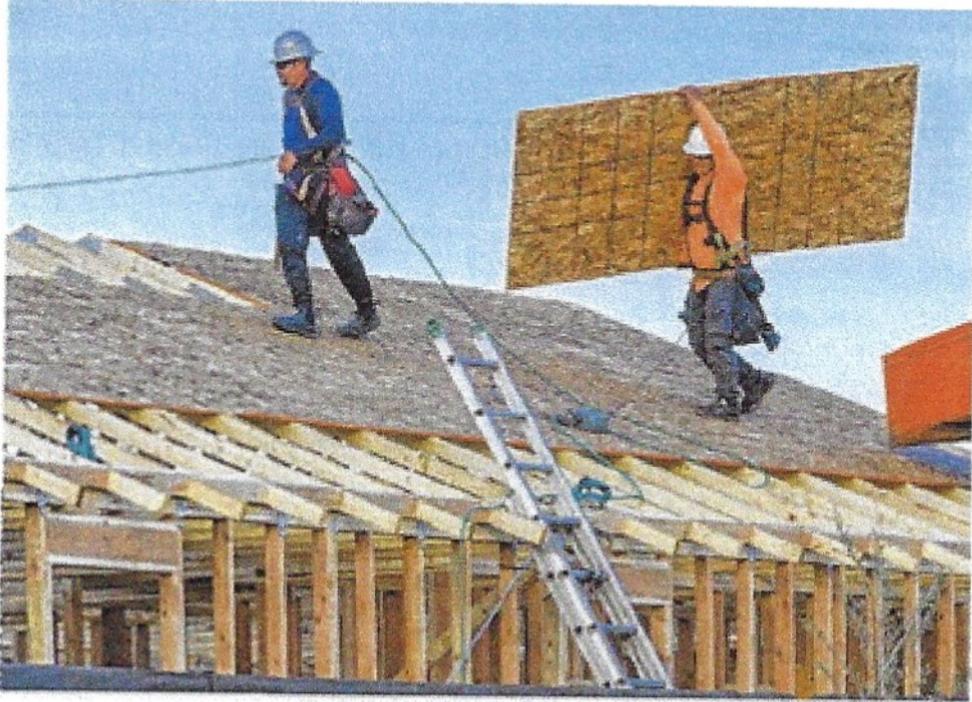


2026-2-18

Good RFE



Buyers report affordability challenges, which is contributing to declining confidence. EDUARDO BARRAZA/ ZUMA PRESS

Home-Builder Sentiment Weakens

BY ED FRANKL

Confidence among U.S. home builders inched lower this month, as affordability challenges persisted.

The National Association of Home Builders' latest report released Tuesday showed that the NAHB/Wells Fargo Housing Market Index, a gauge of builder confidence in the market for newly built single-family housing, was 36 in February, down from 37 in January. Economists surveyed by The Wall Street Journal expected a higher reading of 38.

The decline takes the index further below the threshold of 50 between builders' perceptions of "good" conditions and "poor" ones. The index was last weaker in September.

"Persistent affordability challenges, including high housing price-to-income ratios and elevated land and construction costs, helped push builder confidence lower for the second straight month to start the year," the NAHB said.

The survey showed 36% of builders cut prices in February, down from 40% in January, the lowest incidence since May.

The average price reduction was 6% and use of sales incentives was 65%, both at the same level as January, it said.

"Builders reduced their expectations for future sales as buyers report affordability challenges, which is contributing to declining consumer confidence for the overall economy," NAHB Chairman Buddy Hughes said. "While the majority of builders continue to deploy buyer incentives, including price cuts, many prospective buyers remain on the sidelines."

The index gauging current sales conditions held steady at 41, and that measuring future sales fell three points to 46, while the gauge charting traffic of prospective buyers fell two points to 22, the survey said.

"On the positive side, easing inflation should continue to allow lower interest rates for mortgages and builder loans," said NAHB Chief Economist Robert Dietz.

Note

one pg only