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New Study Reveals Significant Economic Impact of Housing Industry Labor Shortage

Washington, DC – A landmark study released today from the Home Builders Institute (HBI), in collaboration with the National Association of Home Builders (NAHB), examines the economic impact of the skilled labor shortage for the single-family home building sector. The findings indicate that the skilled labor shortage's impact on the residential construction industry is a multibillion-dollar annual challenge that is responsible for the lost production of thousands of newly built homes.

Commissioned by HBI and conducted by the University of Denver, the study's findings were supplemented with an analysis by NAHB to provide a comprehensive view of the far-reaching implications of this critical workforce challenge.

The skilled labor shortage in the home building sector presents a profound challenge that significantly impacts the production of new homes. As home builders face higher construction costs and prolonged building times, the supply of new homes dwindles, exacerbating the housing affordability crisis and hindering economic growth.

The executive summary highlights several crucial findings:

- **Annual Economic Impact:** The study estimates an aggregate economic impact of \$10.806 billion per year due to longer construction times associated with the skilled labor shortage.
- **Higher Carrying Costs:** The direct cost impact of extended construction times amounts to \$2.663 billion annually.
- **Lost Production:** The shortage has led to a reduction of approximately 19,000 single-family homes not built in 2024, representing an economic loss of \$8.143 billion.
- **Incremental Construction Time:** The unweighted average increase in construction time due to the labor shortage is 1.98 months, with smaller builders experiencing an even greater delay.

Both NAHB and HBI are committed to addressing this critical issue through collaborative programs, education initiatives and advocacy efforts. The organizations aim to boost the skilled labor workforce and mitigate the adverse economic effects highlighted in this study.

“The Home Builders Institute (HBI) is proud to be part of the solution to the nation’s skilled labor shortage,” said HBI President and CEO Ed Brady. “Through hands-on training programs and industry-

recognized certifications, HBI is equipping the next generation of construction professionals with the skills needed to meet growing demand. As our graduates enter the workforce, they help fill critical labor gaps—strengthening the residential construction industry and contributing to lower housing costs across the country.”

Dr. Robert Dietz, NAHB Chief Economist stated, "This study underscores the urgent need for strategic interventions to address the skilled labor shortage. The economic implications are vast, affecting not only the home building industry but also the broader economy."

"Our research provides a clear picture of the challenges faced by home builders due to labor shortages," said Dr. Eric Holt, University of Denver. "It's imperative that we work together to find solutions that will enhance workforce development and support the construction industry."

To read the full research report, click [HERE](#).

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ABOUT HBI: The Home Builders Institute is the nation’s leading nonprofit provider of trade skills training in residential construction. Through the organization’s industry-recognized curriculum, HBI trains in a variety of skills including carpentry, electrical, plumbing, building construction technology, HVAC, and masonry. In programs across the country, HBI provides pre-apprenticeship training and certification programs in middle and high schools; community colleges, technical institutes and training academies for middle and high school students, veterans and transitioning military, unemployed and displaced workers; and low-income, at-risk and justice-involved youth and adults.

ABOUT NAHB: The National Association of Home Builders is a Washington-based trade association representing more than 140,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. NAHB is affiliated with 700 state and local home builders associations around the country. NAHB's builder members will construct about 80% of the new housing units projected for this year.

ABOUT UNIVERSITY OF DENVER (DU): Located in Denver, CO, DU is creating a better future by offering students the skills and perspective to make real, lasting change in our world. The Franklin L. Burns School features the nation's only program integrating the full life cycle of the built environment—from real estate and project delivery to asset management. With a rich history in homebuilding, our industry-certified faculty connects students directly to the nation's thriving real estate market through hands-on learning experiences and our high-tech Collaboratory. Graduates emerge uniquely prepared with the knowledge and big-picture perspective necessary to lead and innovate in this complex industry.