Interview With the NAHB’s New Chairman

Kevin Kelly Focuses on Post-Recession Challenges

New NAHB chairman is determined to keep the industry’s comeback on track
Interview by Jennifer Goodman

Kevin Kelly, a Delaware builder with more than 30 years of experience in the housing industry, began his one-year term as chairman of the NAHB in January. The builder and developer has been actively involved with the organization since the mid-1980s and has been a member of its executive board for more than a decade.

Kelly is the president of Wilmington, Del.-based Leon N. Weiner & Associates, a home building company focused largely on affordable housing. Shortly after taking office, Kelly shared his thoughts on several pressing topics with BUILDER senior editor Jennifer Goodman:

**Builders across the country struggle with the home appraisal system. What is the NAHB doing to address its flaws?**

The NAHB has taken a number of steps to address the problem of appraisals that do not accurately reflect the value of new homes. In fact, the organization has compiled a set of specific recommendations for reforming the system.

Among other things, these recommendations would: make the appraisal process more consistent, ensure that appraisers have authoritative information about the cost of producing new homes, establish uniform credentialing standards for residential appraisers, and establish workable procedures for expedited appeals of inaccurate or faulty residential appraisals.

NAHB staff and officials have reached out to multiple stakeholders in the legislative, regulatory and appraisal communities in order to achieve these goals, and we have made considerable progress toward meaningful reform.

**The slow-but-steady housing recovery is issue No. 1 for most U.S. builders. What factors could affect it?**

Consumer confidence is one of the most important factors currently affecting the housing recovery. Anything that affects the public’s perception of the economy and their own prospects for financial security and prosperity—good or bad—can have a significant impact on new-home sales. In the wake of the prolonged housing market downturn and recession, consumer confidence is likely to be vulnerable to even relatively minor events affecting the marketplace.
Many of the factors that could impact the housing recovery negatively are directly related to people's pocketbooks. Increasing prices for building materials, higher mortgage interest rates, and rebounding home prices could all slow the pace of sales.

Another very important factor is job growth. When jobs are growing and the economy is moving in a positive direction, prospective home buyers have more confidence and are more likely to make the decision to purchase a home.

Will housing finance restructuring come into play this year? What is the NAHB’s response to the idea?

Restructuring of the nation’s housing finance system is long overdue, and the NAHB continues to urge Congress to address this important issue as soon as possible. In particular, we believe that affordable long-term fixed rate financing must be readily available to home buyers, and home builders should have access to affordable funding for acquisition and development of land and construction of new single-family and multifamily homes.

It is also essential that there be a federal backstop to the nation’s housing finance system, which would only be triggered in an extreme emergency. While the housing finance system should be powered largely by private capital, only the federal government has the resources to shore up the system should there be another crisis such as the housing market experienced in recent years. Equally important, there must be extensive safeguards to prevent the housing market from ever experiencing another such meltdown.

What are your goals for the year?

NAHB’s fundamental mission is to serve its members’ best interests, and that means ensuring a housing market environment where homeownership is readily available to responsible consumers and an ample supply of affordable homes for those who choose to rent.

Protecting the housing-related measures in the tax code also will be a priority. It’s no secret that many members of Congress seek to eliminate or reduce the mortgage interest and property tax deductions and the Low Income Housing Tax Credit. This could send the housing market plunging back into recession and stall or reverse the nation’s economic recovery. We can’t afford to let that happen.

As a member-focused organization, the NAHB seeks to provide extraordinary value to members. Last year, NAHB’s advocacy efforts saved the industry about $6,200 per housing start. That’s a really significant amount, and we have set our sights on providing equal value to members in 2014.