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In the meantime, speaking of economic developments, the one thing that has been steady as she goes throughout the pandemic, especially coming out of the pandemic, is what's been happening on the housing front. Exactly this: July housing starts, permit activity, future construction signs, home builder confidence. It's been a litany of numbers: existing home sales, new home sales, appetite on the part of borrowers to buy period. And there's sentiment for buying. Even at all-time highs. It's remarkable and it continues an uninterrupted stretch. David Dworkin is the National Housing Conference CEO. He joins us right now. David good to have you back. This is remarkable and it flies in the face of what you would think would be skittishness on the part of people even with the low rates, you know, just coming out of their homes and de-sheltering. They're all in on this, aren't they?

Dworkin
Well, thanks for having me Neil, and it is not what I expected. Certainly, I think my investment judgment is consistent, slightly below Michael Jordan's batting average, but I think what we've seen are three things happening in the market. One is that we simply are not building enough homes over the past decade so, you know the law of supply and demand, as I like to say, cannot be repealed and what we have is a lack of supply, so housing prices remain healthy. We also have an aging millennial generation. These kids are not kids anymore. They're getting married they're having their own kids and you know that urban lifestyle is not quite as hip when you have a floor full of toys in a one-bedroom or two-bedroom apartment.

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There's a lot of people can feel the pain there.

Dworkin
They're awfully cute when they're in college.

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The other factor is COVID, and COVID has done a couple of things. One is it's really forcing people to stay at home. And if we're going to be in that place for another six months to a year before a vaccine is developed and widely available, people are looking for great internet, plenty of room, a backyard, or in the case of Suburban garden apartments, they are looking for great common areas. They don't want to ride an elevator to get to their apartment. So, I think that's another factor in having people look at the suburbs. We're not seeing a depreciation and urban housing values, but we are definitely seeing an increase in demand in the suburbs.
**Cavuto**
Well, it depends on the urban area, right? I mean in New York City, it's legendary, these big multi-million-dollar penthouses that go begging. That could be short-lived, because I do remember people saying that you know, signifying the death of the real estate industry in New York City after 9/11, after the financial meltdown seeing it again. Now, I know each case is very, very different. So, I suspect things will probably stabilize a little bit in a place like New York City. But I'm wondering if people are reassessing the need to be in a city period. That they can do a lot from home or they could seek out employment opportunities closer to the suburbs. What do you think is going on there?

**Dworkin**
I think it depends where you work. That's always a big driver. I think in the case of New York City and other cities like San Francisco, there's been a lot of over-investment at the top of the market anyway, and so I think we'd be seeing that regardless. I think the good news is interest rates have never been lower. The bad news is building costs have never been higher.

And you know lumber prices are up 110% since mid-April. That $14,000 for a typical new home another $5,000 for a typical apartment. The other factor that really is a driver here is restrictive zoning and local fees. And this is something that was a subject of a White House meeting I was at back in November. Secretary Carson was very strong about making the case that we've got to address restrictive zoning and local fees and build more housing that's affordable to average people.

It makes the current rhetoric hard for me to understand. Affordable housing doesn't hurt home values. It actually strengthens communities and it is a critical component of building our way out of this recession. Housing has led the recovery of every recession since 1960 except for the last one, and that's an obvious exception to the rule. But if we're going to get out of this recession, it's not going to be by having people go back to work at Neiman Marcus or J.Crew. Those companies have filed for bankruptcy, and we're going to need to put people to work and I think housing construction is a really critical component of how we're going to do that.

**Cavuto**
It's a very good point. It could affect elections as well. David thank you very, very much. A quick counterpoint, well, not counterpoint, but just to elaborate on what David was saying. When the housing market is strong going into the presidential election, it generally benefits the party in control of the White House. It benefited Ronald Reagan in 1984. And despite the ’87 stock market crash, by 1988 the backdrop for housing proved mightily as it did for the stock market. And it was the wind in the back of then Vice President George H.W. Bush who got elected in a landslide. Conversely, it was sinking fast in 2008, of course, after the financial meltdown. Not only did stocks drive down, real estate itself was melting down and that paved the way for John McCain's defeat and the rise of Barack Obama, so many other factors. But let's just put it this way. Housing has a better track record in dictating who ultimately wins in the fall than almost any other measurement.