Strong Market Bodes Well For Landscaping In 2018

Source: www.TurfMagazine.com

Single-family housing starts are strong across all regions in the nation, reported the U.S. Census Bureau on February 16. This is good news for professional landscape and lawn services providers. While there's often a lag in the demand for significant landscape purchases such as outdoor kitchens and entertainment areas from new homebuyers, other services show an almost immediate uptick. This includes lawn installations, lawn care and landscape plantings.

The Census Bureau reported that in January, U.S. new-home construction grew to the highest level since October 2016. Starts came in 9.7 percent higher than the December 2017 total, and are up 7.3 percent year over year.

For 2018, the National Association of Home Builders expects a 5 percent growth rate in single-family housing starts, which it says is still well below the potential growth rate and falls short of meeting demand for the sector. This is due, in part, to a shortage of skilled construction workers, rising lumber costs and land constraints, says the NAHB.

Even so, residential construction is expected to pick up this year because of a provision in the new tax plan that provides pass-through entities a 20 percent deduction on taxable income, say industry experts. Under the new tax plan, many contractors will be able to deduct 20 percent of their pass-through income, which may cause them to increase wages in an effort to attract labor.

With those predictions in hand, let's look at the hottest housing markets for 2018, according to zillow.com:

1. **San Jose, California:** Household Income $110,040, Zillow Home Value Forecast 8.9%.
2. **Raleigh, North Carolina:** Household Income $71,685, Zillow Home Value

Forecast 3.7%.
   3. **Seattle, Washington:** Household Income $78,611, Zillow Home Value Forecast 5.4%.
   4. **Charlotte, North Carolina:** Household Income $59,979, Zillow Home Value Forecast 4.%.
   5. **San Francisco, California:** Household Income $96.677, Zillow Home Value Forecast 3.8%.
   6. **Austin, Texas:** Household Income $71,000, Zillow Home Value Forecast 3.3%.
   7. **Denver, Colorado:** Household Income $71,926, Zillow Home Value Forecast 3%.
   8. **Nashville, Tennessee:** Household Income $60,030, Zillow Home Value Forecast 3.8%.
   9. **Portland, Oregon:** Household Income $68,676, Zillow Home Value Forecast 3.7%.
  10. **Dallas, Texas:** Household Income $63,812, Zillow Home Value Forecast 4.7%.

Compare the above list with the list offered by realtor.com this past December:

   1. **Las Vegas, Nevada:** median home $285,045; projected sales growth 4.9%; predicted price growth 6.9%.
   2. **Dallas, Texas:** median home $339,300; projected sales growth 6%; predicted price growth 5.6%.
   3. **Deltona, Florida:** median home $275,050; projected sales growth 5.5%; predicted price growth 6%.
   4. **Stockton, California:** median home $385,050; projected sales growth 4.6%; predicted price growth 6.4%.
   5. **Lakeland, Florida:** median home $226,950 projected sales growth 3%; predicted price growth 7%.
   6. **Salt Lake City, Utah:** median home $360,828 projected sales growth 4.6%; predicted price growth 4.5%.
   7. **Charlotte, North Carolina:** median home $325,045; projected sales growth 6%; predicted price growth 3%.
   8. **Colorado Springs, Colorado:** median home $375,000; projected sales growth 3.1%; predicted price growth 5.7%.
   9. **Nashville, Tennessee:** median home $358,501; projected sales growth 1%; predicted price growth 7.7%.
  10. **Tulsa, Oklahoma:** median home $199,586; projected sales growth 7.5%; predicted price growth 1%.

In additions to the markets listed above, some sources say that the housing markets in several communities in the Midwest — Madison, Wisconsin; Grand Rapids, Michigan; and Columbus, Ohio, etc. — are heating up, as well.