Housing Market Index: Special Questions on Inspections during construction of a single family home
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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.

In addition to the questions that provide the data needed to compute the HMI, the survey often also includes a set of “special” questions on a topic of current interest to the housing industry. The special questions for this month address issues relating to inspections that are required during construction of a typical single-family home. The results in this report are based on 364 responses to these special questions.
Q3a. Currently in your area, how many separate inspections are required during construction of a typical single-family home?

(Percent of Respondents)

- Fewer than 5: 10%
- 5 to 9: 45%
- 10 to 14: 28%
- 15 to 19: 12%
- 20 or more: 5%

Median: 8
Q3b. How has the number of inspections required during construction of a single-family home changed during the past two years?  
(Percent of Respondents)

- No change: 54%
- Increased: 45%
- Decreased: 1%

Q4a. How long does it usually take to obtain a plan review for the typical single-family home? 
(Percent of Respondents)

- Less than a week: 24%
- 1 to 2 weeks: 41%
- 3 to 4 weeks: 23%
- More than 4 weeks: 12%

Median: 1.4 weeks
Q4b. If it typically takes longer than a week to obtain a plan review, what are the reasons?

(Percent of Respondents)

- Standard practice in my area for plan review to take that long: 61%
- Staff cutbacks at local building department during the weak housing market: 53%
- Internal red tape/communication problems within local building department: 43%
- Unusual surge in construction activity: 25%
- Complication caused by changes to building codes: 22%
- Don't know: 7%
- Other: 10%
Q5a. In the typical case, how quickly does the local building department respond to a request for an inspection at one of your construction sites?
(Percent of Respondents)

- Within 24 hours: 56%
- 25 to 48 hours: 37%
- 49 to 72 hours: 7%
- More than 72 hours: 1%
Q5b. If it typically takes longer than 48 hours to obtain a construction inspection, what are the reasons? (Percent of Respondents)

- Staff cutbacks at local building department during the weak housing market: 68%
- Unusual surge in construction activity: 48%
- Waiting that long for an inspection is standard practice in my area: 32%
- Internal red tape/communication problems within local building department: 20%
- Increase in the number of inspections required at the typical site: 20%
- Communication problems between the builder and local building department: 8%
- Complication caused by changes to building codes: 4%
- Don't know: 0%
- Other: 16%
Q6. How often does the local building department in your area contract with third parties to conduct plan reviews and construction inspections? (On a scale of 1 to 5, 1=Never; 5=Always). (Percent of Respondents)

Average Rating

Plan reviews: 1.6
Construction Inspections: 1.6
Appendix I: Survey Questionnaire: BEC Special Questions for September 2013

3a. Currently in your area, how many separate inspections are required during construction of a typical single-family home?
   - □ Fewer than 5
   - □ 5 to 9
   - □ 10 to 14
   - □ 15 to 19
   - □ 20 or more

3b. How has the number of inspections required during construction of a single-family home changed during the past two years?
   - □ Increased
   - □ No change
   - □ Decreased

4a. How long does it usually take to obtain a plan review for the typical single-family home?
   - □ Less than a week
   - □ 1 to 2 weeks
   - □ 3 to 4 weeks
   - □ More than 4 weeks

4b. If it typically takes longer than a week to obtain a plan review, what are the reasons? (Check all that apply)
   - □ Standard practice in my area for plan review to take that long
   - □ Unusual surge in construction activity
   - □ Complication caused by changes to building codes
   - □ Staff cutbacks at local building department during the weak housing market
   - □ Internal red tape/communication problems within local building department
   - □ Don’t know
   - □ Other (Specify):________________________________________________________

5a. In the typical case, how quickly does the local building department respond to a request for an inspection at one of your construction sites?
   - □ Within 24 hours
   - □ 25 to 48 hours
   - □ 49 to 72 hours
   - □ More than 72 hours

5b. If it typically takes longer than 48 hours to obtain a construction inspection, what are the reasons? (Check all that apply)
   - □ Waiting that long for an inspection is standard practice in my area
   - □ Unusual surge in construction activity
   - □ Complication caused by changes to building codes
   - □ Increase in the number of inspections required at the typical site
   - □ Staff cutbacks at local building department during the weak housing market
   - □ Communication problems between the builder and local building department
   - □ Internal red tape/communication problems within local building department
   - □ Don’t know
   - □ Other (Specify):________________________________________________________

6. How often does the local building department in your area contract with third parties to conduct plan reviews and construction inspections? (On a scale of 1 to 5, 1=Never; 5=Always).

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THANK YOU