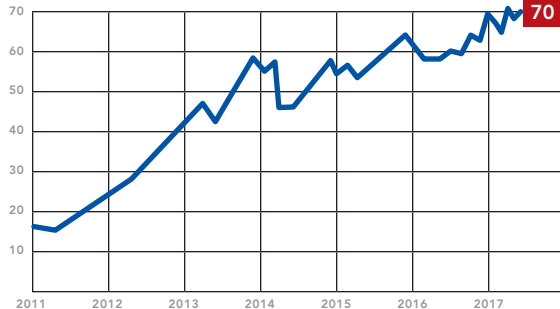
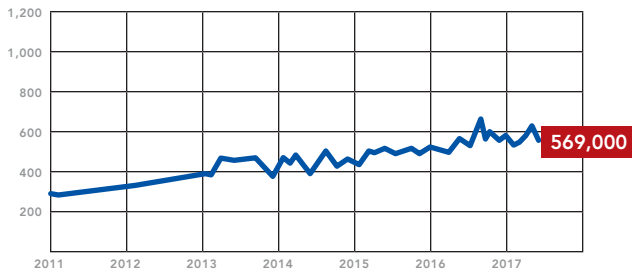


## HOUSING MARKET SNAPSHOT

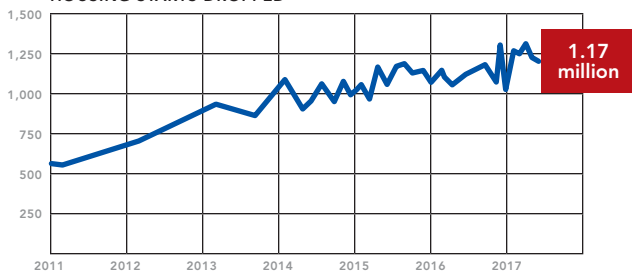
BUILDER CONFIDENCE INCREASED



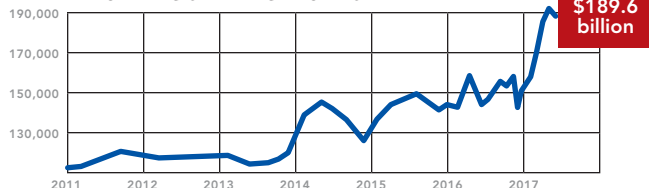
NEW-HOME SALES SLUMPED



HOUSING STARTS DROPPED



REMODELING SPENDING DECREASED



According to the NAHB/Wells Fargo Housing Market Index, builder confidence rose two points to 70 in May. April new-home sales decreased 11.4 percent from March, and housing starts declined 2.6 percent during the same period, both on a seasonally adjusted basis. Remodeling spending in April fell 2.9 percent to a seasonally adjusted annual rate of \$189.6 billion.

## DOL DROPS GUIDANCE THAT REDEFINED EMPLOYMENT

Secretary of Labor Alexander Acosta announced in June that the Department of Labor (DOL) would rescind its 2015 and 2016 informal guidance on independent contractors and joint employment—two Obama-era documents that expanded the tests for what constitutes a joint employer and an independent contractor.

The National Association of Home Builders, which has worked to make sure that DOL officials understand home builders' concerns about the two guidance documents, sees the decision to withdraw the guidance as a victory for its members and for the small-business community.

The DOL's 2016 guidance document seemed to signal the agency's intent to increase aggressive enforcement of joint employment status in its investigations.

In 2015, the DOL issued administrative guidance on determining who is an employee under the Fair Labor Standards Act (FLSA). The guidance document represented a fundamental shift by the DOL away from the established common law control test (based on the control an employer exercises over how, when, where, and by whom work is performed) in favor of economic realities factors (based on the nature and profitability of the work performed and how integral it is to the business) in determining whether a worker is truly an independent contractor rather than an employee.

The administrator's interpretation concluded that most workers are employees under the FLSA's broad definition of "employ." NAHB was concerned that the interpretation was excessively broad and didn't accurately reflect how builders have historically used subcontractors in the construction industry.

The DOL said that the 2016 guidance on joint employment that the agency is now withdrawing was necessary because continual changes in the structure of workplaces have increased the likelihood that a worker is jointly employed by two or more employers. Thus the traditional relationship of one employer retaining one employee is less prevalent.

The DOL specifically cited the construction industry as one where its Wage and Hour Division encountered this employment scenario. **PB**

ABOUT NAHB: THE NATIONAL ASSOCIATION OF HOME BUILDERS IS A WASHINGTON, D.C.-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. FOR MORE, VISIT NAHB.ORG.