

Trump Tariffs and Economic Uncertainty Are Worsening the U.S. Housing Crisis

Following President Trump's 2025 tariff announcements and the ensuing economic uncertainty, home construction costs increased over the last year and fewer new homes began construction. These challenges continue to grow in 2026, which will further drive up the cost to rent or buy homes and make it harder to address the nation's [housing shortage](#).

This Joint Economic Committee – Minority report includes findings from outreach that the Committee conducted to home builders, multifamily housing developers, and realtors, who detailed ways that tariffs and economic uncertainty are making it more difficult to build and sell homes.

In addition, key new Committee calculations in this report show that:

- Materials and other products that are used to build and furnish homes have become more expensive over the past year.
 - Following Trump's tariffs on [steel](#) and [copper](#), the **price of copper and copper products in February 2026 was 25 percent higher** compared to the year before and the price of **steel mill products – including steel bars, wire, pipes and plates – increased by 21 percent**.
 - **The most popular ovens at key retailers increased in price by \$70 on average, or 9 percent.**
- By the end of the first year of Trump's second term, **the rate at which builders secured construction permits and started construction had sunk below late 2024 levels.**
- **August 2025 had the lowest issuance rate for residential permits since May 2020**, one of the worst months of the pandemic-era slowdown in construction.
- As industry activity declines, **there are now nearly 60,000 fewer jobs in home construction compared to December 2024.**

Trump's tariffs and economic uncertainty make it more expensive to build and furnish homes

Prices for key materials used to construct homes have increased following the President's tariffs

Recent reports estimate that Trump's tariffs could increase building costs by [\\$10,900](#) per home initially, and by more than [\\$17,000](#) per home in the coming years – which could in turn drive up

rental costs and home prices. After months of these tariffs hitting the market, trends in home input prices indicate that costs for homebuilders have, as expected, increased.

As shown below, both producer and **consumer prices for multiple housing inputs have increased significantly compared to a year ago, making homes more expensive to build and to furnish.** Notably, inflation for key building materials, construction tools, household appliances, and furniture far outpaced overall producer and consumer inflation for the same period.

| Key Housing Inputs Are More Expensive Than a Year Ago, with Prices Increasing Much Faster Than Prices Overall | |
|--|--|
| Product | Change from February 2025 to February 2026 |
| Construction Inputs & Utilities | |
| Prices for Copper and Copper Products | +24.8% |
| Prices for Steel Mill Products | +20.9% |
| Prices for Sheet Metal Products | +6.2% |
| Prices for Household Appliance Manufacturing | +4.0% |
| Prices for Residential Construction Inputs (Net) | +3.5% |
| Producer Price Index (PPI) | +3.4% |
| Home Improvement Inputs and Furnishings | |
| Prices for Tools, Hardware and Related Supplies | +6.6% |
| Prices for Living Room, Kitchen, and Dining Room Furniture | +4.4% |
| Consumer Price Index (CPI) | +2.4% |
| Source: United States Bureau of Labor Statistics | |
| Note: Copper products used in homes include gutters, wires and roof panels. Steel mill products include bars, wires and pipes. Sheet metal products include wall panels and roof panels. | |

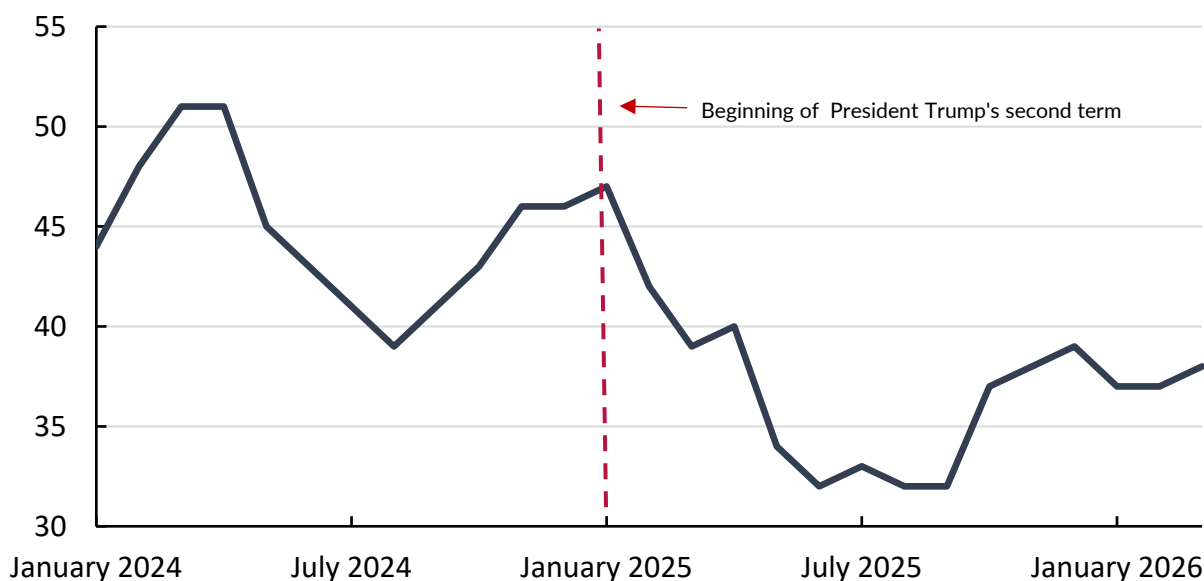
The Committee also tracked the prices of the best-selling home appliances in several categories at key U.S. retailers since June 24th of 2025, immediately after Trump [expanded](#) steel and aluminum tariffs to include the content of most major appliances. **As of March 2026, the three most popular appliances in several key categories increased in price, including:**

- a 9% or \$70.33 average increase in the price of the most popular ovens;
- a 6% or \$51.00 average increase in the price of the most popular dryers;
- and a 6% or \$44.33 average increase in the price of the most washing machines.

Homebuilder confidence plummeted amid Trump's tariffs

Amid Trump's tariffs, homebuilder confidence fell in [2025](#) to some of the lowest readings seen since 2012, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market [Index](#) (HMI). This index is based on a monthly survey of single-family homebuilders and reflects builder sentiment across three conditions: current home sales, sales expectations for the next six months, and prospective buyer demand. In 2025, **homebuilder confidence also fell below the 2024 average for every full month that the President was in office**, as builders faced increased uncertainty following Trump's tariff announcements and rising costs.

Homebuilder Confidence Has Declined Below 2024 Levels



Source: National Association of Home Builders, Wells Fargo National Housing Market Index, Data from January 2024 - March 2026



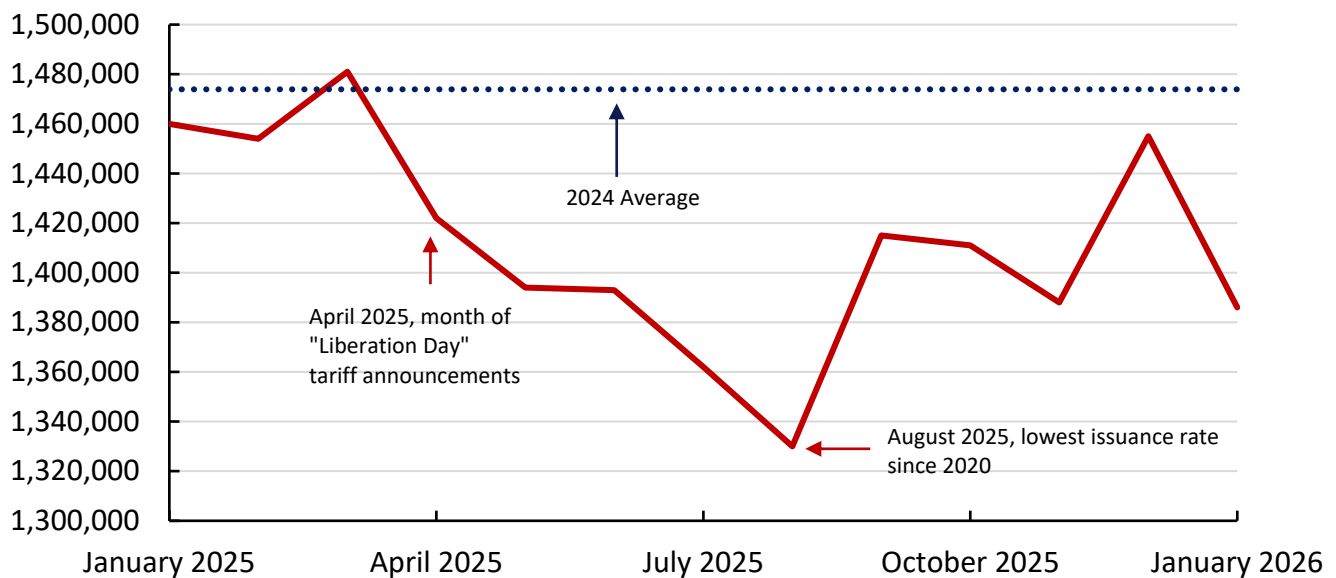
New housing construction has slowed, which will exacerbate the current housing shortage and endanger construction jobs

Experts across the political spectrum have pointed to the U.S. nationwide housing shortage as a primary driver of higher prices to rent and buy homes. Tariffs are on track to exacerbate this crisis. As prices and economic uncertainty have risen for housing inputs and homebuilder confidence has fallen, builders have secured fewer permits for housing construction and broken ground on fewer homes.

On a monthly basis, the rate of permits issued for new home construction was lower in 2025 than in 2024 for all but one month. **August 2025 had the lowest issuance rate for residential permits since May 2020, one of the worst months of the pandemic-era slowdown in construction.** Permit issuance rates have also remained low through the first month of 2026.

Housing Construction Permits Fell After Trump's April Tariff Announcements and Stayed Below the 2024 Average

New privately-owned housing units authorized in permit-issuing places, seasonally adjusted annual rate



Source: U.S Census Bureau, U.S. Department of Housing and Urban Development, Joint Economic Committee - Minority calculations

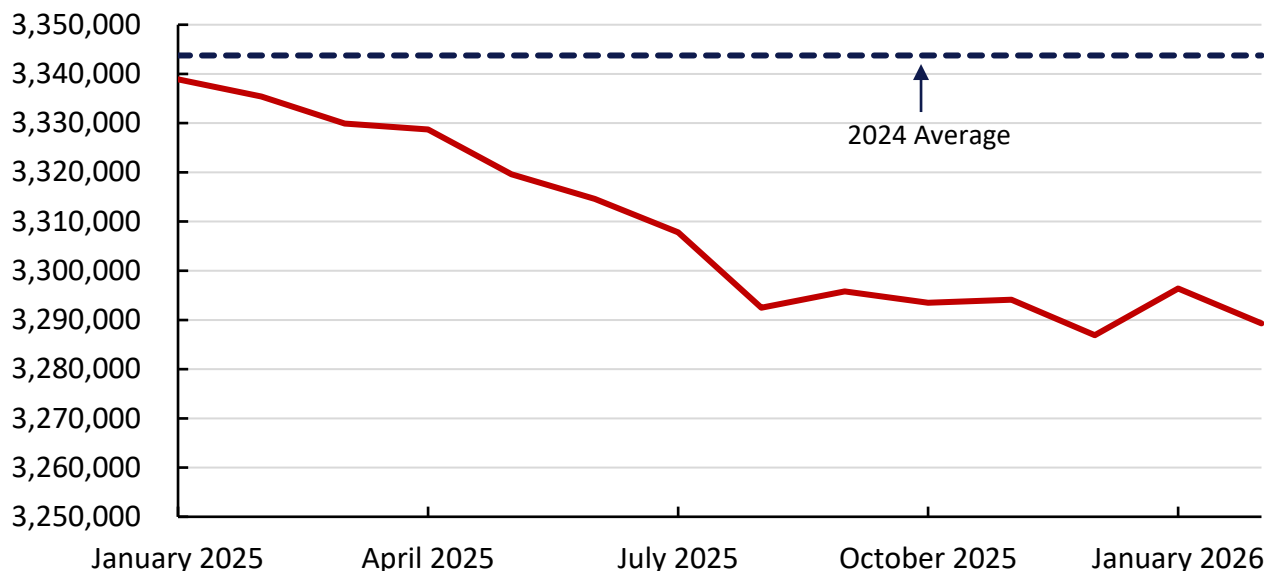


The annual rate of both housing permits and new home construction projects breaking ground (also known as *housing starts*) were far lower at the end of 2025 compared to the end of 2024. **In December 2025, housing starts decreased by more than 100,000 homes compared to the year before.**

Amid Trump's tariffs, the home building construction industry also [shed](#) jobs. After rising in 2024, in 2025 the number of jobs in residential construction fell far below the 2024 average number of jobs in this industry. **As shown below, jobs in this industry have remained low through February 2026, and were down nearly 60,000 jobs from December 2024.**

Jobs for Home Construction Fell in 2025 and Remained Below the 2024 Average

Residential building construction workers and specialty trade contractors, seasonally adjusted



Source: U.S. Bureau of Labor Statistics, Joint Economic Committee - Minority calculations combining all residential building construction employees and residential specialty trade contractors



On-the-Ground Impact: Uncertainty in the market causes delays, increases costs, and freezes buying and selling

The Joint Economic Committee – Minority conducted outreach to local and national housing market stakeholders, including affordable housing developers, builders, and realtors. Multiple leaders raised concerns about higher input costs and how Trump tariffs will impact future home prices. They also discussed challenges that have come with not knowing what the tariffs will be from one day to the next. As Trump has implemented and changed various tariffs, there has been additional uncertainty regarding how much prices rise as a result.

“In 2024, nearly \$80 billion in construction and housing goods—including building materials, home systems, bathroom fixtures, kitchen appliances, utility appliances, and more—were imported. Tariffs drive up the costs for those materials and goods, which increase the cost for new constructions, housing stock preservation, and refurbishments. Those costs are passed on to homebuyers, homeowners, and renters.”

“In the midst of a housing supply and affordability crisis, increasing the price of any component of housing is shortsighted and counterproductive. We need an all-of-government approach to address our nation’s housing supply and affordability crisis, and that includes materials costs, supply chain challenges, and workforce constraints.”

This uncertainty has continued into 2026, as Trump announced a new set of

- David Dworkin, President and CEO of the National Housing Conference

tariffs to replace those that were deemed [unconstitutional](#) by the Supreme Court. Meanwhile, Trump's tariffs on steel and copper – which significantly impact the housing industry – were [unaffected](#) by the Supreme Court decision and remain in full force.

“Tariffs on imported building materials are driving up construction costs across the U.S., so everyone is feeling the pinch. But here on Long Island, where buildable land is limited, zoning is restrictive, and inventory is tight, the effects are even more pronounced. Every additional cost is magnified in a market already struggling with affordability.”

- Mark Donnelly, Licensed Associate Real Estate Broker

The inconsistency and unpredictability of the current tariff policies are making it harder for homebuilders to finalize budgets for home construction projects and break ground. Stakeholders who specialize in housing development expressed concern over the need to delay their projects in order to adjust financial plans, account for potential rising prices, and/or address challenges in their supply chains. Moreover, investors who

provide loans to developers have requested to see more contingency funding in order to ensure that developers are prepared for price volatility. These delays themselves can also further drive-up project costs. Realtors are also facing uncertainty in the market. They have raised challenges related to tariffs' role in higher costs across the board, which leave many people with less savings to purchase a home.