



# Economics Group

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## Builder Confidence Stays Put at High Level

*The NAHB/Wells Fargo Housing Market Index (HMI) held steady near its cycle high at 72 in February. Builders are upbeat about future sales but remain concerned about rising costs for workers, lots and materials.*

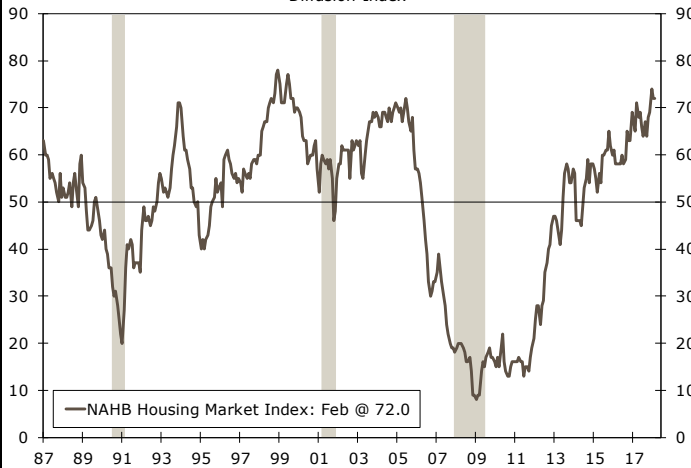
### Future Sales Expectation at Cycle High

- Buyer traffic jumped late last year, as milder weather across much of the country brought more potential buyers to model homes and new housing developments. That higher traffic has bolstered builder confidence, which remains near its cycle high.
- The future sales index rose 2 points, reaching a cycle high of 80. Buyer traffic held steady at 54 but is up 8 points year to year and running well ahead of the 50.1 averaged for all of 2017.

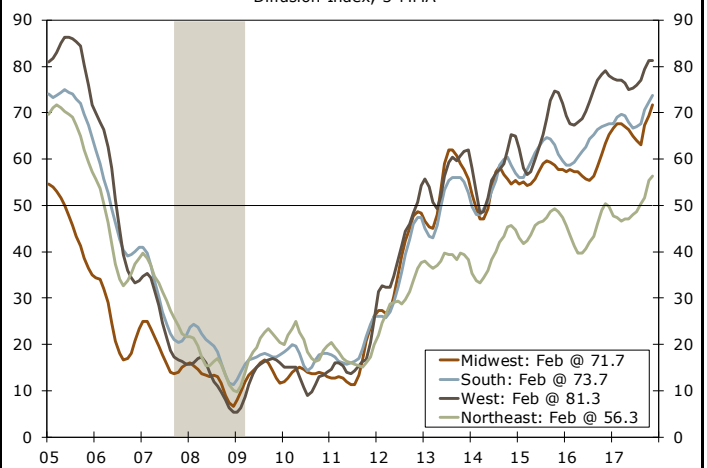
### Broad Economic Strength Benefits Housing Market

- Builder optimism is trending higher in all four regions but is highest in the West and South, which are growing rapidly.
- Builders are facing much less competition from existing homes. Fewer homeowners are looking to sell, as many are reluctant to part with their current low mortgage rate. Tight supplies are pulling existing home prices higher, making new home purchases relatively more attractive.

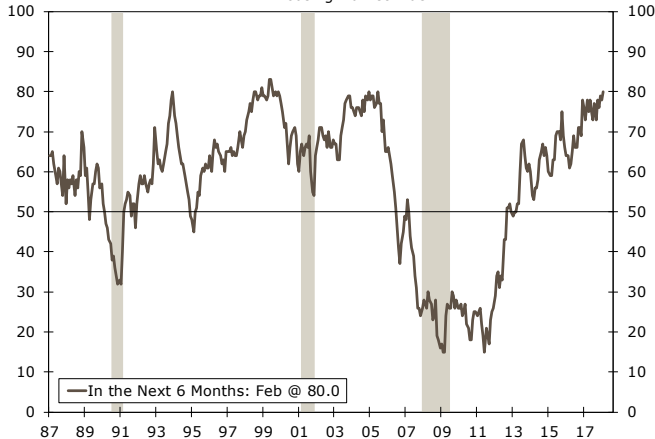
NAHB/Wells Fargo Housing Market Index  
Diffusion Index



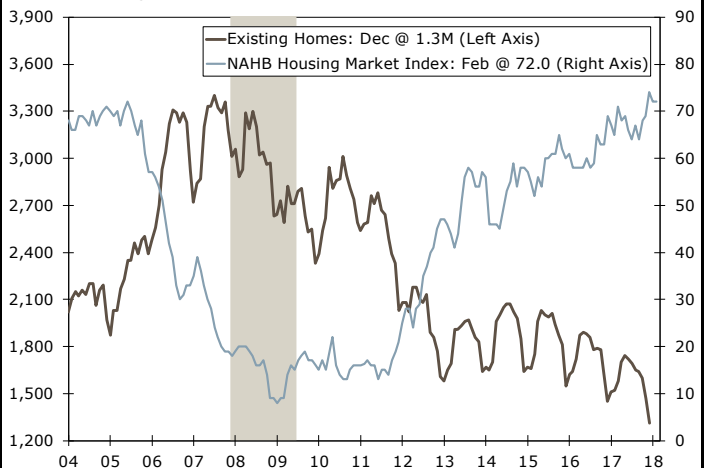
NAHB Regional Indices  
Diffusion Index, 3-MMA



Expected Single-Family Home Sales  
NAHB Housing Market Index



Inv. of Existing Single-Family Homes vs. NAHB  
Existing Homes for Sale at End of Month, In Thousands, NAHB Index



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