

Chicago Builder

The Newsletter of the Home Builders Association of Greater Chicago



November 2018

Home Sales Stumble in September

New and existing [home sales](#) **stumbled** in September, as higher interest rates slowed the housing sector amid otherwise positive macroeconomic conditions — including a near 50-year low for unemployment. The average 30-year fixed-rate mortgage now stands at 4.9%, up from 3.95% a year ago.



Due to the higher cost of financing, new single-family home sales fell 5.5% in September from a downwardly revised August estimate. While new home sales remain 3.5% higher on a year-to-date basis, the September rate was the lowest since December 2016. Consequently, inventory increased to an elevated 7.1-month supply.

Meanwhile, existing home sales declined 3.4% in September, falling to the slowest pace in nearly three years — and 4.1% lower than a year ago.

Median new home sales pricing has decreased over the last year as the mix of supply has shifted. The median new home price was \$320,000 in September, compared to \$331,500 a year ago.

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Opportunity Zones Could be Knocking

The Treasury Department and IRS in October released the long-awaited proposed regulations for implementing opportunity zones, a new type of economic development incentive created by the Tax Cuts and Jobs Act of 2017.

Opportunity zones seek to incentivize investment in underserved communities. Developers may use a Qualified Opportunity Zone Fund to help fund projects located within an opportunity zone. This new source of investment could be a powerful economic tool if properly administered.

NAHB has prepared answers for [frequently asked questions](#) about opportunity zones and qualified opportunity funds. Public comments on the proposed regulations will be accepted until Dec. 28.

OSHA Memo Addresses Incentive Programs

OSHA has issued a memorandum clarifying how the policy prohibiting employers from retaliating against employees who report work-related injuries or illnesses applies to certain safety incentive programs and post-incident drug testing policies. OSHA's intent is to ensure that these programs

and policies are not disincentives for reporting work-related injuries or illnesses.

Stakeholders, including NAHB, [objected to the prohibition](#) in the rule and the preamble language; many employers have found such programs to improve workplace safety and health.

Supreme Court Hears Takings Case

The U.S. Supreme Court on Oct. 3 heard arguments in *Knick v. Township of Scott*, an important [land use case](#) that could decide whether a plaintiff can bring a Fifth Amendment "takings" claim in federal court. NAHB filed an amicus brief in June.

NAHB hopes the ruling will provide relief from the 1985 Supreme Court decision, "*Williamson County*," which requires a property owner to go through state court prior to bringing a takings case in federal court.

Reg Addresses Small Business Health Plans

The Departments of Treasury, Health and Human Services, and Labor recently proposed [a new regulation](#) that increases the effectiveness of health reimbursement arrangements (HRAs) to help employees pay for health insurance. In 2016, NAHB led the fight for Congress to reinstate HRAs, which help home building firms and other small businesses provide health benefits to employees.

Rule Would Boost Retirement Plans

The Department of Labor is working on a rule to help small businesses strengthen [retirement security](#) for employees. The proposed rule would make it easier for small businesses to offer retirement savings plans to employees through Association Retirement Plans, which would allow small businesses to band together to offer 401(k) plans to their employees. NAHB is actively engaged in promoting retirement security.

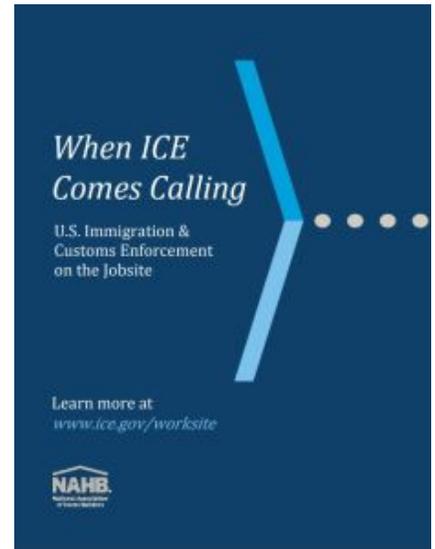
What to Do if ICE Visits Your Jobsite

NAHB has teamed up with immigration law experts to provide members with information on what to expect – and what to do – if a jobsite gets a visit from U.S. Immigration and Customs Enforcement (ICE).

ICE has ramped up oversight of employers' obligations to verify the validity of each employee's identity, and is serving up inspection notices all over the country.

The publication, **"When ICE Comes Calling: U.S. Immigration & Customs Enforcement on the Jobsite,"** offers a look at how these inspections work.

The publication is not legal advice: Employers should consult with immigration counsel and establish a response protocol in case of a raid or audit, and ensure that all field superintendents are prepared and all employees know that the first thing to do is to contact their boss.



Contact Your Local Code Official

The International Codes Council recently conducted public comment hearings on the next edition of the I-Codes.

Input the ICC received will influence changes made to its model building codes. Eligible ICC members will be voting online on the proposals in mid-November.

NAHB has launched **"One and Done,"** a campaign to spur members to contact at least one local code official before the November vote. NAHB will provide members the voting guide on critical proposals to deliver to their local building officials.

All you have to do is sign up for the program and make one contact. By engaging with code officials, home builders are more likely to see better building codes.

Interested volunteers can fill out the form at nahb.org/oneanddone. An NAHB staff member will contact respondents and explain the next steps.

Seeking Clarity on WOTUS

The definition of **Waters of the U.S.** (WOTUS) currently varies from state to state.

The number of states subject to the Obama Administration's 2015 rule, and those subject to the prior 1986 WOTUS definition, has shifted in just the past few months. On Aug. 16, the U.S. District Court for South Carolina halted the Trump Administration's Suspension Rule. As a result, the 2015 rule became applicable in 26 states, with the 1986 definition of WOTUS applicable in 24 states.

But on Sept. 12, the U.S. District Court for Southern Texas issued a temporary injunction against the 2015 rule in Texas, Mississippi and Louisiana. Then, on Sept. 18, the U.S. District Court for North Dakota added Iowa to an existing injunction. Now, the 2015 rule applies in 22 states, and the 1986 definition applies in 28 states.

The Department of Justice is seeking clarity.

Lesson Plans Promote Construction Careers

NAHB has partnered with the Department of Construction Science at Texas A&M University and the University of Oklahoma Construction Science Program to create lesson plans that building professionals



can use to encourage interest in construction careers among students in grades 5 through 8.

View the lesson plans on the [Skilled Workforce Development Resources page](#) under the Lesson Plans tab.

The lesson plans are intended to engage students, be consistent with the school's required curriculum, and be applicable for schools across the United States. Each lesson plan includes a hands-on activity where students apply the math and science principles being taught.

The lesson plans cover a wide range of topics including home and green building design, energy consumption in a home, the importance of communication and basic physics and engineering concepts.

NAHB is encouraging members and HBAs to review the lesson plans and reach out to local school systems to request an opportunity for a member to make a classroom presentation. The plans are detailed and include an overview, a script and handouts, as well as PowerPoint presentations where appropriate. They are structured to make it as easy as possible for a builder to teach a lesson on home building.

To facilitate a building professional entering a classroom and teaching a class, the lesson plans are written to fit within the specific curriculum that is covered in each grade and to be applicable in as many states as possible.

Since curriculum elements vary from state to state and district to district, building professionals seeking to offer a lesson should consult with the school principal or the teacher to make a lesson as effective as possible.

CALENDAR OF EVENTS

Chicago Flavors of Fall with Dekton

Thursday Nov 1, 2018

Book signing event with interior and home furnishings designer THOMAS O'BRIEN

Wednesday Nov 14, 2018

KEY AWARDS GALA

Thursday Nov 15, 2018

Regional BOD Meeting

Tuesday Nov 27, 2018

CAPS I

Thursday Nov 29, 2018

CAPS II

Friday Nov 30, 2018

HBAI BOD & Installation of Officers

Thursday Dec 6, 2018

CAPS III

Friday Dec 7, 2018

HBAGC HOLIDAY PARTY

Tuesday Dec 18, 2018