

How to Solve the Nation's  
Housing Affordability Crisis:

# Let Builders Build



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housing hurdles.

2025 Legislative Priorities



# Congress Can Help Builders Unleash the Housing Market

With a nationwide shortage of roughly 1.5 million homes, the only way to ease America's housing affordability crisis is to increase the nation's housing supply. The best way to boost housing production is for policymakers to break down the barriers that are impeding new home and apartment construction. A host of supply-side constraints — including excessive regulations, building material supply chain bottlenecks and a chronic shortage of skilled labor — are preventing builders from building more attainable, affordable housing that the nation sorely needs.

Regulations — which include complying with building codes, environmental restrictions, and density and growth constraints — comprise nearly 25% of the cost of building a typical new single-family home. Compounding the problem is the fact that building material costs are up 41.6% since the pandemic — well above the rate of inflation. The administration's aggressive trade enforcement agenda has added further upward pressure on construction costs by disrupting building material supply chains. Builders estimate that recent actions on **tariffs will add \$10,900 to the average cost of a new home**, based on NAHB's April member survey.

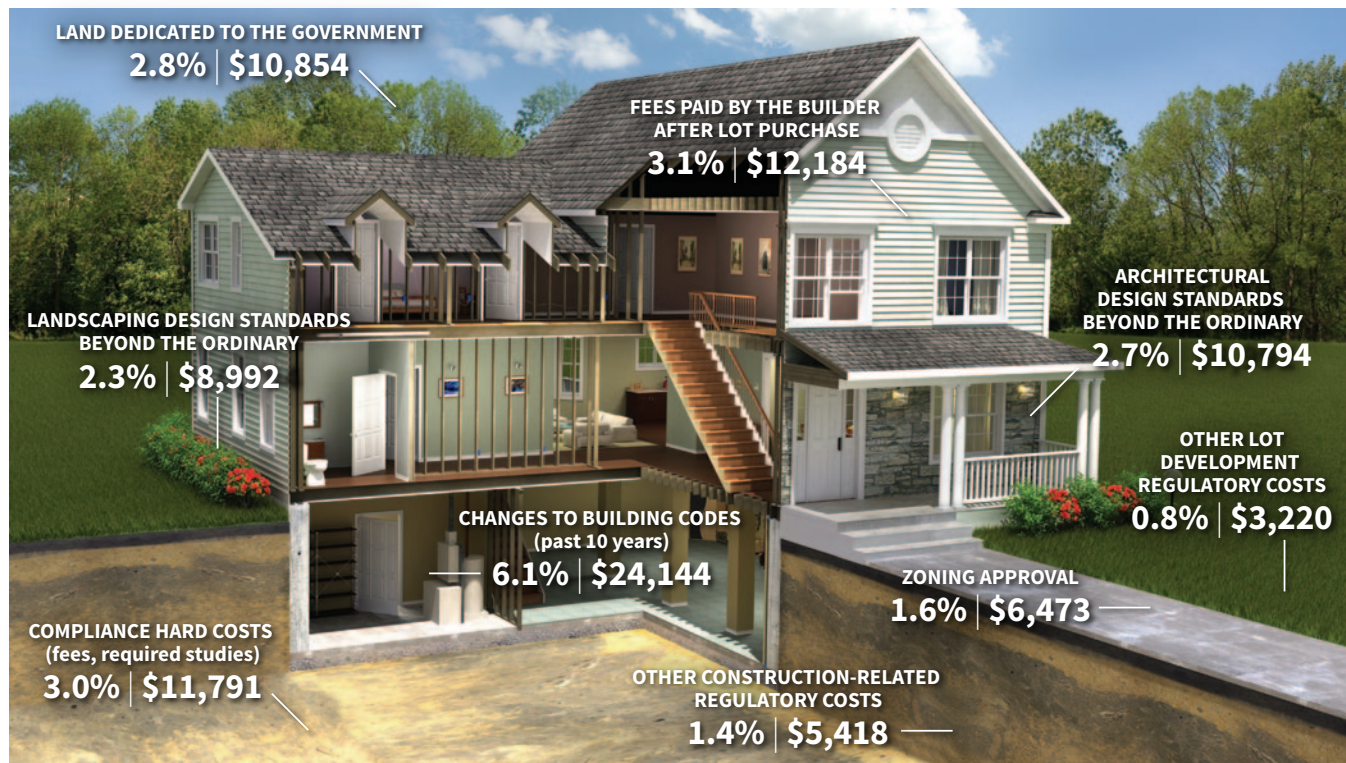
Closer to home, nearly 2.2 million new construction workers will be needed to keep up with housing demand over the next three years. As the U.S. workforce pipeline is not robust enough to meet this demand, immigrant workers constitute nearly one-third of the U.S. construction trades workforce. Even as we encourage more Americans to consider careers in the building trades, we must also pursue immigration policies that complement ongoing vocational training efforts and help fill labor gaps to ensure that the nation has a workforce that can meet its housing construction needs.

## LET BUILDERS BUILD:

### Congress can do its part by:

- Eliminating excessive regulations,
- Working with the Trump administration to reduce the cost of building materials,
- Extending Tax Cuts and Jobs Act provisions that spur housing and economic growth, and
- Promoting careers in the skilled trades.

**Government regulation accounts for 23.8%, or \$93,870, of the average final new house price (\$394,300).**



Percentages represent the percent of the final sales price of an average new home



## 3 Issues That Can Impact Housing Affordability



### ENERGY CODES:

The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) have adopted and will implement the 2021 International Energy Conservation Code (IECC) and ASHRAE 90.1-2019 as the minimum energy-efficiency standards for certain single-family and multifamily housing programs. Compliance with the 2021 IECC can add more than \$22,000 to the price of a new home, but in practice, home builders have estimated increased costs of up to \$31,000. Furthermore, it can take as long as 90 years for home owners to see a payback on this upfront investment.

**To address this and other energy issues that drive up the cost of housing, Congress should:**

- **Pass legislation that would prevent HUD and USDA from requiring a minimum energy standard that raises housing costs and prices out potential buyers.** The adoption of these new unaffordable standards would block many home buyers and renters from accessing housing options within their reach.
- **Pass the Energy Choice Act**, also known as the “ban the ban” legislation. This bill would prevent state and local governments from banning the use of natural gas energy in new homes. A gas ban would exacerbate the housing affordability crisis by increasing costs on new homes, eliminate consumer choice and further strain America’s already stressed electric grid.



### WORKFORCE DEVELOPMENT:

In any given month, there is a shortage of more than 200,000 construction workers and this labor shortage is worsening the housing affordability crisis through higher home building costs and construction delays.

**Congress should:**

- Ease this severe workforce shortage by **passing the CONSTRUCTS Act**, bipartisan legislation pending in the Senate (S. 189) and House (H.R. 1055) that will help prepare young adults for rewarding careers in construction and other essential trades.
- Strengthen the federal government’s approach to workforce training by implementing important **reforms to Job Corps** as outlined in the bicameral A Stronger Workforce for America Act.



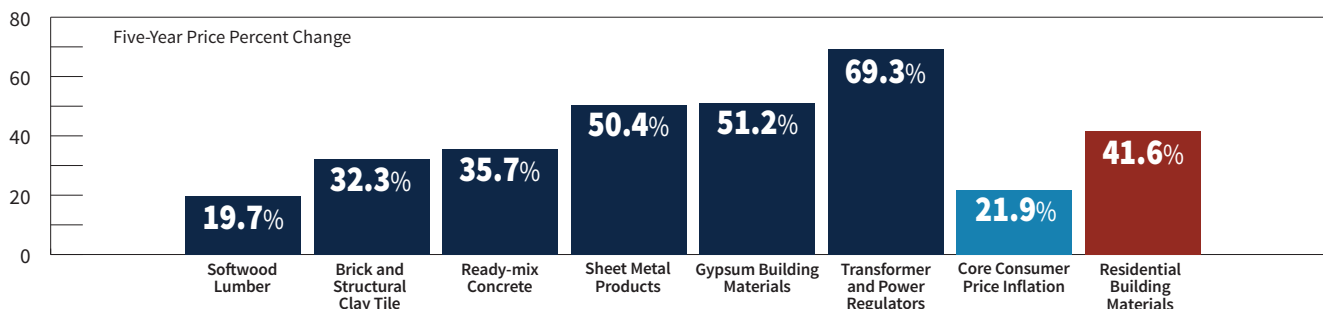
### TAX POLICY:

As lawmakers consider tax legislation, there are important provisions for the housing industry.

**Congress should pass a tax package that:**

- **Permanently extends pro-business and pro-housing policies from the Tax Cuts and Jobs Act,**
- Provides more resources for affordable rental housing by **expanding the Low-Income Housing Tax Credit,**
- **Addresses limitations placed on the state and local tax (SALT) deduction cap that burden home owners** in high-cost areas, and
- **Preserves long-standing energy tax incentives, especially the Section 45L New Energy Efficient Home Credit, the Section 25D Residential Clean Energy Credit and the Section 48E Clean Electricity Investment Act.** Builders and remodelers have made significant business investments to comply with these credits, which offer a voluntary, cost-effective pathway to improving energy efficiency. A sudden termination of these credits would undermine these efforts.

**Building Material Prices Soar 41.6% Since the Pandemic – Well Above the 21.9% Rate of Inflation**



Source: Producer Price Index, U.S. Bureau of Labor Statistics; NAHB Analysis

