Talking Points on Key Housing Issues

September 2025

The following talking points help tell the residential construction industry story to the media, policymakers, NAHB members, local/civic organizations and consumers.

Key NAHB Housing Issues

1. **Canadian Lumber Duties Hit 35%.** Within a two week span in late July and early August, The U.S. Commerce Department more than doubled its anti-dumping and countervailing duties on Canadian lumber imports from 14.5% to 35.2%.

2. **One Big Beautiful Bill Act a Big Win for our Members.** NAHB helped secure several key housing and business provisions in this sweeping tax and domestic policy legislation that will benefit small businesses, real estate and our members.

3. **Fed Still on Pause as Economy and Housing Experience Headwinds.** The slow pace of job creation and the broader weakness of the housing market indicate that the Federal Reserve should be easing monetary policy. The NAHB forecast calls for a rate cut in September and one more before the end of 2025.

4. **A Quick Start Out of the Gate.** NAHB has made solid progress in advancing our housing policy objectives in the early months of the new Congress and administration.

5. **Immigration Reform.** While the need for safe and secure borders is paramount, NAHB believes that mass deportation is not the answer because any shock to the labor force would have an adverse impact on housing costs and supply.

6. **Housing Market Snapshot**: Single-family starts and existing home sales posted gains in July while multifamily production and new home sales registered declines. Meanwhile, builder confidence in August fell one point to a reading of 32.

Canadian Lumber Duties Jump to 35%

This section on tariffs is updated as of 11 a.m. ET on Sept. 1, 2025.

- Within a two week span in late July and early August, The U.S. Commerce Department more than doubled its anti-dumping and countervailing duties on Canadian lumber imports from 14.5% to 35.2%.

- Even more troubling, tariffs on Canadian lumber could go much higher in the near term. President Trump in March directed the Commerce Department to launch a separate investigation under Section 232 of the Trade Expansion Act, which is examining whether lumber imports represent a threat to national security.

- If the Trump administration finds that lumber imports pose a threat to national security and elects to impose lumber tariffs under Section 232, this universal tariff would apply to all nations.

- In Canada's case, where lumber tariffs already total 35%, a new lumber tariff stemming from the Section 232 investigation would be tacked on to the existing 35% tariff.

- Elsewhere on the tariff front, President Trump announced a slew of new tariffs for several nations on July 31. The 10% universal tariff remains in place but roughly 40 nations that run a trade deficit with the U.S. saw their tariff rate climb to 15% on Aug. 7.

- Adding further confusion is a legal challenge to Trump's tariffs that could ultimately be decided by the Supreme Court.

Tariff Whiplash Has Already Hurt Housing Affordability

- The on-again, off-again nature of the tariffs and threats of higher levies have already had a negative effect on housing affordability by creating business uncertainty and disrupting building material supply chains.

- In an April survey, builders estimated that recent actions on tariffs will add $10,900 to the average cost of a new home.

- And in a May survey of builders, 78% reported difficulties pricing their homes recently due to uncertainty around material prices.

- Further compounding affordability concerns is the fact that the cost of building materials has already risen 41.6% in the five years since the pandemic – well above the 21.9% rate of inflation.

- Last year alone, nearly $70 billion in construction and housing goods were imported, including softwood lumber, appliances, roof shingles and much more.

- With housing affordability already near a historic low, NAHB continues to call on the Trump administration to carefully consider how placing additional tariffs on lumber and other building materials will raise housing prices and impact housing supply.

- We are also urging the administration to move immediately to enter into negotiations with Canada on a new softwood lumber agreement that will provide a fair and equitable solution to all parties and eliminate tariffs altogether.

- Learn the latest at nahb.org/trade.

"Big, Beautiful" Tax Bill Largely Positive for NAHB Members

- NAHB secured several key victories in the One Big Beautiful Bill Act passed by Congress on July 3. The bill, which was signed into law by President Trump on July 4, includes several important housing and business provisions that will benefit small businesses, real estate and our members:

  - **The Tax Cuts and Jobs Act's** key provisions will be made permanent, including the tax rate structure and increased exemptions for the Alternative Minimum Tax. This blocks a $4 trillion tax increase set to take effect next year.

  - **The Section 199A Qualified Business Income Deduction**, which helps provide tax parity for pass-through entities, is made permanent at 20%.

  - **100% bonus depreciation** is restored and made permanent.

  - **The Low-Income Housing Tax Credit** will be expanded permanently with a 12% increase in 9% credit allocations along with reducing the 4% bond test to 25%, which will expand resources in bond-constrained states.

  - **The estate tax exemption** will increase to $15 million, be made permanent and indexed to inflation.

  - **The individual state and local tax (SALT) limit** will increase from $10,000 up to $40,000 for taxpayers earning less than $500,000 for a five-year period and revert back to a $10,000 cap in 2030, which means that debate over limiting SALT deductions will continue in the coming years.
  - **A business SALT** provision limiting the amount of state income taxes a pass-through business can deduct was removed from the final bill in a big win for NAHB. This means that **none of our members face a business SALT tax increase.**

Energy Tax Credits Face Early Termination

- The one negative in the tax title of H.R. 1 is the early termination of the energy tax credits, particularly the Section 45L New Energy Efficient Home Credit, the Section 25D Residential Clean Energy Credit, and the Section 48E Clean Electricity Investment Credit.

- The Section 45L credit will be eliminated effective June 30, 2026, the Section 25D credit will expire at the end of 2025 and the Section 48E credit will be eliminated for eligible property that is not placed in service by Dec. 31, 2027.

- NAHB believes the most effective way to promote energy efficiency is through voluntary tax incentives. Moreover, NAHB remains concerned because H.R. 1 lacks sufficient transition time for home builders, home owners and remodelers who use these tax credits.

- Over their history, these energy tax credits have been subject to starts and stops as Congress has allowed them to expire. This history suggests that this is not the final word on these tax credits, and NAHB will look for future opportunities to revive them.

- Finally, the bill also includes provisions regarding two NAHB key priorities to increase domestic timber production as well as provide additional resources for workforce development.

Fed (Still) on Pause as Housing Experiences Headwinds

- The slow pace of job creation and the broader weakness of the housing market indicate that the Federal Reserve should be easing monetary policy.

- The NAHB forecast calls for a cut in September and one more before the end of 2025. Such reductions will reduce interest rates for builder loans and place downward, indirect pressure on mortgage interest rates.

- In the meantime, the housing market continues to sag. The construction industry is short more than 250,000 workers. New home sales were flat in July at a 627,000 annualized rate. However, sales are down more than 4% for the first half of 2025.

- Inventory of new homes (including permitted homes that have not started construction) has now risen above half a million, up 8% from a year ago to a near 10-month supply. At this level of supply, many builders are prudently slowing construction volumes.

- Resale supply is at a 4.6-month supply, up 16% from a year ago. Rising inventory levels across the housing market is increasingly producing price declines in local markets across the nation.

- The consequence of persistently unaffordable housing is a declining homeownership rate. For the second quarter of 2025, the rate fell to the lowest level since 2019 to 65%. The declines were particularly large for younger households, with the homeownership rate for those under age 35 reaching a six-year low.

A Quick Start Out of the Gate

- In addition to the recently enacted One Big Beautiful Bill Act, NAHB this year has secured several other important legislative, regulatory and business wins for our members as well as moving the ball forward on many other important housing policy objectives.

- Here are just a few wins that will have an immediate and positive impact on our industry and our members:

  - **A mandate to cut regulations and increase the housing supply.** President Trump issued an executive order on his first day in office that seeks to lower the cost and increase the supply of housing. The president noted that regulatory requirements alone account for 25% of the cost of constructing a new home.

  - **A roll back of Biden's gas water heater ban.** In a major win for NAHB, Congress has approved a resolution that will block the Biden administration's recent attempt to ban certain natural gas water heaters.

  - **WOTUS to be revamped.** In a move strongly supported by NAHB, Environmental Protection Agency (EPA) Administrator Lee Zeldin announced on March 12 that EPA will work with the U.S. Army Corps of Engineers (Corps) to solicit public input and craft a new regulation for the waters of the U.S. (WOTUS) rule.

    Zeldin said the goal is to reduce red tape, cut overall permitting costs and lower the cost of business in communities across the country while protecting the nation's navigable waters from pollution.

    NAHB will be participating in this rulemaking process by submitting comments to the agencies that lay out our vision to enact common sense regulatory reforms to the WOTUS rule.

  - **Six-month delay on HUD's 2021 IECC rule.** In a win for NAHB and the housing industry, the Trump administration has announced a six-month delay in the implementation of the Biden administration's mandatory energy code, an important step forward to help ease the nation's housing affordability crisis.

    Specifically, the Department of Housing and Urban Development (HUD) and Department of Agriculture (USDA) will wait an additional six months before enforcing the compliance dates for adopting 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.

    On Jan. 2, NAHB and 15 state attorneys general filed a complaint in the Eastern District of Texas seeking to stop HUD and the USDA from adopting the 2021 IECC and ASHRAE

90.1-2019 as the minimum energy-efficiency standards for certain single-family and multifamily housing programs.

NAHB is also working to get legislation introduced in Congress that will achieve the same goal.

- **U.S. firms exempt from beneficial ownership reporting.** In a win for NAHB and the small business community, the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) published an interim final rule on beneficial ownership information (BOI) reporting requirements that narrows the BOI reporting requirements to foreign reporting companies only.

  NAHB has actively advocated to protect small businesses from these substantial compliance burdens, including working with lawmakers to provide ample time to understand and comply with these reporting rules and filing an amicus brief to question their constitutionality.

  This rule removing BOI reporting requirements for U.S. companies and U.S. persons became effective on March 26, 2025.

- **FHA to cut all multifamily mortgage insurance premiums to 0.25%.** In an important win for NAHB members, the Federal Housing Administration has announced that it is proposing to reduce the FHA multifamily mortgage insurance premiums (MIP) for all multifamily programs to 25 basis points — the statutory minimum that HUD must charge.

  For context, the current multifamily MIPs range from 25 basis points up to 95 basis points.

  A blanket 25 basis for all multifamily programs will make these programs cost effective and should serve to stimulate the production of multifamily housing.

- **Energy-efficiency mandates suspended.** In a move supported by NAHB, the Department of Energy announced in mid-February that it will postpone the implementation of the latest round of restrictive energy efficiency mandates on key home energy appliances, including for gas powered instantaneous (tankless) water heaters.

Significant Progress on the Legislative Front

- In addition to these victories, NAHB has advanced several important housing objectives in Congress:

  - The Senate and House have introduced the CONSTRUCTS Act, bipartisan workforce development legislation that addresses the lack of workers in the housing sector by expanding opportunities for residential construction training programs at community colleges and technical education schools.

- Both chambers have introduced the Energy Choice Act, legislation that would prevent state or local governments from banning the use of gas in homes and buildings.

- The Keeping Homeownership Costs Down Act, legislation that NAHB has seeking for more than two years, was introduced in the House on June 6. The bill would address major flood mapping issues in California and nationwide that would allow new housing developments to go forward and bring down insurance costs for home buyers and home owners.

- NAHB worked with lawmakers to advance the Permit Act (H.R. 3898), through the House Transportation and Infrastructure Committee. The legislative package is aimed at providing the necessary clarity and confidence needed under the Clean Water Act permitting process.

- The Senate Banking Committee approved a major housing package on a bipartisan vote of 24-0 that seeks to fix the housing crisis by addressing our nation's critical lack of housing supply.

- The House has passed the Fix Our Forests Act (H.R. 471), legislation that would contribute to better forest management practices, help strengthen the nation's housing supply chain and promote affordable housing opportunities for all Americans.

- On the codes front, bipartisan legislation was introduced in the House and Senate (the Promoting Resilient Buildings Act) that would help jurisdictions preserve local control over the building code adoption process while also encouraging communities to take positive steps to withstand and recover from extreme events.

- NAHB-supported legislation that will improve the Low-Income Housing Tax Credit and allow builders to increase the production of badly needed affordable rental housing has been introduced in the House and Senate. The Affordable Housing Credit Improvement Act of 2025 has 114 bipartisan cosponsors in the House.

NAHB Wields Its Clout

- These legislative and regulatory victories with Congress and the Trump administration are a sign of NAHB's tremendous clout and grassroots strength – with members in all 50 states working together for the common cause of advancing the interests of our industry.

- Here are a few examples of that clout in action:

- In one of his first official speaking engagements after being sworn in as HUD secretary, Scott Turner addressed the NAHB Leadership Council during the International Builders' Show in Las Vegas and pledged to work with builders to cut regulations and boost the nation's housing supply.

- NAHB has already testified before Congress on three separate sessions this year. Keep in mind many trade organizations do not get the chance to appear before Congress even once a year. NAHB testified on:

  - Onerous regulations that harm housing affordability,

  - The need to ease supply-side bottlenecks that are the main drivers of low housing supply, and
  - How permitting roadblocks raise housing costs.

- More than 1,000 NAHB members trekked to Capitol Hill on June 11 for the 2025 Legislative Conference to urge their lawmakers to act on key policy areas that will help builders to increase the production of quality, affordable housing.
- NAHB Senior Officers in early February also met with Capitol Hill leaders to address key issues affecting the housing affordability crisis.

- Our solid start to 2025 was built on a strong foundation that we created last year where we laid the groundwork to make housing a top priority at all levels of government.

- You can learn more about NAHB's advocacy team wins for our Federation in 2024 at nahb.org/advocacy/advocacy-overview.

Immigration Reform is Key to Building a Skilled Workforce

- The immigrant workforce plays a critical role in meeting the nation's housing needs. Indeed, nearly a third of the U.S. construction workforce is comprised of immigrant workers.

- While the need for safe and secure borders is paramount, NAHB believes that mass deportation is not the answer.

- Any shock to the labor force would have an adverse impact on housing costs and supply.

- Government data show we are anywhere between 200,000 to 400,000 workers short in our industry.

- This lack of skilled labor slows down the pace of construction, drives up labor costs and ultimately leads to higher home prices.

Solutions

- To enact immigration reform that secures America's borders without raising housing costs and curbing the nation's housing supply, policymakers need to:

    1. Protect the nation's borders.

    2. Ensure that employers continue to be responsible only for verifying the identity and work authorization of their direct employees – and NOT the employees of their subcontractors.

    3. Create a new temporary worker visa with the visa caps driven by market demand rather than arbitrarily set by the federal government.

    4. Continue to support the legal pathways that allow immigrant populations to enter and work in the U.S., such as preserving the H-2B temporary guest worker program. This program is a valued tool for accessing immigrant labor for roles in construction when there is no available domestic talent.

    5. Create new pathways to permanent residency or citizenship for those workers who are already in the U.S. and contributing key benefits to the economy. The home building industry risks an exacerbated skills gap if long-term workers with unique technical expertise are not given the opportunity to continue providing vital contributions to increase America's housing supply.

Housing Market Snapshot

Latest Data: July 2025

Housing Starts	Current Value	Monthly Change	Yearly Change
Single-family:	939,000 AR	2.8%	7.8%
Multifamily:	489,000 AR	9.9%	24.1%

Median SF Home Price			
New:	$398,100	-3.9%	-6.2%
Existing:	$412,100	-0.7%	0.3%

SF Home Sales			
New:	652,000 AR	-0.6%	-8.2%
Existing:	3.64 million AR	2.0%	1.1%

Notes: AR - Annual Rate, SF - Single-family, Seasonally Adjusted Data
Source: U.S. Census Bureau, National Association of Realtors, NAHB Analysis

NAHB/Wells Fargo Housing Market Index– The index, which measures builder confidence in the market for newly built single-family homes, fell one point to 32 in August from a reading of 33 in July. Any number below 50 indicates that more builders view sales conditions as poor than good.

NAHB Chief Economist Robert Dietz's analysis: "Single-family production continues to operate at reduced levels due to ongoing housing affordability challenges, including persistently high mortgage rates, the skilled labor shortage and excessive regulatory costs. Given a slowing housing market and other recent economic data, the Federal Reserve's monetary policy committee should return to lowering the federal funds rate, which will reduce financing costs for housing construction and indirectly help mortgage interest rates. Meanwhile, multifamily and remodeling activity are expanding in 2025. But on the broader economic front, uncertainty regarding policy on tariffs remains a headwind for economic growth."