



WORLDWIDE TITLE

**The economics of building  
materials and how they  
affect your home.**



*To start, we want to note that the price of a new home is impacted by many factors beyond the cost of materials.* The market trends for commodities are complex, the price of a new home won't necessarily fall as these indices fall. Soaring prices for construction materials are part of a multi-year trend, which makes it important to track over time and be mindful of the larger trend, not the small fluctuations.

*When material prices fluctuate wildly, suppliers keep their prices high to absorb risk and builders can't easily expand their output.*

Due to the intense volatility of supply, demand, and pricing, commodity materials are traded on the futures market. In this arrangement, buyers and sellers sign a contract for the materials to be provided in the future for an agreed-upon price. The seller is hoping to avoid the risk of plunging prices and carrying costs, while the buyer wants to capture profit from a market spike.

What does this mean for new home construction? The price indices you see on the news don't reflect the actual price of the materials on that day. There is always a delay, which causes a price gap.

**Every component, fixture, and finish in your new home has a dynamic price market driven by supply and demand, among other factors. Even when prices begin to come down, the prices of other materials and commodities play a role in the overall investment of a new home.**

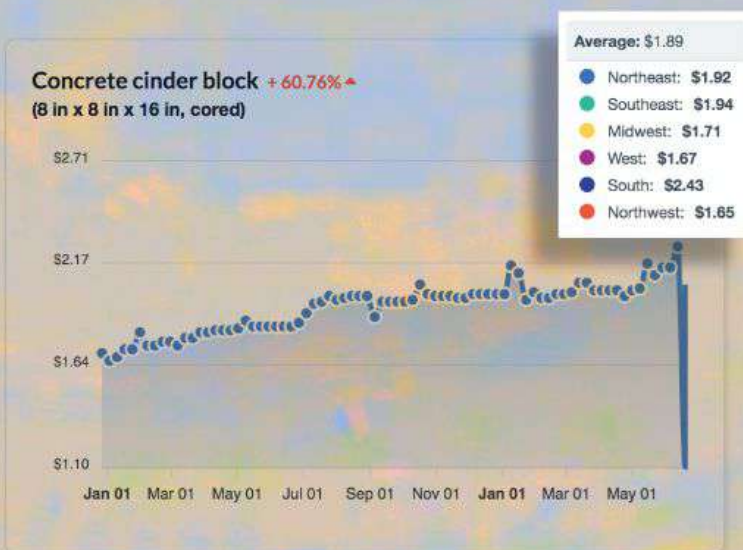
*It's important to know that now is still the best time to start building. The price of a beautiful new home likely won't go down, even as material costs stabilize.*

To learn more about how commodity prices affect the cost of new construction and how to track them contact Worldwide Title Today!



# Commodity Prices

## 09.05.2023



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