Housing Market Index (HMI)

Special Questions on Rebuilding Homes in Affected Areas in the Event of a Natural Disaster

February 2019

Economics & Housing Policy Group

Introduction:

For more than 25 years, the National Association of Home Builders (NAHB) has conducted a monthly survey of its builder members that is used to generate the NAHB/Wells Fargo Housing Market Index (HMI). The main section of the HMI survey asks builders to rate market conditions for the sale of new homes at the present time and expected over the next 6 months, as well as the traffic of prospective buyers. The results are combined into a single composite index that measures the overall strength of the market for new single-family housing.

Throughout its history, the HMI has generally performed well as a leading indicator of single-family housing starts and is widely reported in business media and used by government and Wall Street analysts. This month survey was sent electronically to a panel of roughly 2,200 builder members. Results are broken down by the four census regions and by total number of units started in 2018. The survey sample is refreshed annually to keep the panel consistent overtime.

In addition to the questions that provide the data needed to compute the HMI, the survey often also LQFOXGHV D VHW RI ³VSHFLDO´ TXHVWLRQV RQ D WR
The special questions for this month cover issues relating to dealing with rebuilding homes in the affected areas in the event of natural disasters. The results in this report are based on 214 responses.

Q1. In the event of a natural disaster (e.g. hurricane, flooding, earthquake, wildfire) outside your normal area of operation, would you be willing to deploy your company (or part of it) to work on rebuilding the affected area?
(Percent of Respondents)

Q2. , I \ R X V D L G µ \ H V ¶ Rquestion W G H S H Q G V ¶ L Q **How far would you be willing to drive one-way each day to get to the worksite?**
(Percent of Respondents)

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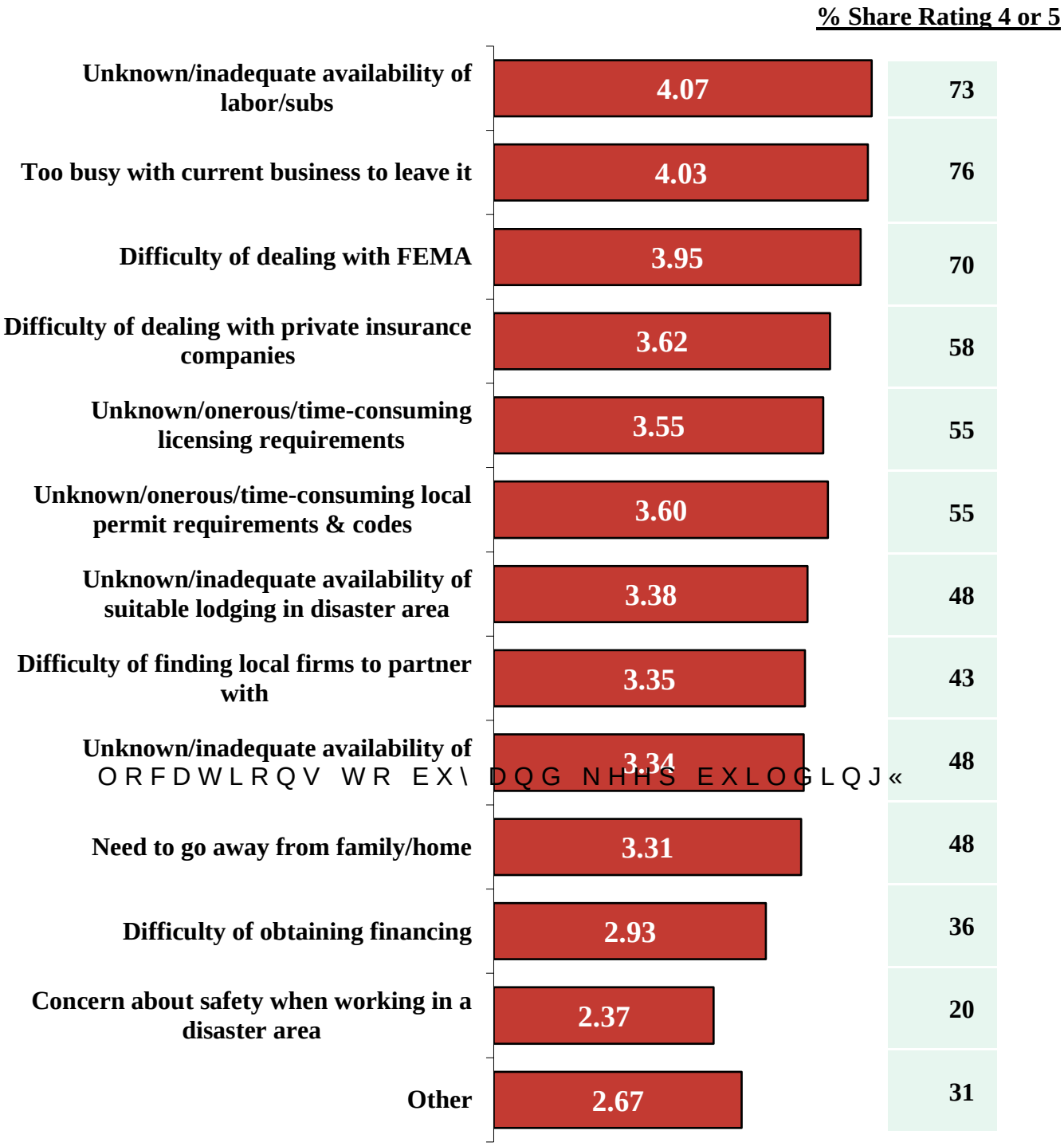
Q3. How much of an obstacle would each of the following factors be to deploying your company to work in the affected area? Use a scale from 1 to 5, where 1=Not an obstacle at all and 5=Major obstacle.

(Average Rating)



Q4. To what extent would each of the following increase your willingness to deploy your company to work in the affected area? Use a scale from 1 to 5, where 1=No increase at all and 5=Major increase.

(Average Rating)

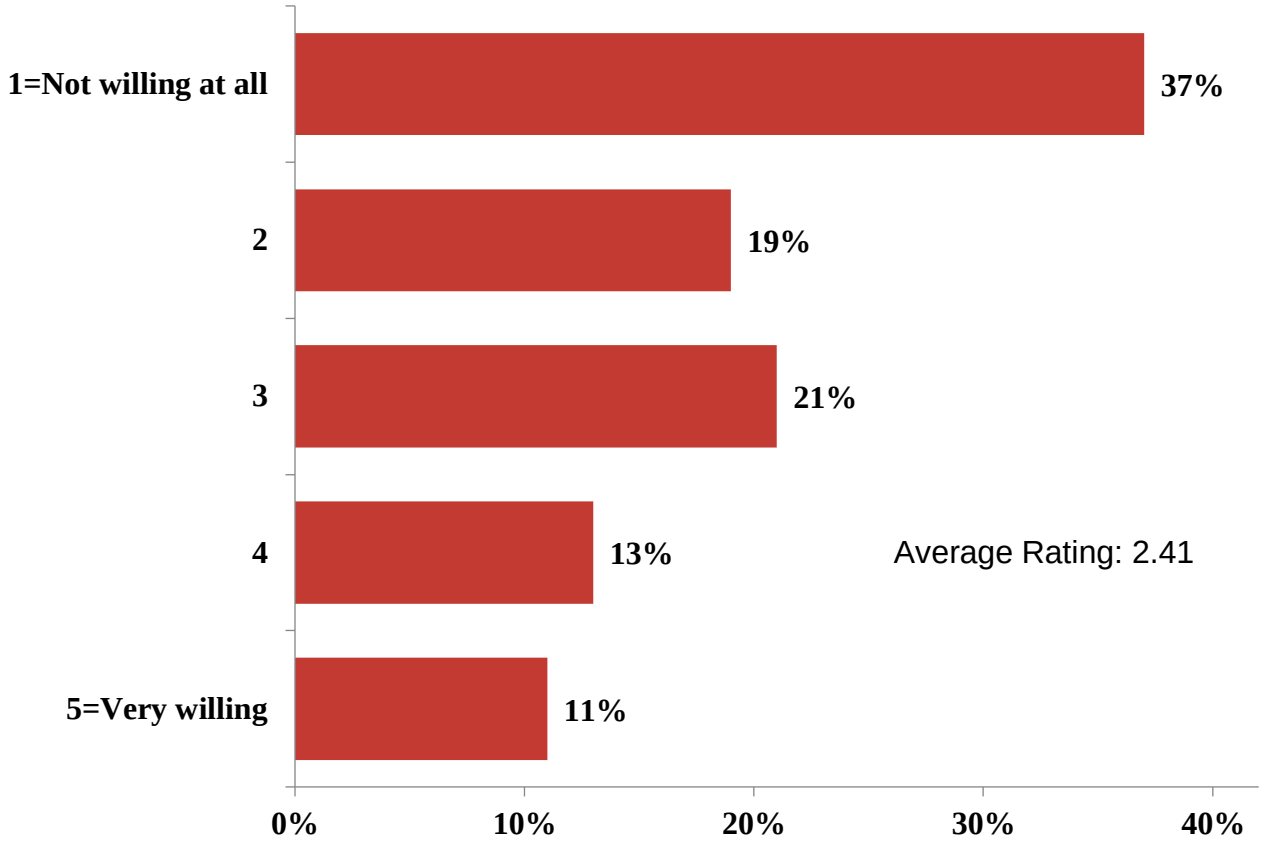
% Share Rating 4 or 5

COMMENT: If you F K H F N H G in question 4 about extent to which increase your willingness to deploy your company to work in the affected area? Use a scale from 1 to 5, where 1=No increase at all and 5=Major increase, please specify:

* All of it, easier the process, the better the chance.
* Assurance of getting paid every 42 weeks.
* Do not have employees. So nothing to move.
* I have just been through a disaster and it is the 3rd one of my career. I have no desire to pursue of work. There is a shortage of subs and materials, huge cost increases, and you customers are at their wits end. Insurance is a constant fight and the project is not something the customer desir forced upon them.
* I ramp up and add capacity to do the work and then the work is complete and then what do I do?
* Medical.
* Not applicable
* Not possible for me to leave home.
* This would not be work I would seek out as spec home or commercial projects but would be willir only if hired by insurance company to build a good number of homes etc.
*

Q5. If a natural disaster occurred in your area, how willing would you be to partner with an outside contractor (licensed in his/her area, but not yours) who would operate under your license? Use a scale from 1 to 5, where 1=Not willing at all and 5=Very willing

(Percent of Respondents)



Q6. COMMENT: - continued

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Q1.In the event of a natural disaster (e.g. hurricane, flooding, earthquake, wildfire) outside your normal area of operation, would you be willing to deploy your company (or part of it) to work on rebuilding the affected area?

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2018			
		NE	MW	S	W	5 or Fewer	6-24	25-99	100+
Yes	13	11	7	11	25	11	13	13	14
No	45	56	48	51	25	34	53	54	41
It Depends	42	33	46	38	50	55	34	33	45
Responses	208	18	46	100	44	62	64	46	22

Q2. , I \R X V D L G µ \ H V ¶ R U µ L W G ¶ S H Q G V ¶ L Q T X H V W L R Q **1, how far would you be willing to drive one-way each day to get to the worksite?**

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2018			
		NE	MW	S	W	5 or Fewer	6-24	25-99	100+
Less than 1 hour	20	14	13	21	25	28	17	5	
1 to 2 hours	61	71	74	65	44	56	63	67	75
More than 2 hours	19	14	13	15	31	15	20	29	25
Responses	110	7	23	48	32	39	30	21	12

Q3.How much of an obstacle would each of the following factors be to deploying your company to work in the affected area? Use a scale from 1 to 5, where 1=Not an obstacle at all and 5=Major obst

(Percent of Respondents)

	Total	Region				Total No. of Units Started in 2018			
		NE	MW	S	W	5 or Fewer	6-24	25-99	100+
Need to go away from family/home									
1=Not an obstacle at all	18	20	19	20	14	22	14	17	20
2	11	20	3	12	14	15	8	17	7
3	22	7	31	15	36	15	24	22	33
4	18	40	14	20	11	11	24	19	33
5=Major obstacle	30	13	33	34	25	38	31	25	7

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(Percent of Respondents) - continued

	Total	Region				Total No. of Units Started in 2018			
		NE	MW	S	W	5 or Fewer	6-24	25-99	100+
Difficulty of obtaining financing									
1=Not an obstacle at all	23	20	8	31	22	28	20	16	33
2	18	13	5	25	19	15	12	37	20
3	23	27	24	22	22	28	22	16	33
[redacted]									7
5=Major obstacle	21	33	30	14	24	20	25	21	7
Average Rating	2.93	3.20	3.70	2.49	3.00	2.80	3.22		

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(Percent of Respondents) - continued

Q4. To what extent would each of the following increase your willingness to deploy your company to work in the affected area? Use a scale from 1 to 5, where 1=No increase at all and 5=Major increa

(Percent of Respondents) -

Q4.