

THE COATINGS INDUSTRY PERSPECTIVE

Securing American Home Affordability

The Issue

The U.S. faces a **housing shortage of more than 4 million units** following decades of underbuilding. Elevated mortgage rates have deepened the crisis: roughly **60% of mortgage holders are locked in below 4%**, creating a powerful disincentive to sell and suppressing existing-home inventory well below pre-pandemic norms.

Because architectural coatings are directly tied to housing activity, the slowdown in new construction and renovation has significantly reduced demand among both DIY consumers and professional contractors.

The Impact

- Construction activity has stalled, with new housing starts well below the level needed to close the 4-million-unit deficit.
- Stagnant monetary policy – with rates remaining elevated – has failed to unlock the investment needed to spur meaningful homebuilding or renovation.
- The resulting drag on construction, real estate, and related industries suppresses economic growth broadly across the sector.

Our Ask

ACA urges swift implementation of The 21st Century ROAD to Housing Act, including innovative financial mechanisms to spur investment in residential and commercial construction. This includes:

- **Modernizing borrowing limits to better reflect the construction marketplace**
- **Expanded access to guaranteed loan programs**
- **Strategies that improve overall affordability**

Strengthening American housing affordability and accessibility requires incentivized construction and renovation across residential and commercial sectors.

80%

of consumers agree that housing affordability is an issue in their area

75%

of consumers agree that there should be federal tax incentives for home ownership

71%

of consumers agree that federal tax legislation to expand production of affordable and attainable housing is important

66%

of consumers believe that there should be economic incentives to home owners to update older homes and make them more energy efficient

Source: National Association of Homebuilders Survey + NeighborWorks America

