TN Home Builders Association are doing everything possible to avoid pricing Tennessee consumers out of homes while still maintaining competitive prices necessary to operate their businesses.

Unfortunately, many factors are outside our control.

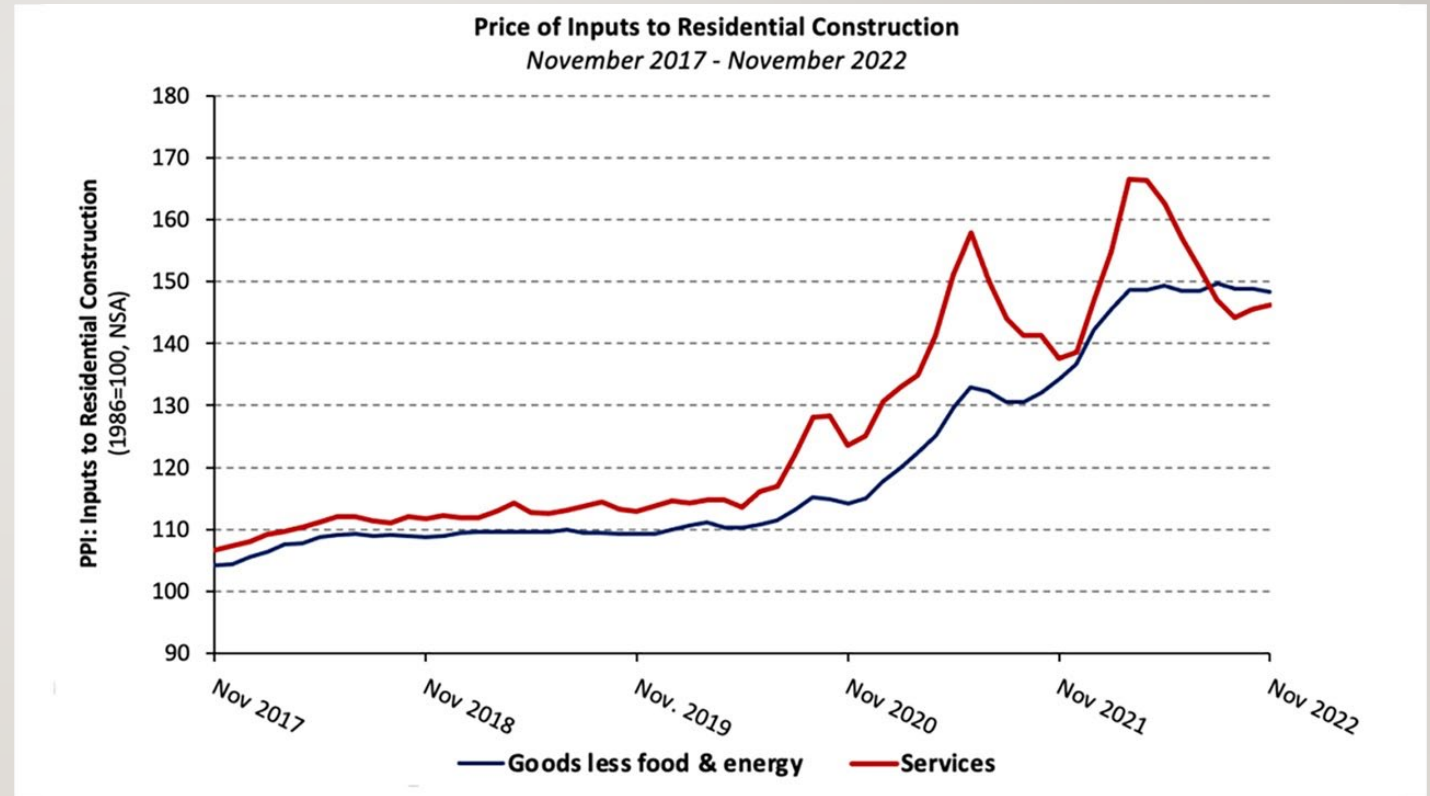
INTEREST RATES

U.S. Households priced out the the market by an increase in interest rates.

Mortgage Rate	Median New House Price	Monthly Mortgage Payment	Taxes and Insurance	Minimum Income Needed	Households That Can Afford House	
					Number	Percent
3.22%	\$450,700	\$1,925	\$509	\$104,302	44,513,280	34.2%
4.22%	\$450,700	\$2,165	\$509	\$114,599	39,532,750	30.4%
5.22%	\$450,700	\$2,419	\$509	\$125,476	34,369,423	26.4%
6.42%	\$450,700	\$2,740	\$509	\$139,221	29,006,877	22.3%
7.08%	\$450,700	\$2,923	\$509	\$147,071	26,405,266	20.3%

COST OF BUILDING MATERIALS

Although the prices of certain building materials, like lumber, have begun to level off, overall building material prices have jumped more than 35% since January 2020.



WORKFORCE SHORTAGE



- With only one skilled tradesman entering the workforce for every five who retire, the demand for skilled labor in the U.S. has reached a critical mass.



- Skilled trade labor shortages are making housing more expensive and increase the time it takes to build a home.

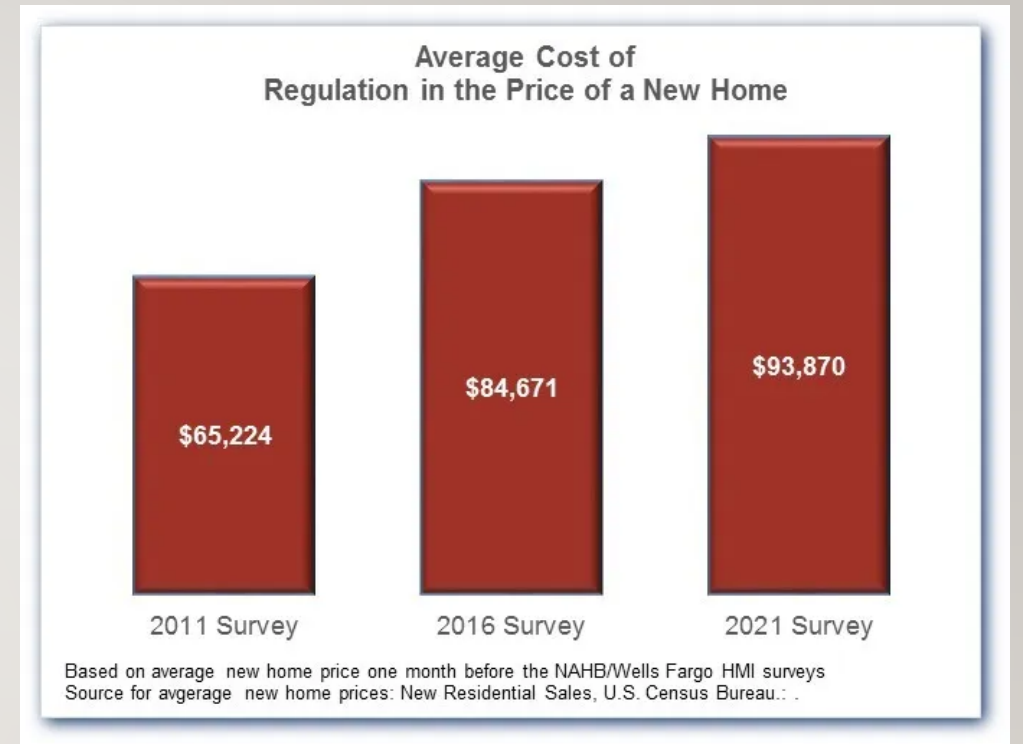


GOVERNMENT REGULATION

- Regulations imposed by government account for **23.8%** of the final price of a new single-family home in Tennessee.
- Unpredictable land development review processes tie up builders' capital and accumulate carrying costs.
- Fees assessed on development add directly to the cost of housing and price too many citizens out.

How you can help:

- Oppose any corrections to County Powers Relief Act
- Freeze the Energy Code by supporting House 0799 / Senate 1377
- Reduce the cost of developing lots and building homes via local regulatory reform



LACK OF INFRASTRUCTURE

One of the greatest challenges to meeting the need for housing is the lack of infrastructure in West Tennessee.

- Lack of water and wastewater systems in rural areas
- Aging systems in need of upgrade in metropolitan areas

How you can help:

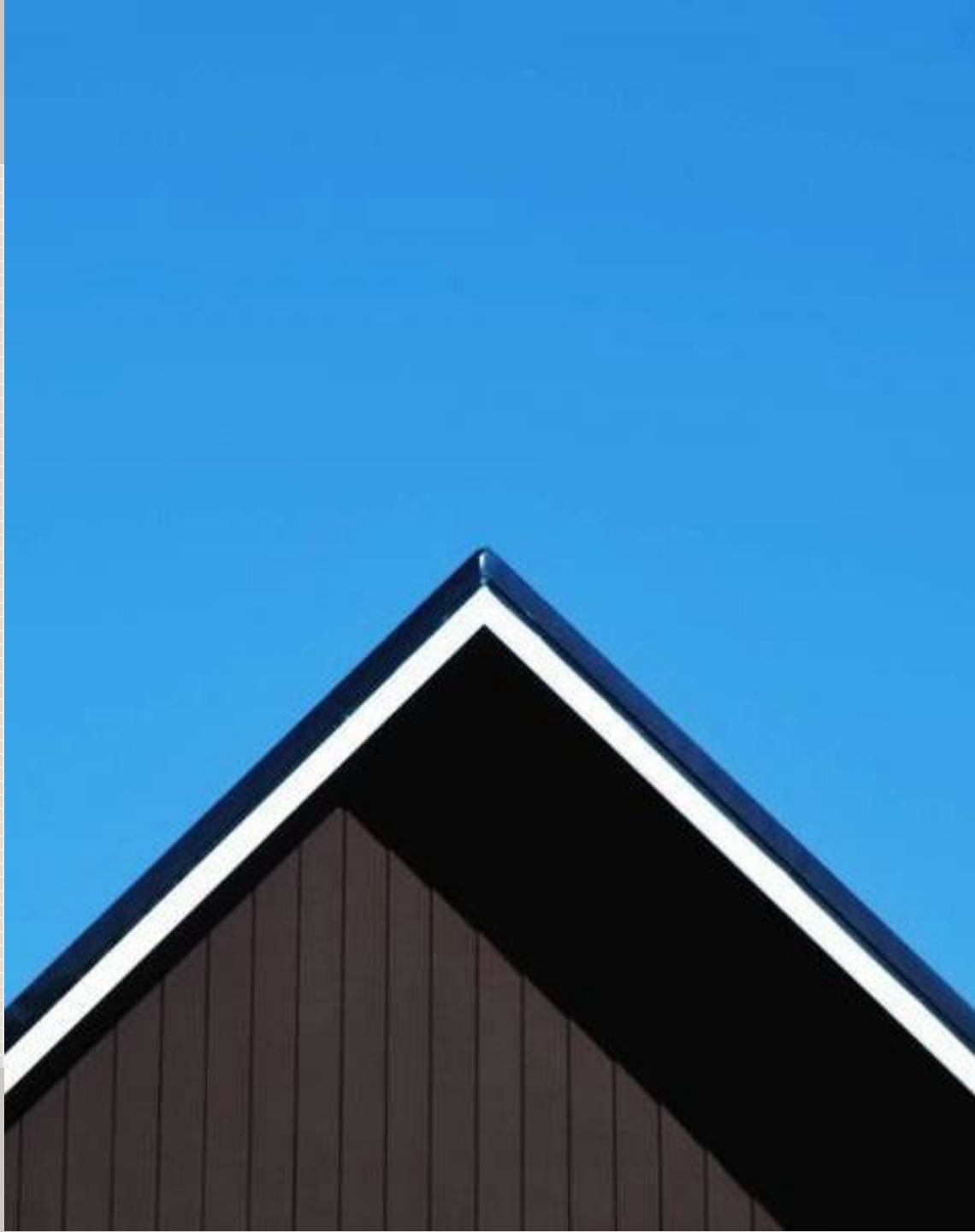
- Support the investment of State funds to provide utility infrastructure, including water/wastewater, electricity, natural gas, and roads, to targeted areas.
- Support bills SB587 / HB923 and SB588 / HB1011. These bills modify regulations to allow the use of advanced technologies that eliminate the need for drip fields. Current drip field requirements are an impediment to responsible development.



WE ALL THRIVE WHEN:



- Families have a decent place to lay their heads at night—whether they are renters or homeowners.
- We can live near our place of work, reducing the time and expense of commuting and leaving more time for community, health and family.
- Our children have a secure home, making them more likely to succeed in school and have better job prospects in the future.
- Tennesseans have strong pathways to building generational wealth through homeownership.



The smartest investment we can make in Tennessee's future is securing a foundation of stable homes for all citizens.

WE'RE HERE TO HELP!



As the trusted professionals in West Tennessee, our members continue to lead the way in all areas of home construction, driving innovation and giving back to our community with one common goal in mind: to make our community stronger by providing affordable, quality residential housing.



The Home Builders Association of Tennessee advocate for legislation that helps the homebuilding industry thrive to become a much stronger contributor to Tennessee's economy.



Free resources are available at nahb.org that may be used to assist with various components of community development. Helpful guides ensure that best practices are utilized, and all aspects of the process are considered.

THANK YOU!

