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U.S. HOMEBUILDER EXECUTIVE OUTLOOK SURVEY

June 2026

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Executive Summary

Homebuilders are navigating a tough setup: elevated mortgage rates, near-historic affordability lows, and demand visibility that is limited at best. At the same time, tariff-driven material inflation, rising fuel prices, and persistent labor pressure are pushing costs up while home prices stay flat, squeezing margins from both sides.

Our team at Builder Advisor Group and Avila Real Estate Capital established this survey to understand how homebuilding executives are reading these conditions, where they see risk and opportunity, and how they are planning for the rest of the year. Fielded in June among 127 senior executives, it also tracks how sentiment has shifted since our January edition.

Tony Avila
CEO & Founder
Builder Advisor Group and Avila Real Estate Capital

The views expressed above are Mr. Avila's personal opinions as of the publication date, are subject to change without notice, and do not constitute investment advice or a recommendation of any security, strategy, or fund.

Methodology

Fielded: **June 2026**

100%

NAHB region representation

127

Executive Respondents

87%

C-Level, President, SVP, VP, or Director

All responses are self-reported by survey participants and have not been independently verified. Survey respondents may not be representative of the broader homebuilding industry. Responses reflect expectations as of June 2026 and may change materially. Results should not be interpreted as predictive of actual market outcomes. Subgroup and regional results reflect smaller sizes than the total respondent pool and should be read with that limitation in mind.

Key Takeaways

1 **Sentiment has cooled across the board since January –** builders are notably more cautious on market conditions for the remainder of 2026 than they were originally

2 **Demand uncertainty remains the biggest operational constraint,** with economic climate volatility jumping into the top three

3 Navigating a costly environment – a greater number of builders expect **increases in overall construction costs** and **lot prices** through the remainder of 2026

4 Shift from spec to BTO – we continue to see more builders go on the defensive in **lowering spec start expectations** for 2026

5 Despite rate concerns, builders **remain confident in financing** – many builders expect stable credit with very few even citing it as a concern

Expectations for Overall Market Conditions in 2026

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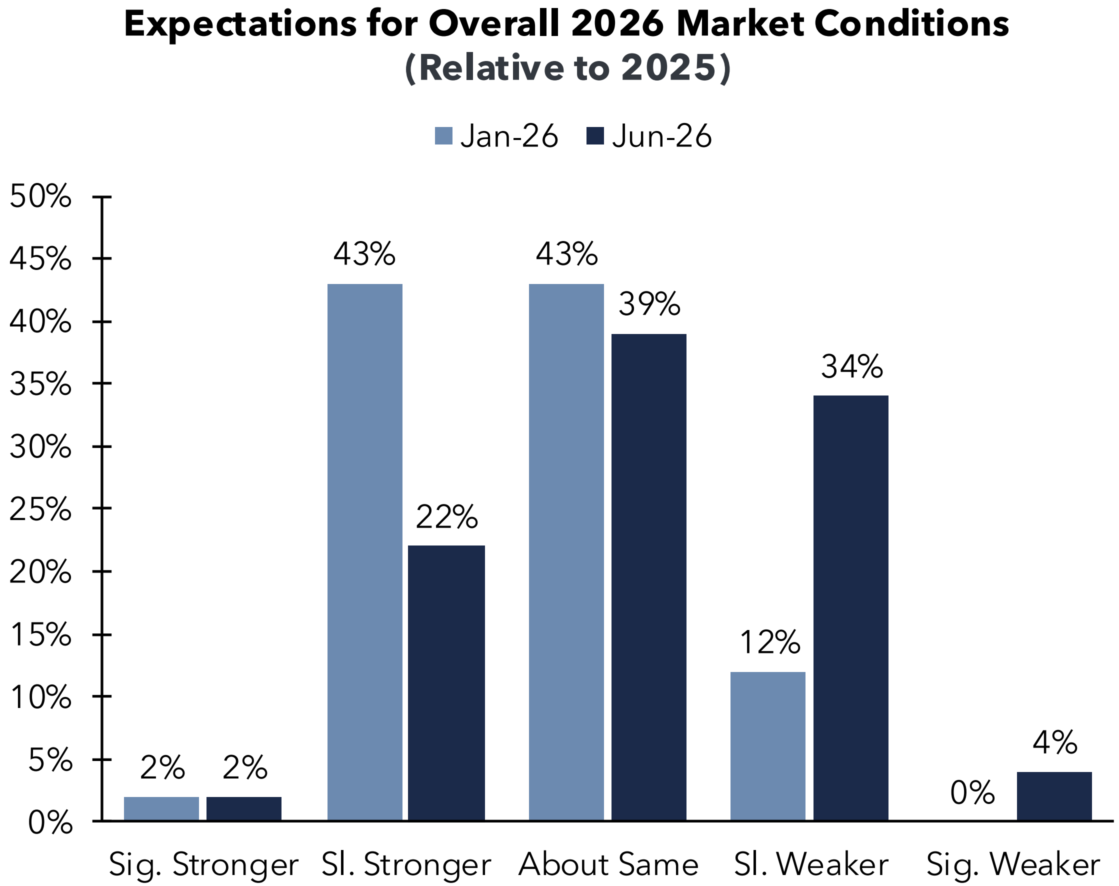
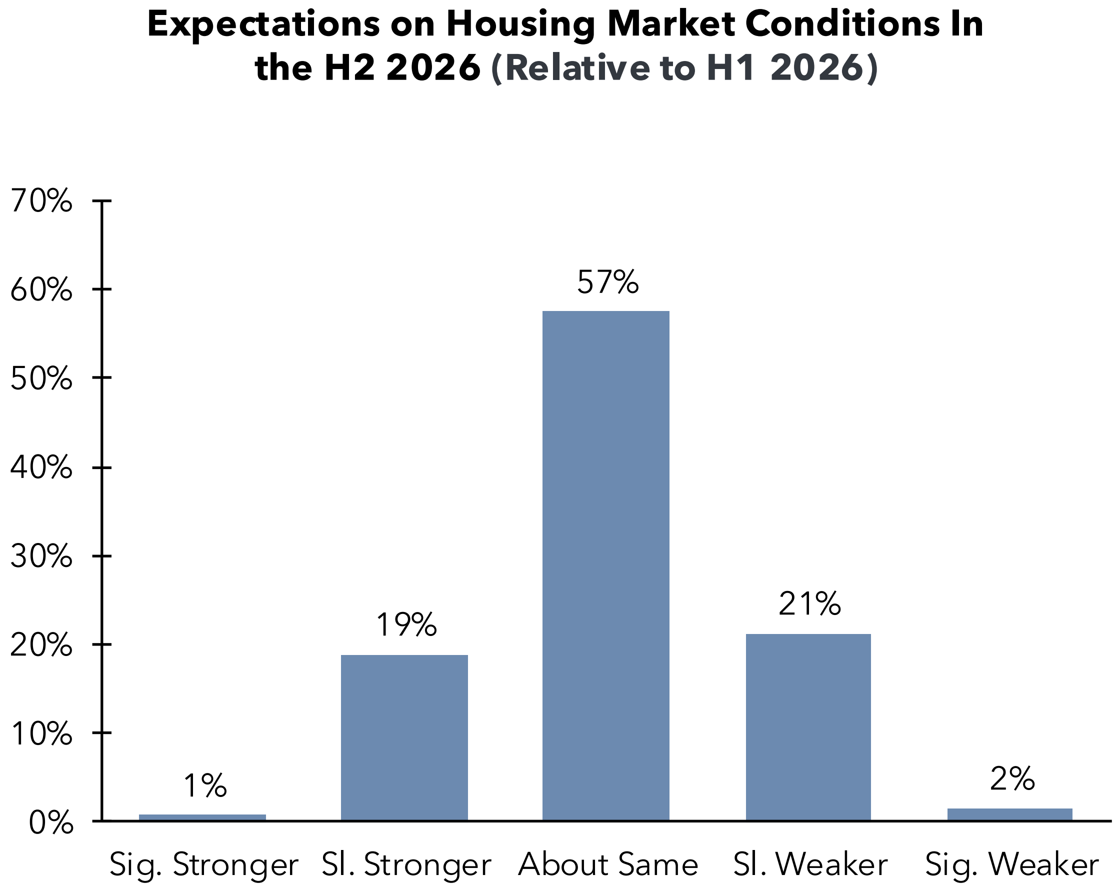
Optimism has cooled since January - those expecting stronger conditions fell from 45% to 24%, while those expecting weaker conditions rose from 12% to 38%





Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Selfreported, unverified, and subject to change; not indicative of future results. See full disclosures.

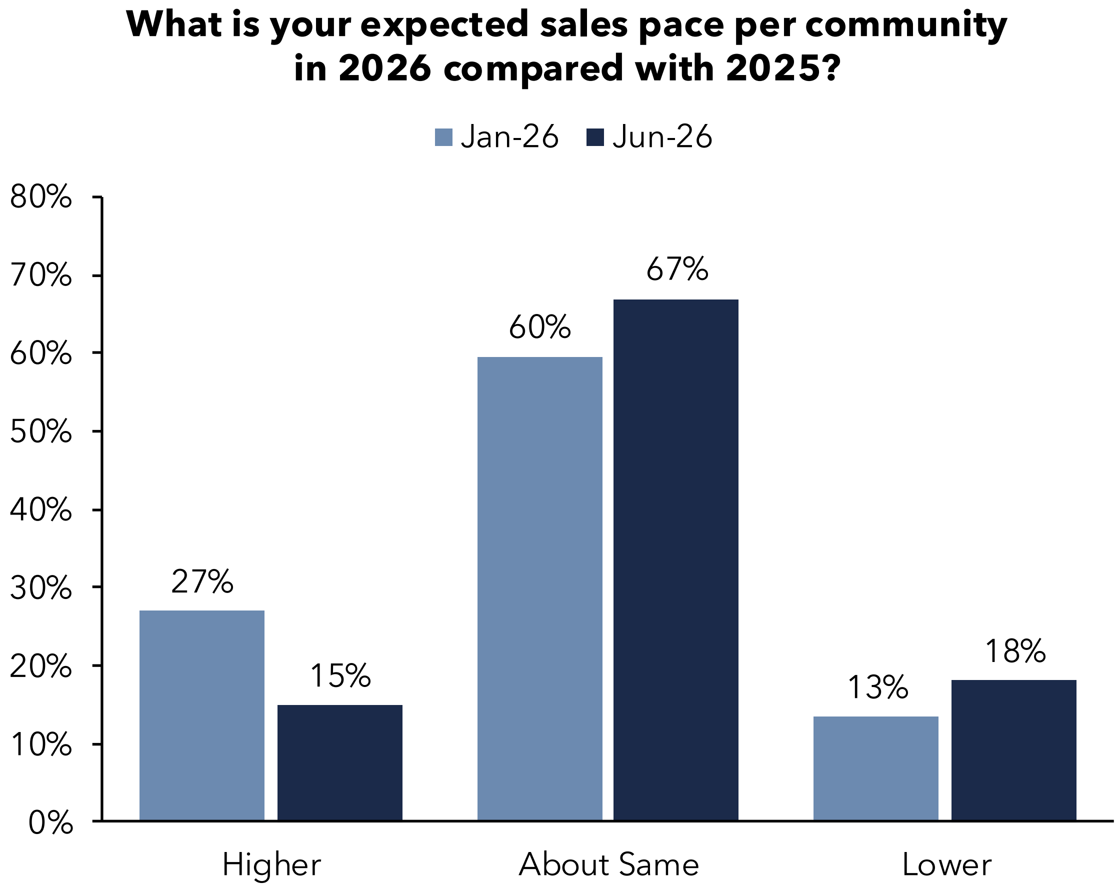
Expectations for Overall Market Conditions in 2026

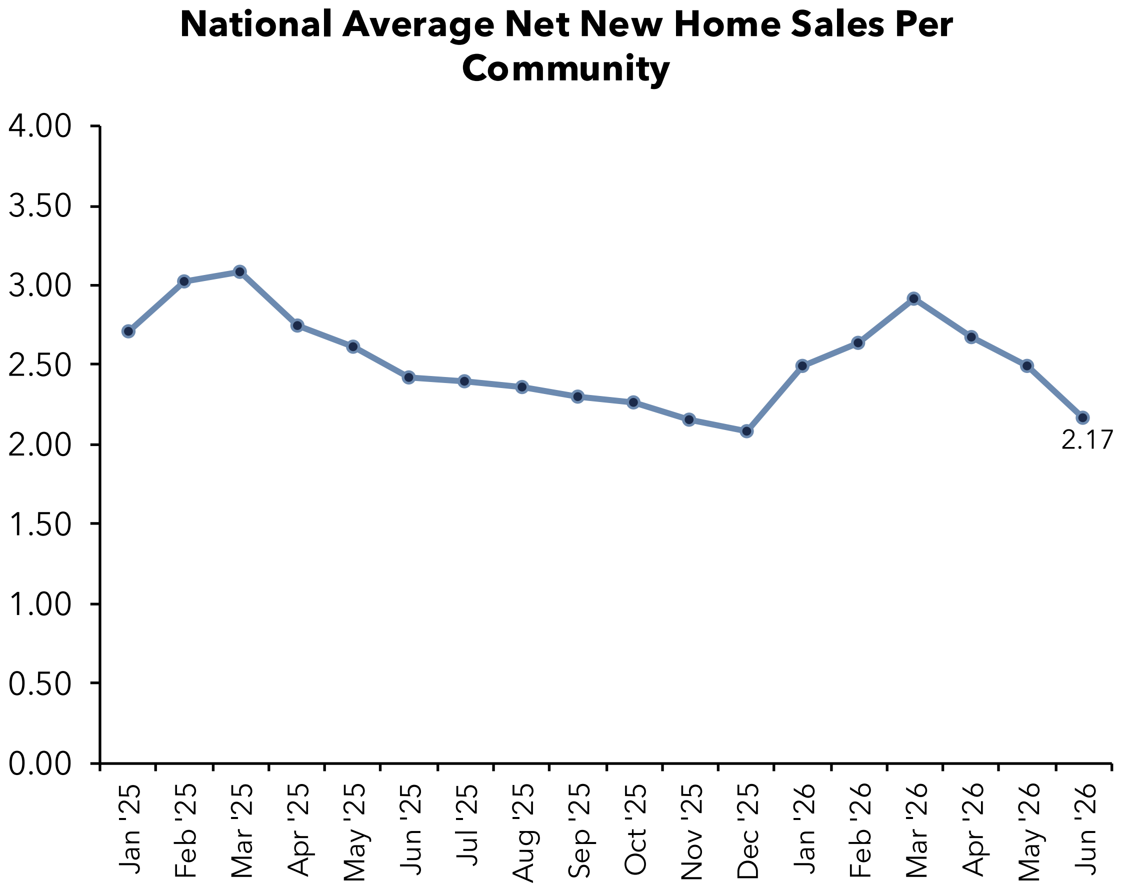
41% of respondents from firms >$1B expect slightly weaker conditions

Annual Revenue	Significantly Stronger	Slightly Stronger	About the Same	Slightly Weaker	Significantly Weaker	Total
Less than $25 Million per year	7.69% 1	7.69% 1	61.54% 8	23.08% 3	0.00% 0	10.24% 13
$25 – $50M per year	0.00% 0	53.85% 7	23.08% 3	23.08% 3	0.00% 0	10.24% 13
$51 - $100M per year	0.00% 0	15.00% 3	70.00% 14	10.00% 2	5.00% 1	15.75% 20
$101 - $250M per year	0.00% 0	22.58% 7	58.06% 18	19.35% 6	0.00% 0	24.41% 31
$251M - $1B per year	0.00% 0	10.71% 3	71.43% 20	14.29% 4	3.57% 1	22.05% 28
More than $1B per year	0.00% 0	13.64% 3	45.45% 10	**40.91%** 9	0.00% 0	17.32% 22
Total Respondents	**1**	**24**	**73**	**27**	**2**	**127**

Expectations for Sales Pace

Most anticipate sales pace to remain flat in 2026, with "about the same" rising to 67% by June. Since January, builders have tempered expectations for a faster year ahead

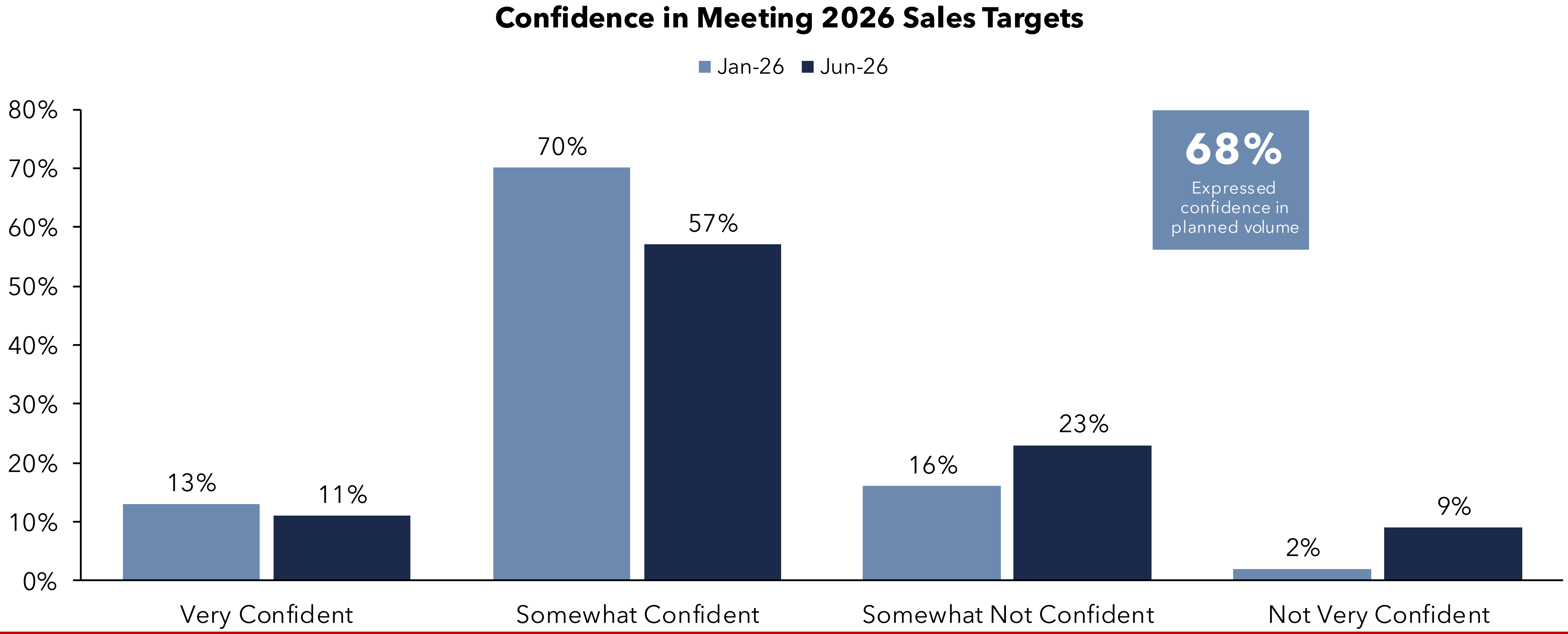




Sources: John Burns Research and Consulting
Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Self-reported, unverified, and subject to change; not indicative of future results. See full disclosures.

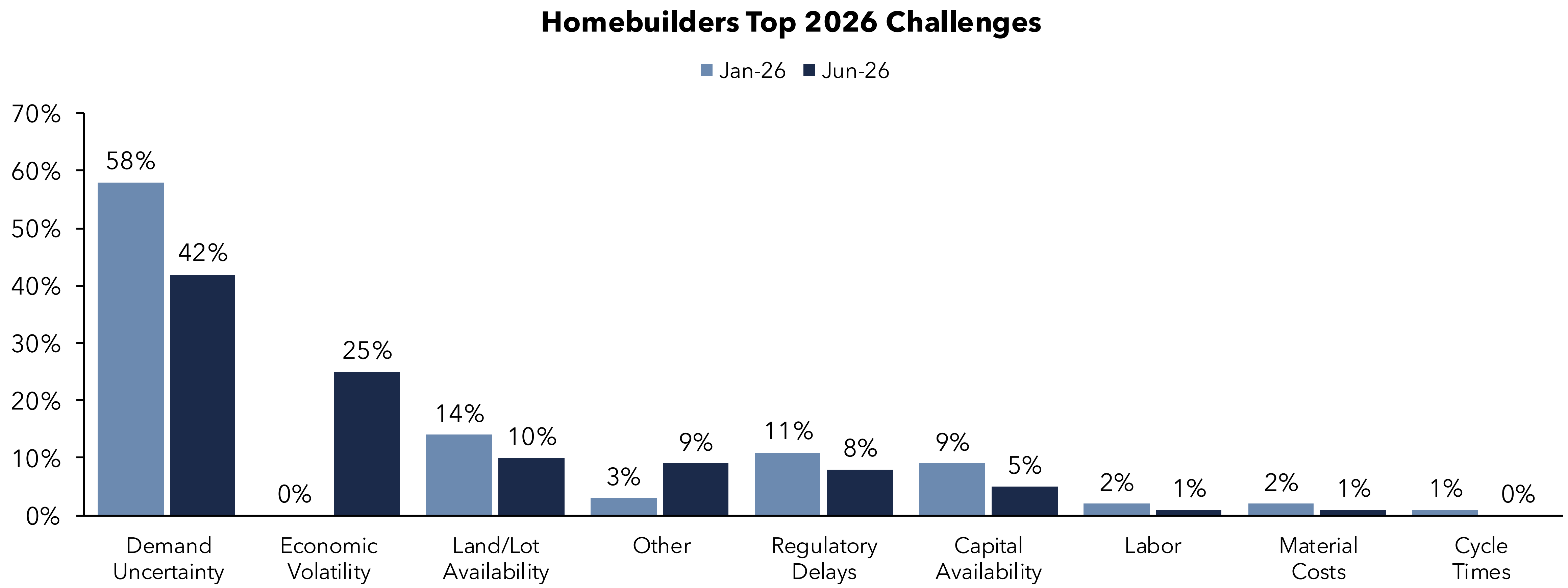
Homebuilders Confidence in 2026 Sales Targets

Confidence softened between Jan and June - those very or somewhat confident fell from 83% to 68%, while those less confident rose from 18% to 32%



Homebuilders Top 2026 Challenges

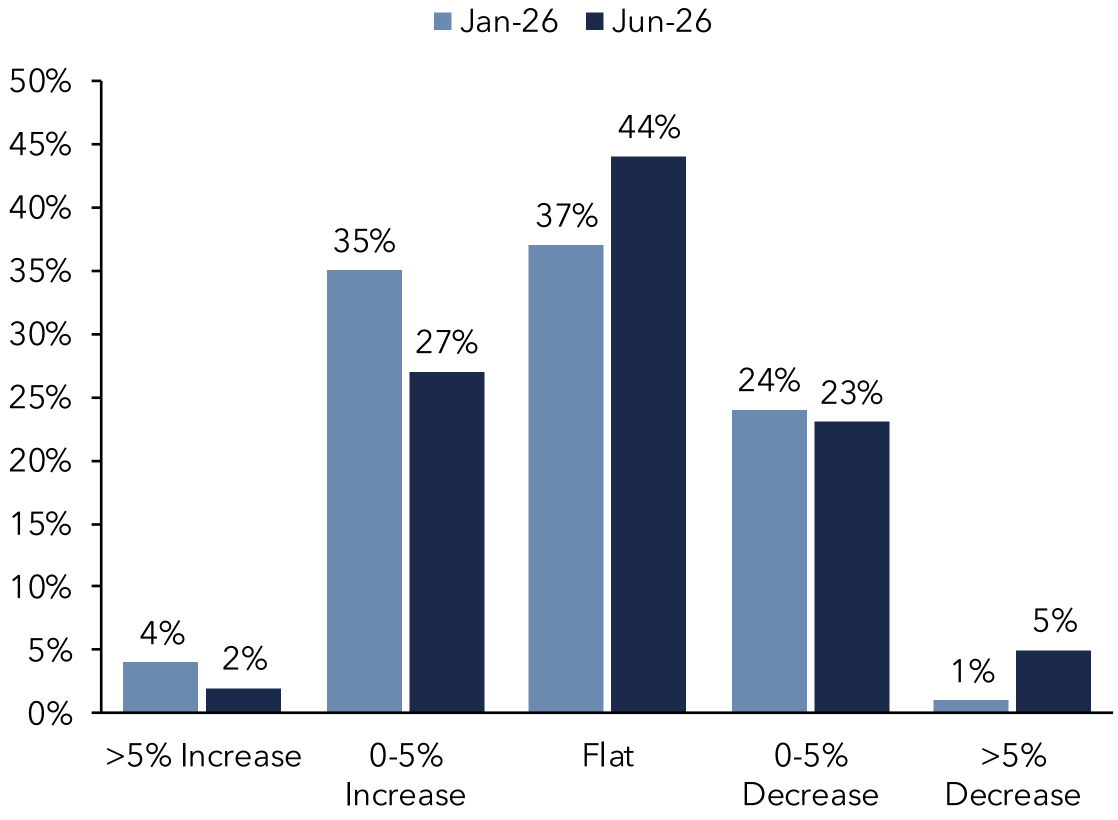
Demand uncertainty remains the top challenge but eased from 58% to 42%, while economic volatility emerged as a new top three concern at 25% in June - not cited at all in January



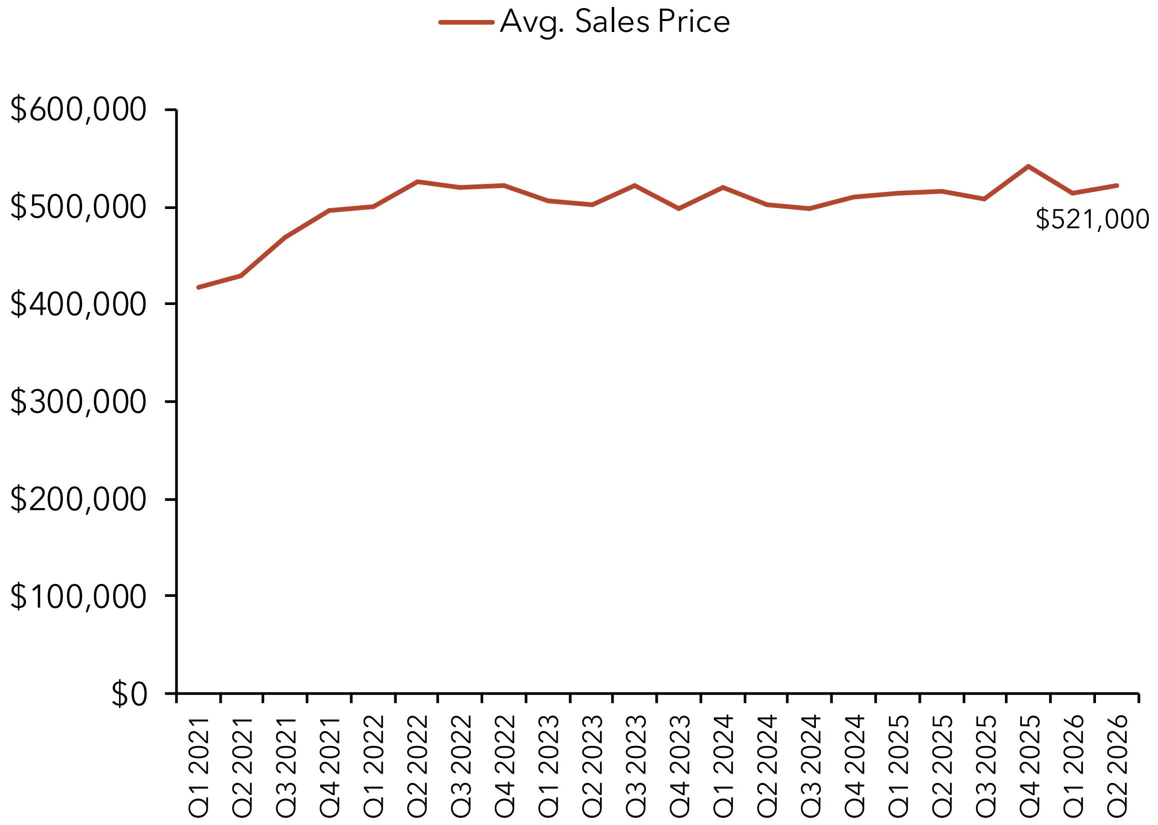
Margin Squeeze - Expectations for Home Prices

Homebuilder responses were mixed in June, with increasing amounts of ambiguity on home prices

Expectations on Home Prices (2026 vs. 2025)



Average Sales Price, New Homes (US)

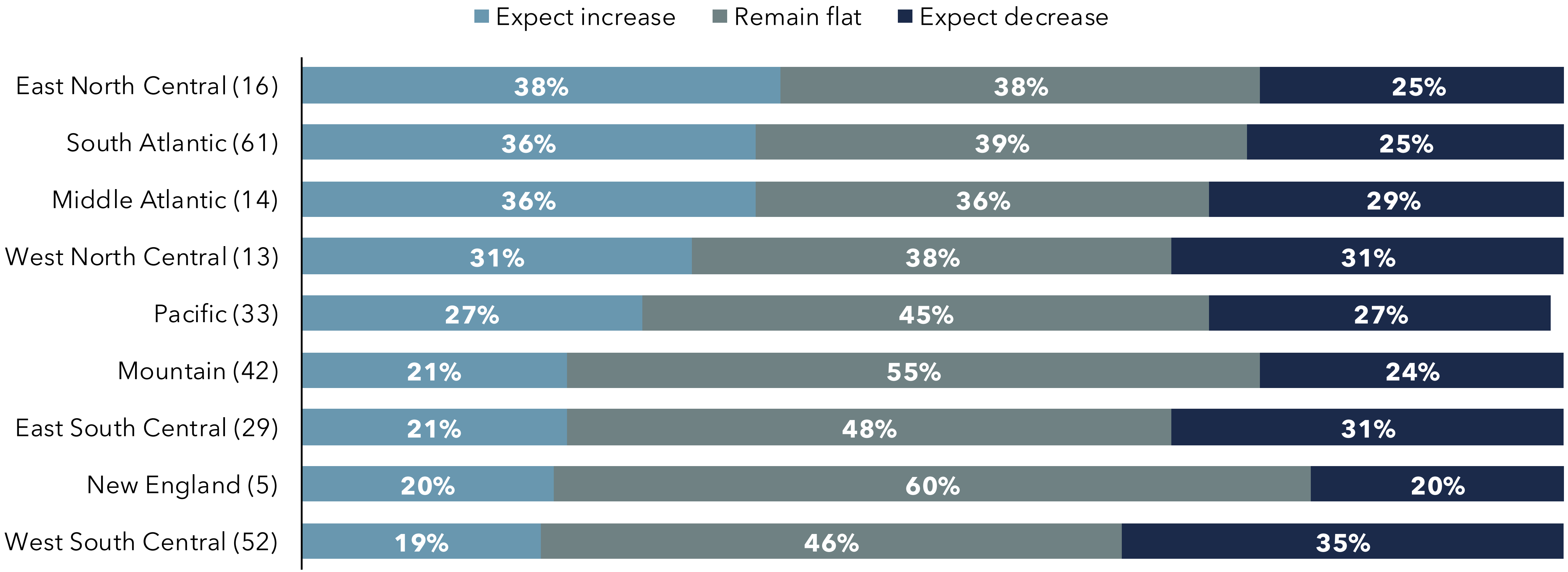


Source: U.S. Census Bureau
Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Self-reported, unverified, and subject to change; not indicative of future results. See full disclosures.

Margin Squeeze - Expectations for Home Prices By Region

Expectations vary widely by region – the Southeast and Midwest lean toward increases while the South Central markets (TX, OK, LA, AR) are the most bearish

Home Price Expectations by Census Region



Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Selfreported, unverified, and subject to change; not indicative of future results. See full disclosures.

Margin Squeeze - Expectations for Lot Prices

Overall, respondents were mixed with a slight bias toward increased lot prices

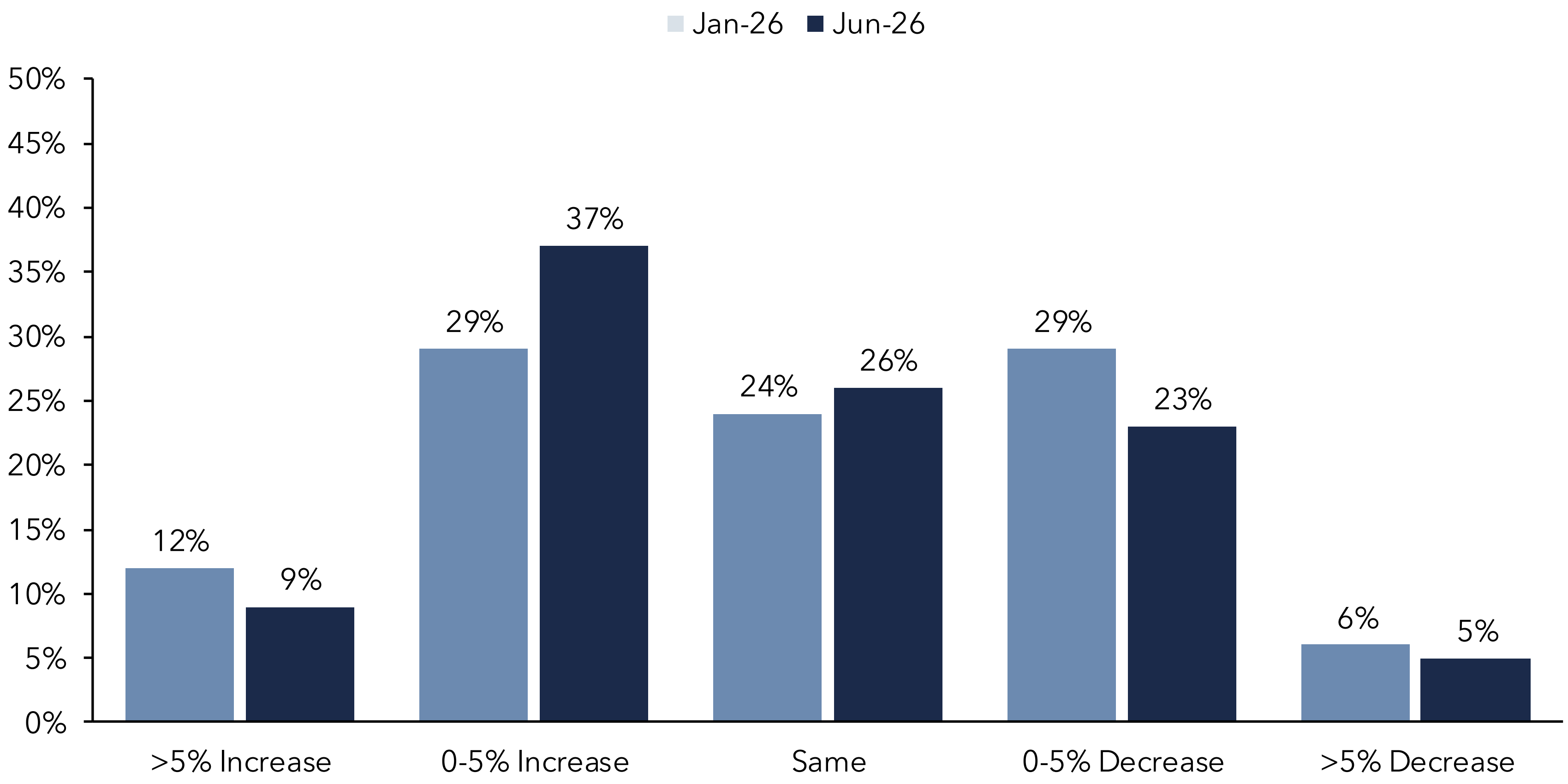
46%
Increase

28%
Decrease

80% of "increase" respondents feel prices will increase 5% or less

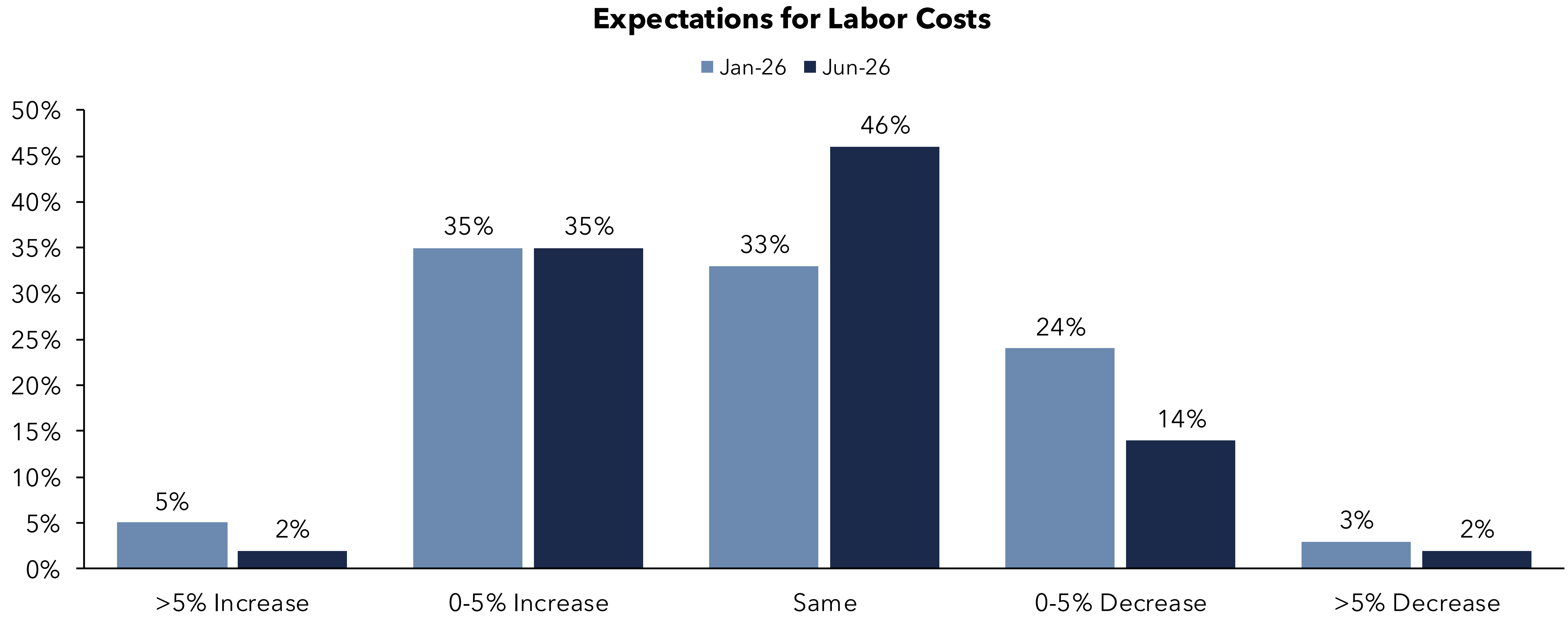
82% of "decrease" respondents feel prices will decrease 5% or less

Finished Lot Prices vs. 2025



Margin Squeeze - Expectations for Labor Costs

Expectations for labor costs shifted toward stability - the share expecting costs to hold steady rose from 33% to 46%, while those expecting a decrease fell from 27% to 16%

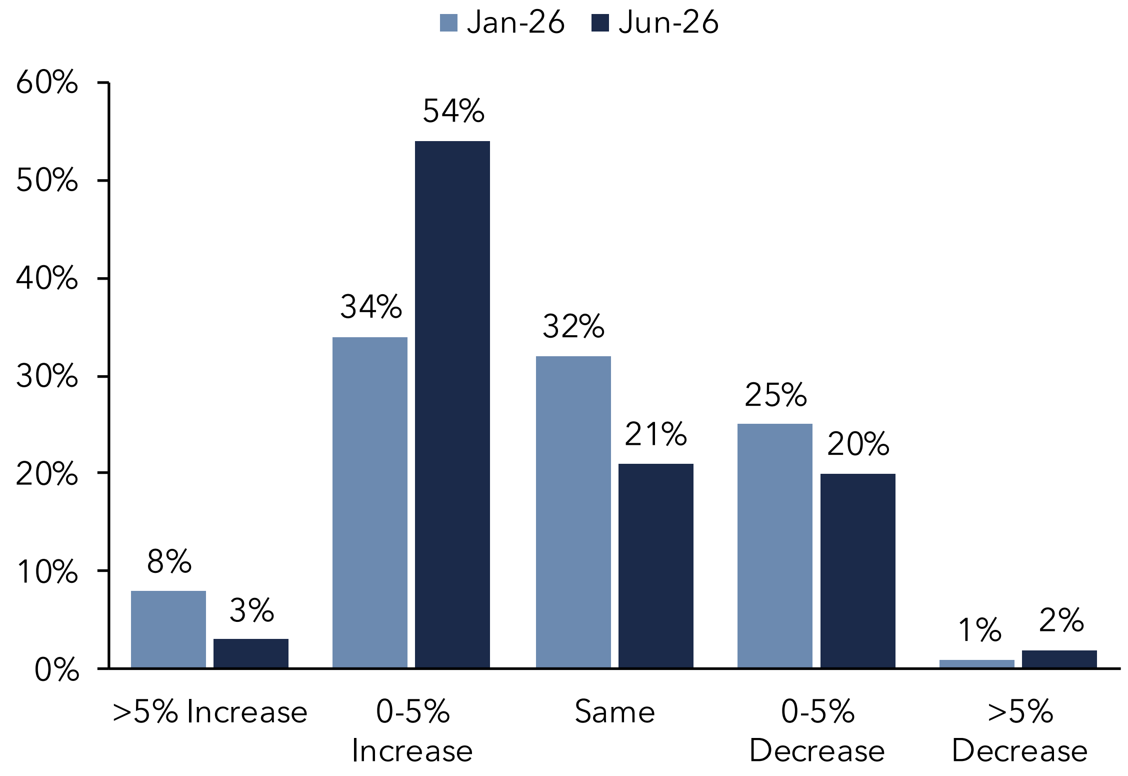


Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Selfreported, unverified, and subject to change; not indicative of future results. See full disclosures.

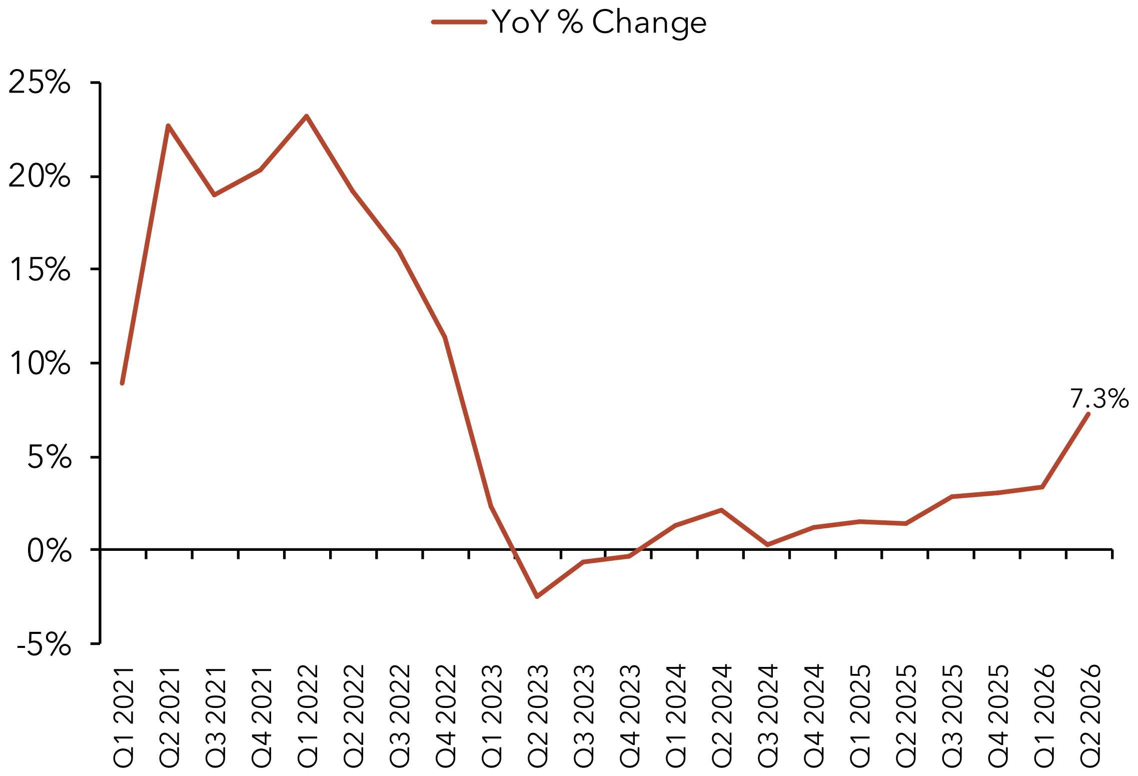
Margin Squeeze - Expectations for Overall Construction Costs

Most anticipate construction costs to increase: 0-5% increases rose from 34% to 54%, while flat costs fell to 21%

What is your expectation for overall construction costs in 2026 relative to 2025?



Change in National New Home Construction Cost (YoY)



Sources: John Burns Research and Consulting
Source: BAG/AREC U.S. Homebuilder Executive Outlook Survey, fielded June 2026. Self-reported, unverified, and subject to change; not indicative of future results. See full disclosures.

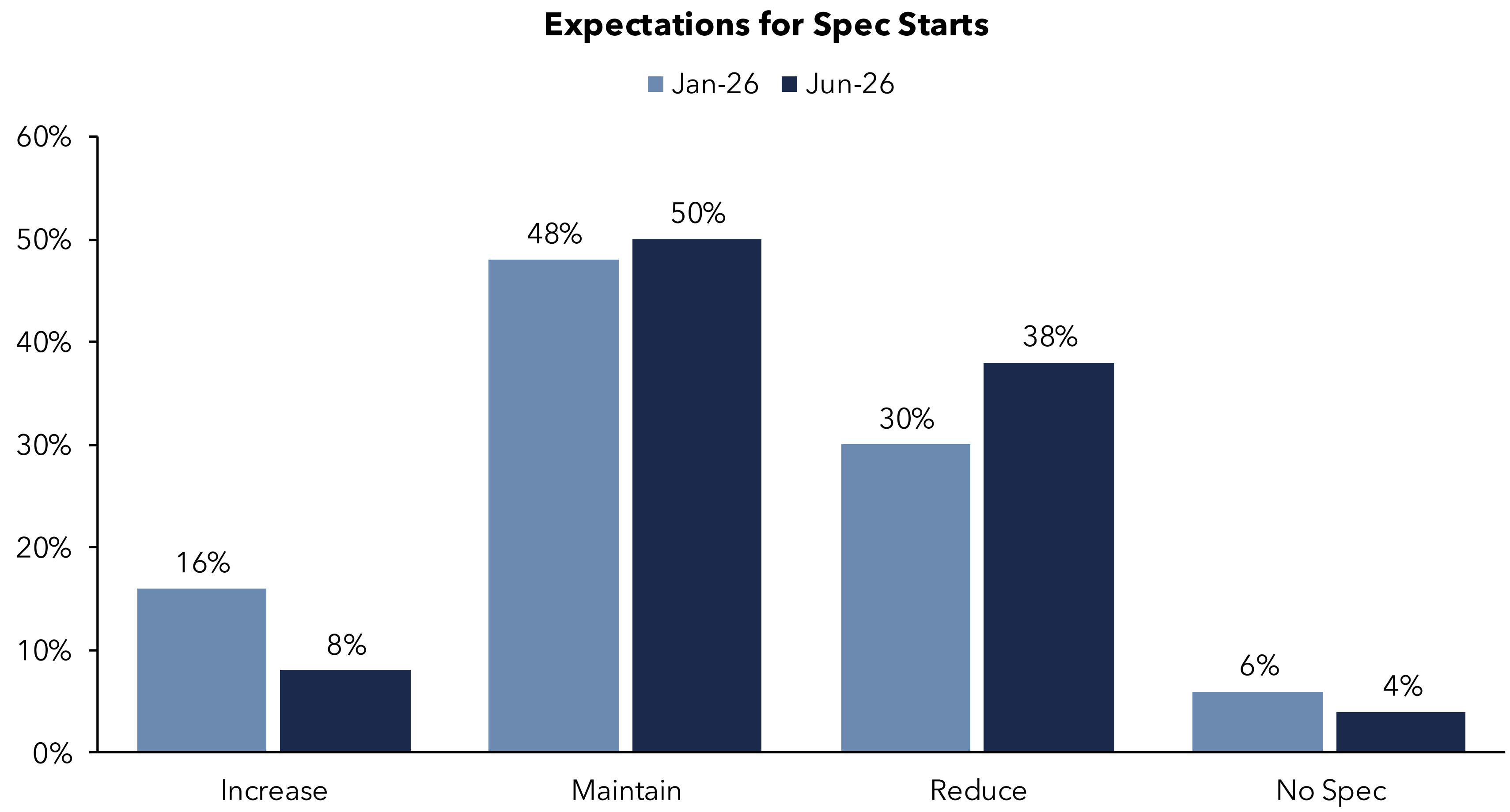
Expectations for Spec Starts

Builders offering entry-level products expect significantly more spec starts than those offering luxury

88% of executives expect flat to reduced spec starts

Entry-level
25% of builders anticipate increases in spec starts

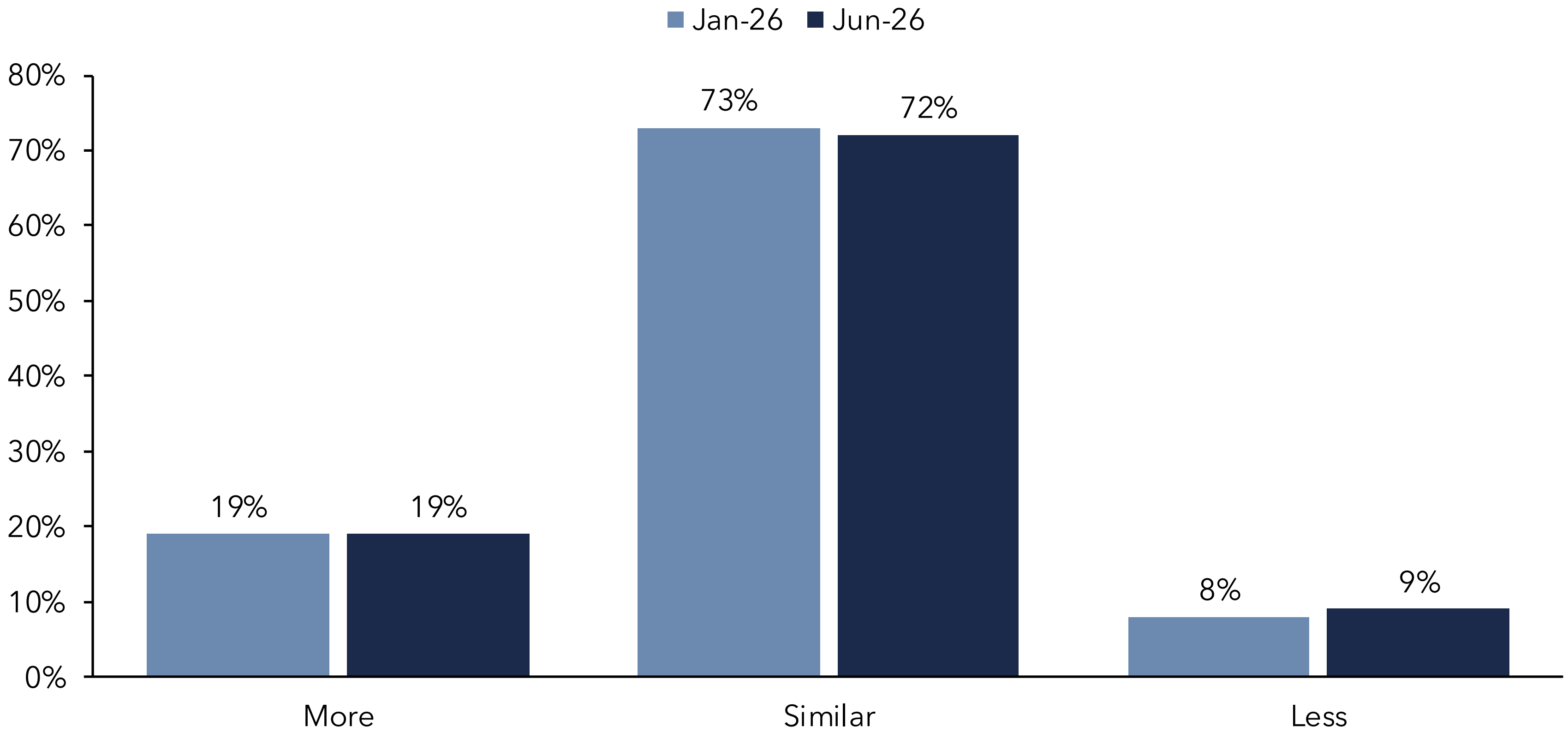
Luxury
8% of builders anticipate increases in spec starts



Expectations for Financing Availability

Executives expect similar financing availability and access to corporate credit in 2026

How do you expect availability of financing for acquisition, development & construction to change in 2026 compared to 2025?



Just 5% of respondents cite capital availability as their biggest concern

82% of respondents expect similar corporate credit access

Key Factors to Improve Outlook

Lower interest rates and political/economic stability were recorded as the most important factors that could improve a homebuilder's 2026 business outlook

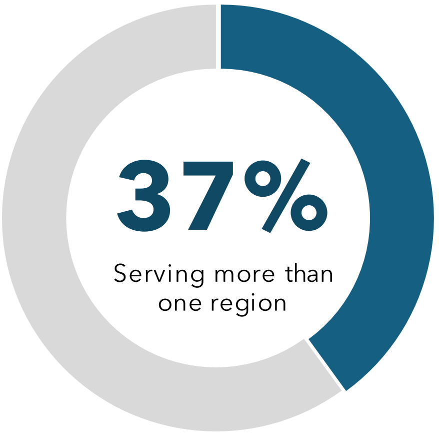
Top Themes	Example Respondent Comment
Lower interest/mortgage rates (58%)	• *"Lower mortgage interest rates"* • *"Interest rate cuts and lower mortgage rates"*
More political/macroeconomic stability (43%)	• *"More stable macro-economic and geo-political conditions"* • *"The war ending leading to oil prices declining leading to lower rates and improved consumer sentiment"*
Higher consumer confidence / job growth (23%)	• *"More financial certainty in terms of interest rates & overall economic policy"*

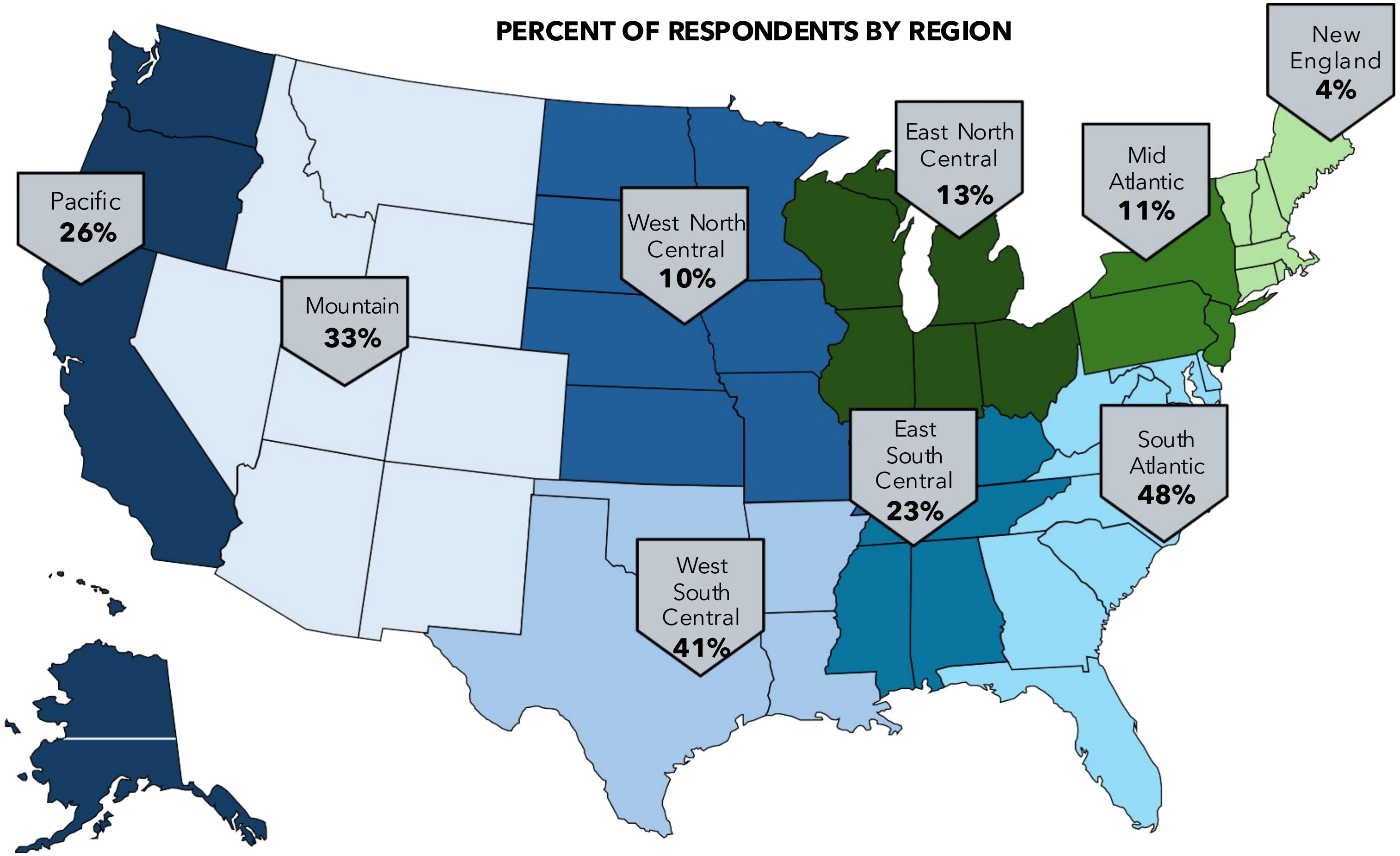
Comments represent individual respondent views and have been edited for clarity. Selection of representative comments does not constitute endorsement of these views by Avila Real Estate Capital or Builder Advisor Group.

FIRMOGRAPHIC RESPONSES

Regions Surveyed

Geographically diverse range of responses across U.S., with all NAHB regions represented





Percentages exceed 100% because respondents may operate in more than one region.

Product Mix

Respondents offered a range of residential products...

Entry-level, Move-up, and Luxury most offered

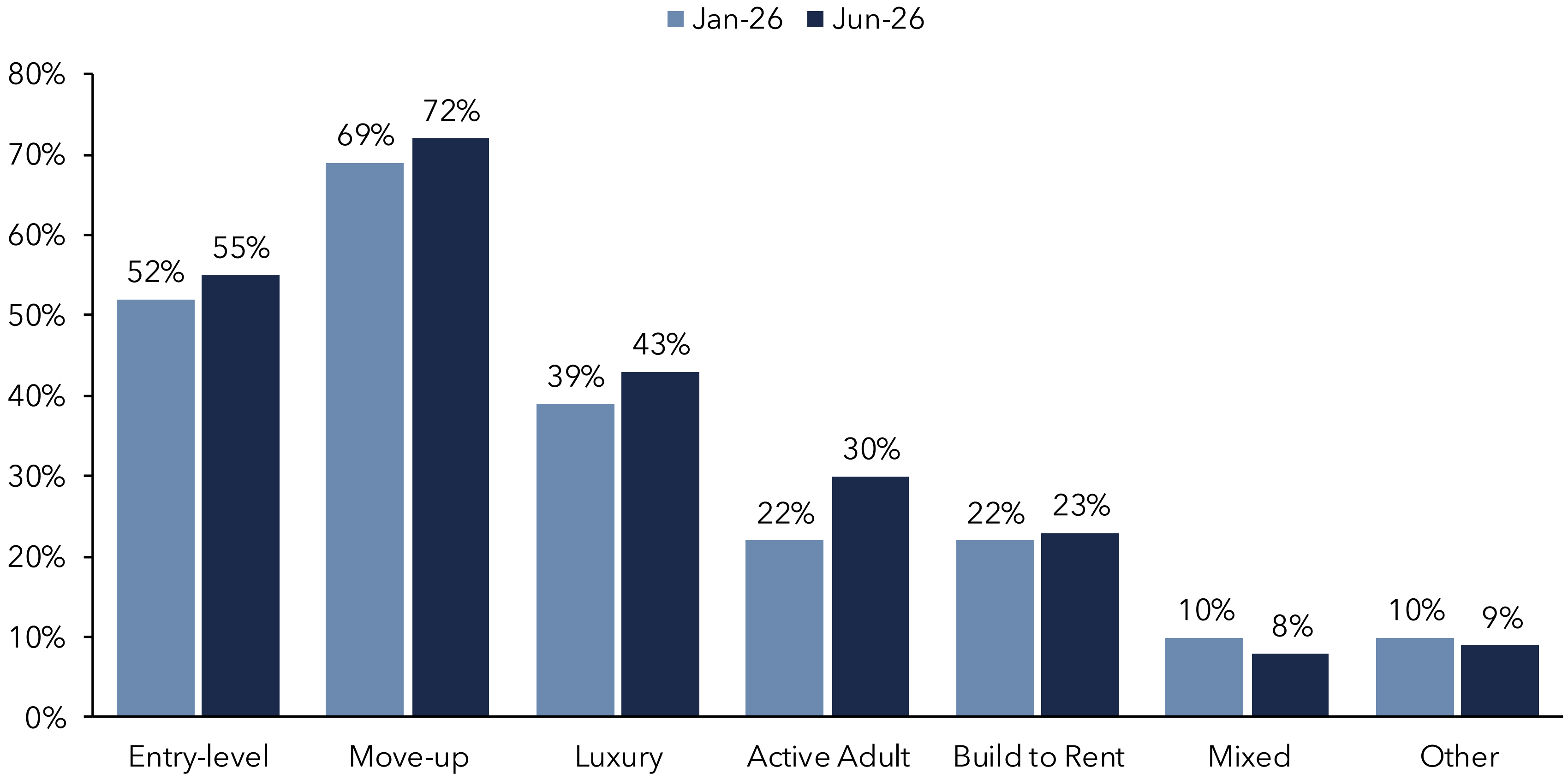
Respondent Product Mix

55% Entry-Level

72% Move-up

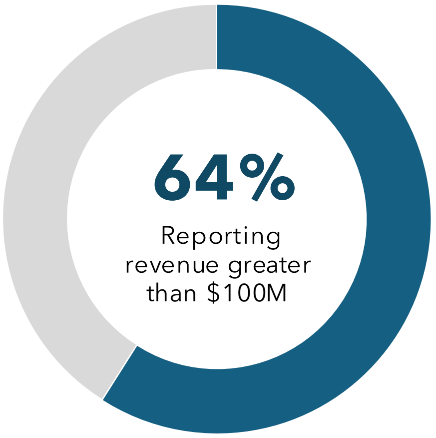
43% Luxury

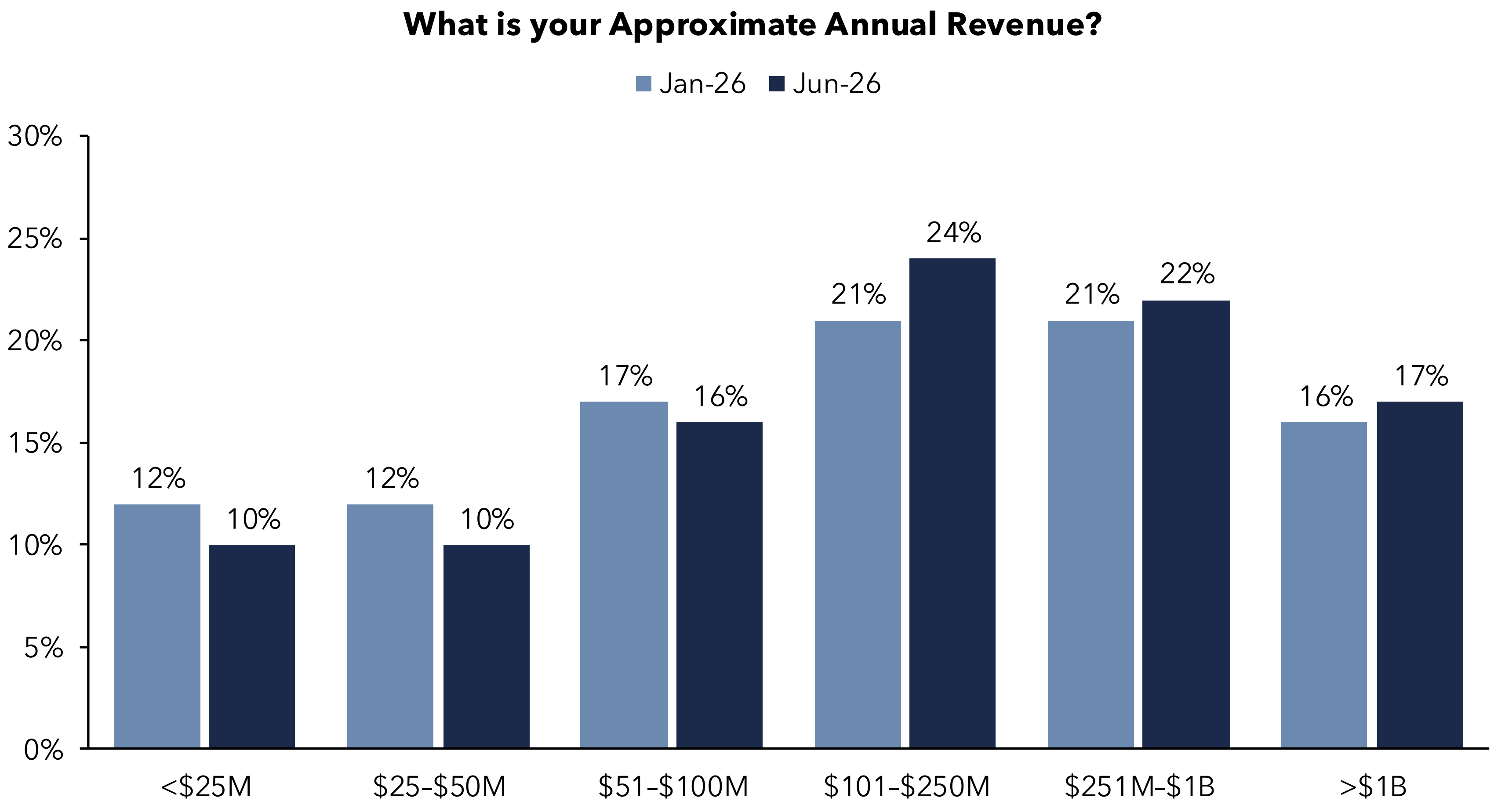
What primary products does your company offer?



Approximate Annual Revenue

Survey results capture insights from builders of all operational scales





Role in Company