

Who Are NAHB's Builder Members?

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Economics and Housing Policy
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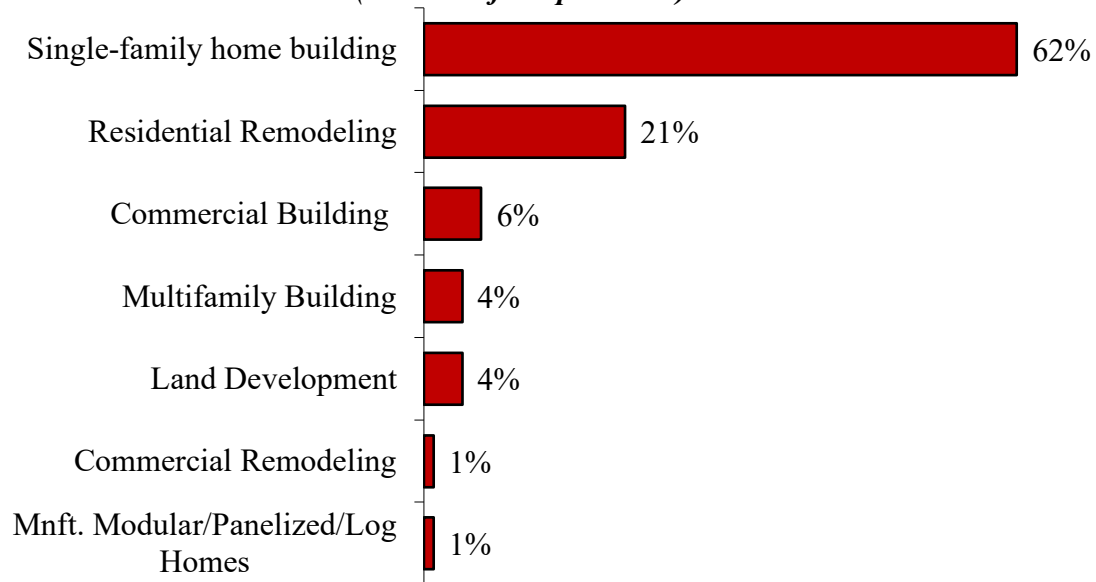
The National Association of Home Builders (NAHB) has conducted an annual census of its members every year since 2008. Data from the census allow NAHB to construct detailed profiles of particular types of members, shedding light on the composition and characteristics of its membership.

This article updates previous studies with results from the 2019 annual member census on the characteristics of NAHB's builder members. Builder members are defined as those whose primary business is single-family home building, multifamily building, residential or commercial remodeling, commercial building, land development, or manufacturing of modular/panelized/log homes. Associate members are involved in a wide range of support industries and professions including, among others, trade contractors, manufacturers, retailers/distributors, designers, and architects. Findings from the 2018 Builder Census can be found in the June 10, 2019 Special Study and Associate Census in the May 1, 2019 Special Study. At the end of 2019, there were 38,448 builder members representing 32 percent of the total NAHB membership. Associate members make up the remaining 68 percent of membership and were highlighted in the July 1, 2020 Special Study article.

62% of Builder Members Build Single-Family Homes

Sixty-two percent of NAHB's builder members are primarily single-family builders (spec/tract, custom, or general contracting), 21 percent are residential remodelers, 6 percent are commercial builders, and 4 percent each are multifamily builders and land developers. One percent each are commercial remodelers and manufacturers of modular/panelized/log homes (Exhibit 1).

Exhibit 1. Share of Builder Members by Primary Business Activity - 2019
(Percent of Respondents)



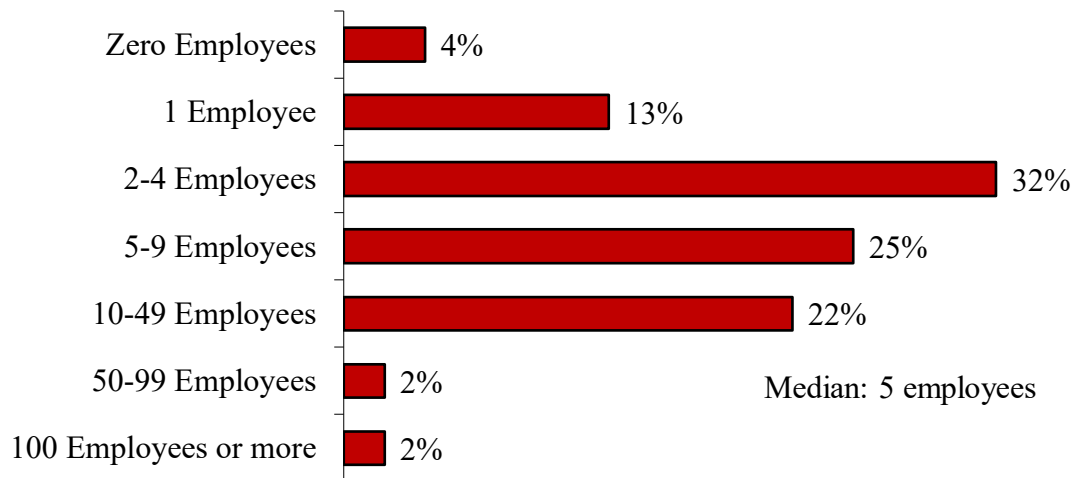
The composition of NAHB’s builder membership did not change significantly from 2018 to 2019. The categories of single-family home builders, residential remodeling, commercial general contracting, and multifamily builders shifted by just 1 percentage point during this period, while the remaining categories - land development, commercial remodeling, and the manufacturing of modular/panelized/log homes - remained unchanged.

70% of Builders Have Fewer than 10 Employees

Builder members had a median¹ of 5 employees on payroll in 2019. Thirteen percent had 1 employee, 32 percent had 2 to 4 employees, 25 percent had 5 to 9, 22 percent had 10 to 49, and 4 percent had 50 or more paid employees. Four percent had no employees on payroll (Exhibit 2). The median number of employees has remained unchanged at 5 since 2015. From 2008 to 2014, the median number of employees on payroll was 4.

¹ This article will use median values, as averages can be inflated by a few high production builders. Medians are largely unaffected by these outliers because it calculates the middle most value, not taking into account how high the highest values are. An increase in a median’s value indicates an overall shift of all the builders, not a change in a few large builders.

**Exhibit 2. Total Number of Employees on Payroll - 2019
(Percent of Respondents)**

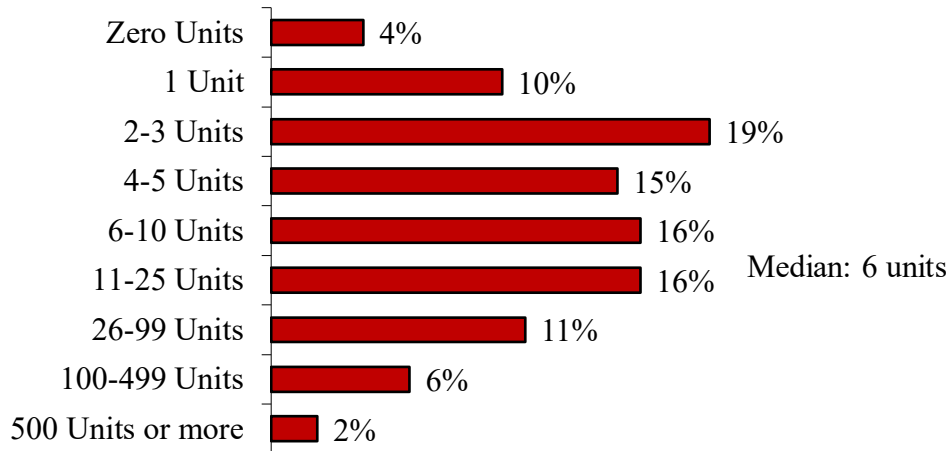


The median number of employees on payroll varies significantly by the builder's primary activity. Manufacturers of modular/panelized/log homes had the largest payrolls, with a median of 21 employees in 2019, compared to 3 among land developers, 4 among single-family builders, 5 among residential remodelers, 6 among commercial remodelers, and 9 among both multifamily builders and commercial builders.

19% of Builders (Plurality) only Build 2 to 3 Units a Year

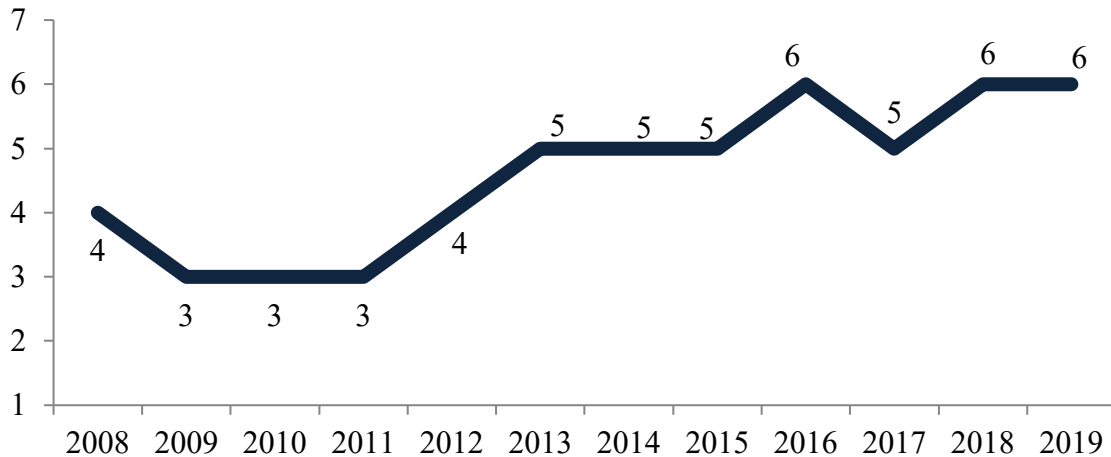
Ten percent of builders started only one unit in 2019, the plurality – 19 percent – started 2 or 3 units, 15 percent 4 or 5 units, 16 percent 6 to 10 units, another 16 percent 11 to 25 units, 11 percent 26 to 99 units, 6 percent 100 to 499 units, and only 2 percent started 500 units or more. About 4 percent did not start any housing units in 2019 (Exhibit 3). The median number of units started in 2019 was 6, unchanged from 2018 (Exhibit 4).

Exhibit 3. Total Number of Housing Starts – 2019
(Percent of Respondents)



Since the start of the Census in 2008, the median number of units built by members has oscillated between 3 and 6. In 2008, builders reported starting a median of 4 units, before slipping to 3 units between 2009 and 2011. It then rose to 4 units in 2012, to 5 units between 2013 and 2015, and to 6 units in 2016. The median fell back to 5 units in 2017 and inched up to 6 again in 2018.

Exhibit 4. Median Number of Housing Starts – History
(Median)

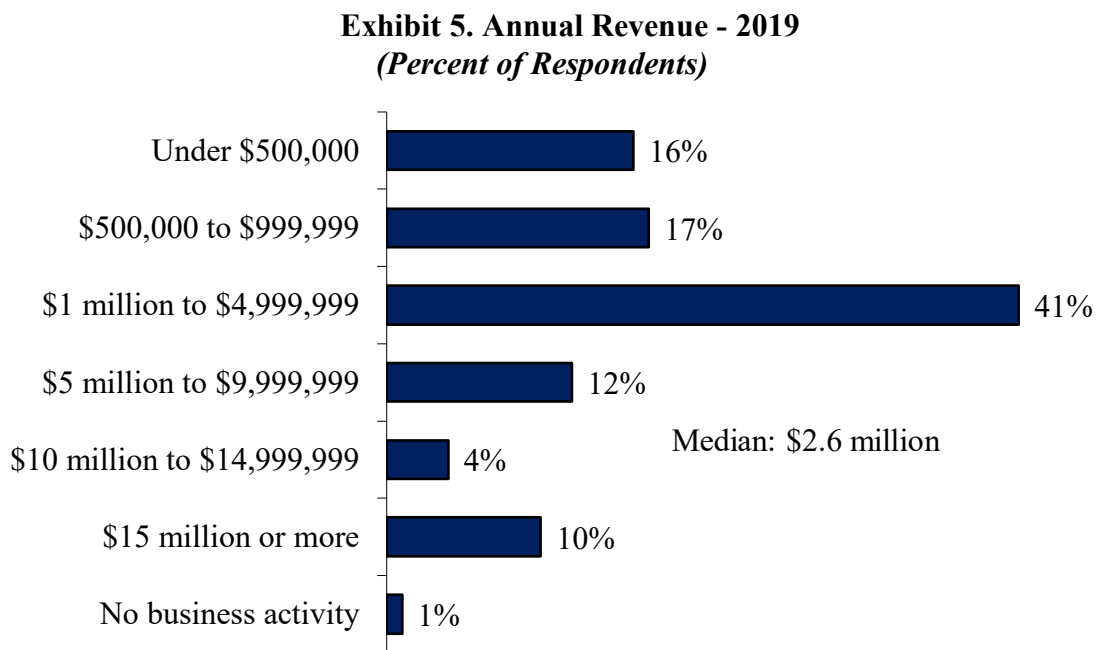


The median number of units started was highest among multifamily builders (45 units) and manufacturers of modular/panelized/log homes (32 units), and significantly lower among

residential remodelers and commercial remodelers (1 unit each), commercial builders (4 units), single-family builders (6 units), and land developers (7 units).

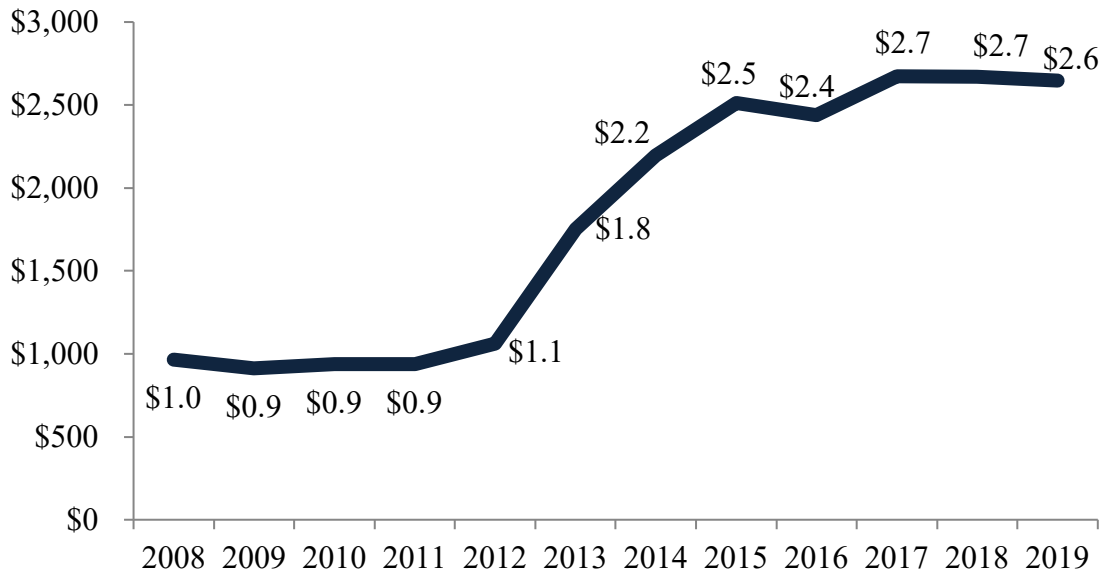
Median Dollar Volume is Slightly Down in 2019

The median dollar volume of business among builder members was \$2.6 million in 2019, slightly lower than its 2018 level of \$2.7 million. Sixteen percent of builder members reported a 2019 dollar volume of less than \$500,000, 17 percent between \$500,000 and \$999,999, 41 percent between \$1.0 million and \$4.9 million, 12 percent between \$5.0 million and \$9.9 million, 4 percent between \$10.0 million and \$14.9 million, and 10 percent reported their dollar volume in 2019 at \$15 million or more. One percent of builder members reported no business activity in 2019 (Exhibit 5).



The median dollar volume of business plateaued between 2008 and 2011, with levels ranging from \$0.9 to \$1 million dollars, then jumped from \$1.1 million in 2012 to \$2.5 million in 2015. The median dollar volume reached \$2.7 million in 2017 and 2018, its highest level since the inception of the Census, but edged down slightly to \$2.6 million in 2019 (Exhibit 6).

Exhibit 6. Annual Revenue – History
(Median - millions of dollars)

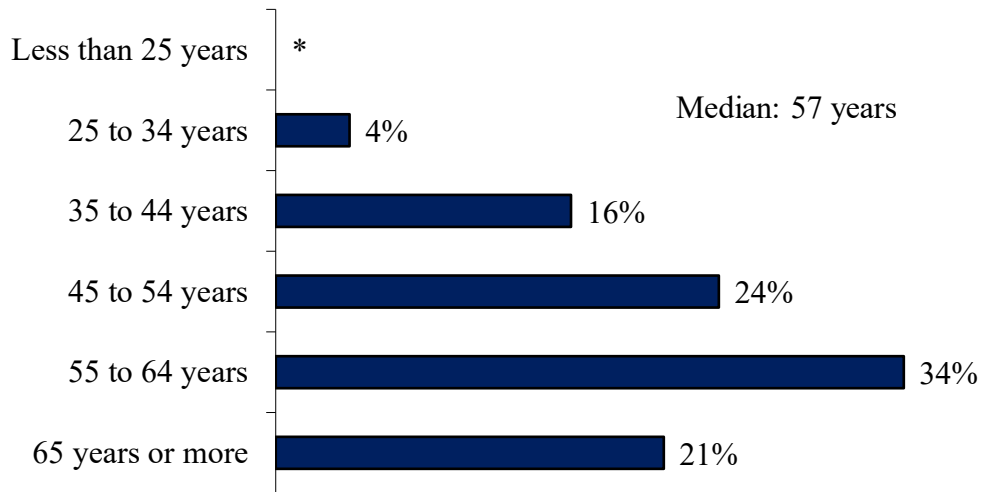


Levels of revenue also vary widely by the business activity builders are primarily involved in. Multifamily builders had the highest median revenue in 2019 (\$6.1 million), compared to \$0.8 million among residential remodelers, \$1.4 million among commercial remodelers, \$2.6 million among land developers, \$3.2 million among single-family builders, \$3.4 million among commercial builders, and \$3.5 million among modular/panelized/log home manufacturers.

Age, Gender, Race and Ethnicity

The median age of NAHB builder members in 2019 was 57 years. Fifty-five percent of builder members are 55 or older. Of the remaining, 24 percent are 45 to 54 years of age and approximately 20 percent are younger than 45 (Exhibit 7).

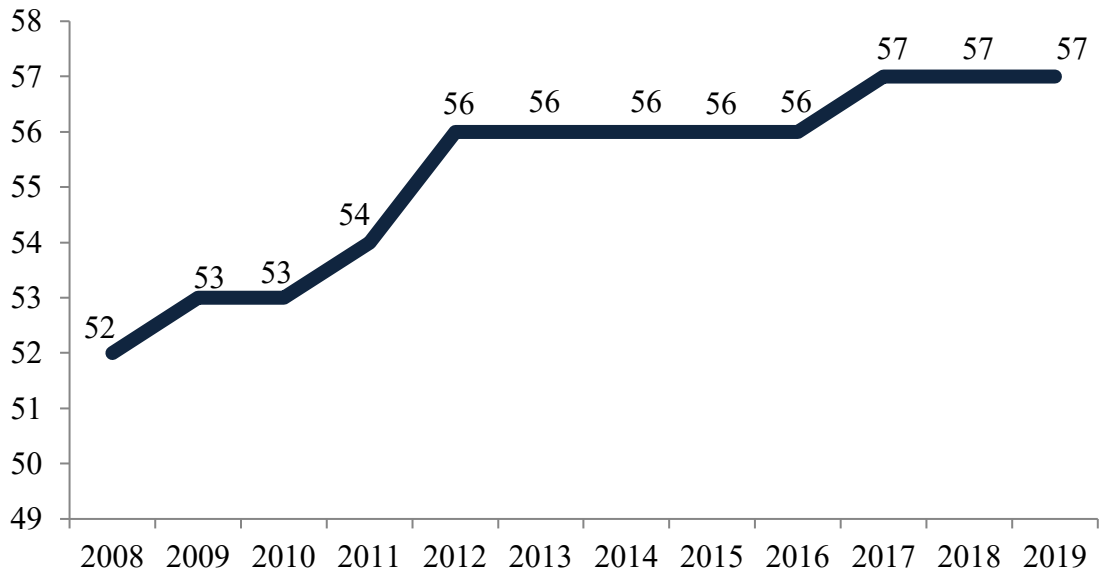
Exhibit 7. Age - 2019
(Percent of Respondents)



*Less than 0.5%

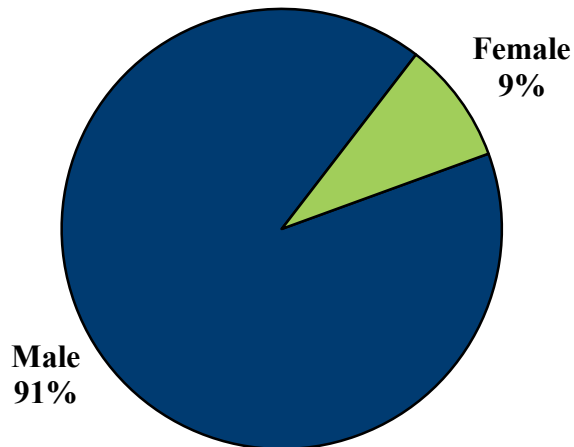
Examining the history shows that the median age of builder members has been on an upward trajectory since 2008, when the Census first started. That year, the median age was 52. It rose to 53 in 2009 and 2010, to 54 in 2011, to 56 from 2012 to 2016, and inched up to 57 in 2017 (Exhibit 8).

Exhibit 8. Median Age – History

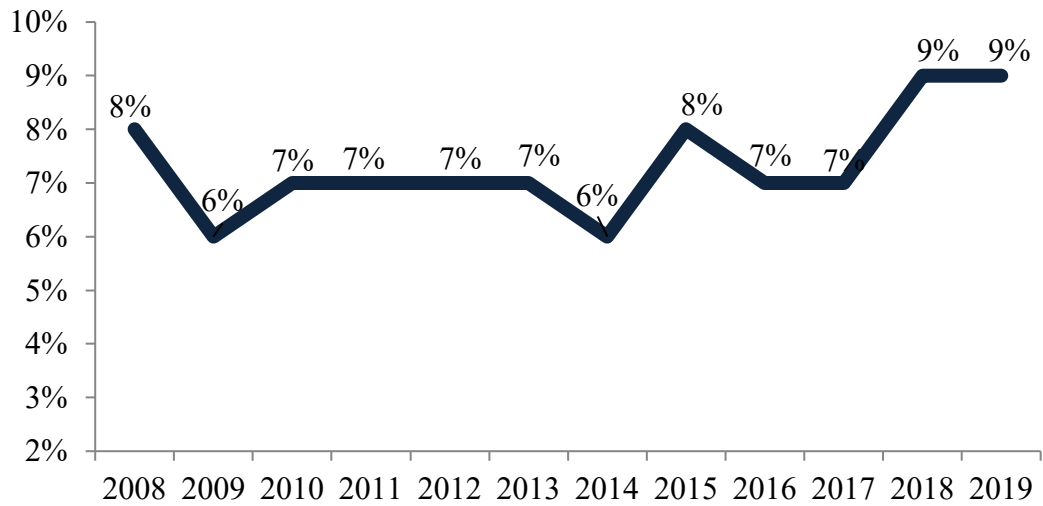


Nine percent of NAHB builder members were women in 2019 (Exhibit 9), unchanged from 2018, but still the highest share since the inception of the member census in 2008. From that year until 2017, the female share fluctuated in a narrow band between 6 and 8 percent (Exhibit 10).

**Exhibit 9. Gender - 2019
(Percent of Respondents)**

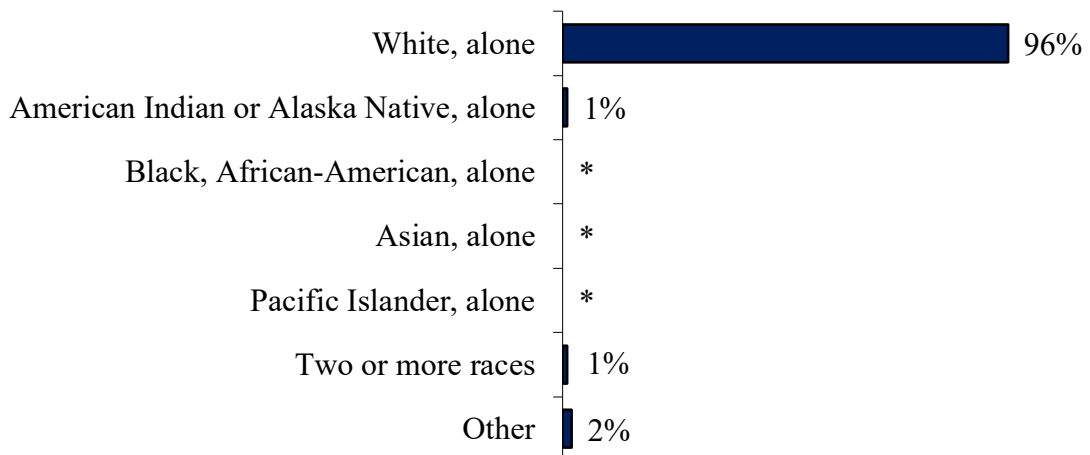


**Exhibit 10. Gender - History
(Percent of Respondents)**



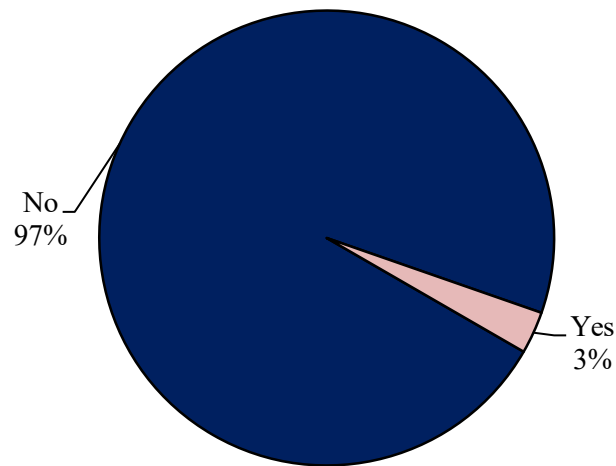
The vast majority of NAHB’s builder members are white. In fact, 96 percent of builder members identified themselves as White, alone; while 1 percent identified themselves as American Indian or Alaska Native, alone; and less than 0.5 percent identified themselves as Black or African-American, alone; Asian, alone; and Pacific Islander, alone. One percent identified themselves as having two or more races and 2 percent identified themselves as belonging to some other race. In terms of ethnicity, only 3 percent report being of Hispanic, Latino, or Spanish origin (Exhibits 11 & 12).

**Exhibit 11. Race – 2019
(Percent of Respondents)**



* Less than 0.5% reported being Black or African-American, alone; Asian, alone; or as Pacific Islander, alone.

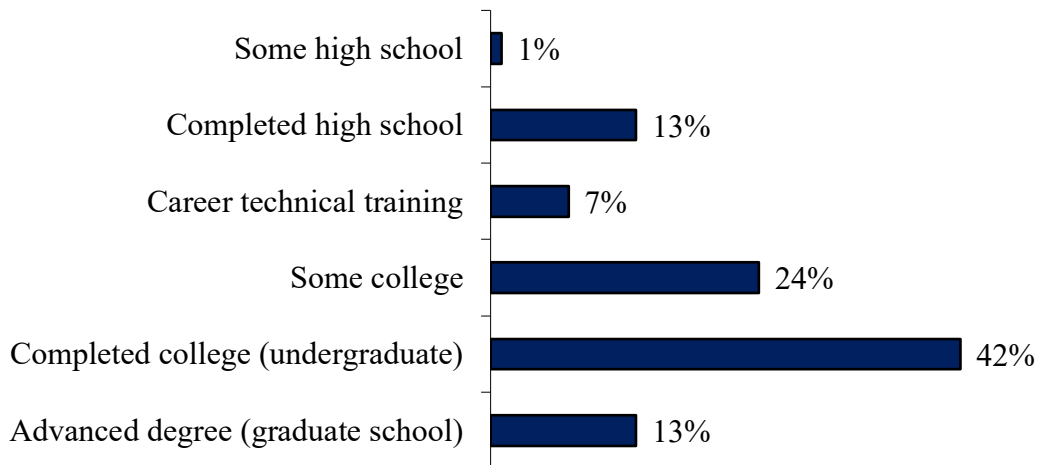
Exhibit 12. Ethnicity: Are you of Hispanic, Latino, or Spanish origin? - 2019
(Percent of Respondents)



55% of Builder Members Have a Higher Education Degree

The share of NAHB builder members with a college or advanced degree has remained above 50 percent every year since 2008. In 2019, only 1 percent reported that they did not finish high school, 13 percent completed high school, 7 percent have had career technical training, and 24 percent have had some college education. The remaining 55 percent have an undergraduate or graduate degree (Exhibit 13).

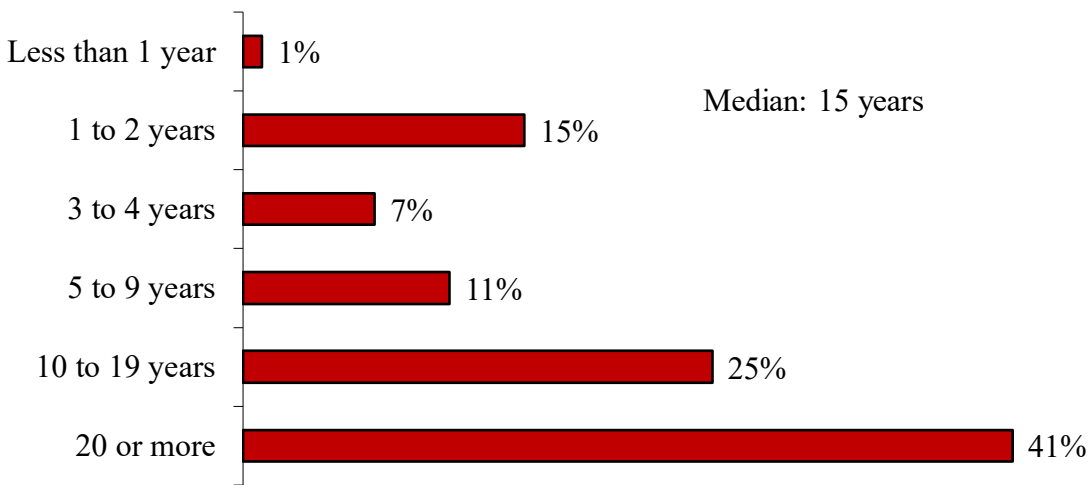
Exhibit 13. Education - 2019
(Percent of Respondents)



66% Have Been Members for a Decade or More

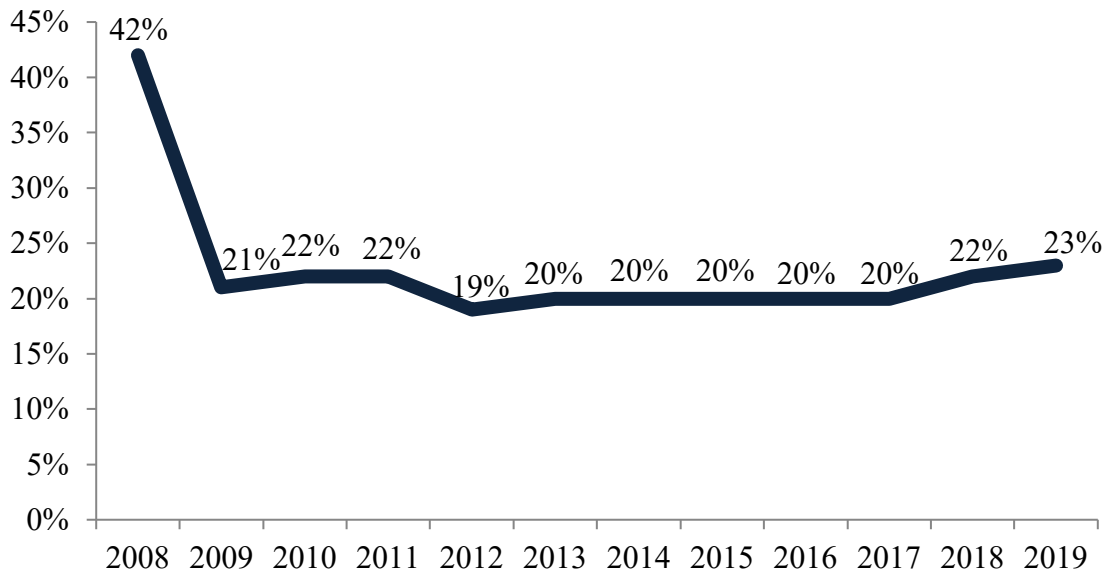
The median NAHB membership tenure among builders is 15 years, with 66 percent of builder members having more than a decade of membership. Eleven percent have been members 5 to 9 years, and 23 percent have been members for 4 years or less (Exhibit 14).

Exhibit 14. Tenure as NAHB Member - 2019
(Percent of Respondents)



The share of builder members with a tenure of four years or less has inched up in recent years: from 2013 to 2017, the share held steady at 20 percent, but increased slightly to 22 percent in 2018, and to 23 percent in 2019 (Exhibit 15). It is important to note, however, that this share is still significantly lower than the share in 2008 (42 percent).

**Exhibit 15. Tenure as NAHB Member – History
(Share with Tenure of Four Years or Less)**



A profile for each category of builder member is available following this article.

PROFILES BY BUILDER MEMBER TYPE
Single Family Builder in 2019

Member Count	2008	2009	2010	2011	2012	2013 ⁴	2014	2015	2016	2017
	45,198	31,630	27,512	24,159	23,520	18,973	24,289	24,463	22,908	22,708
	2018	2019								
22,996	23,733									

Company Profile

1. No. of employees on payroll (Median):

Construction Employees	2
Non-construction Employees	1
Total	4

(Two percent of single-family builders have 50-99 employees and 1 percent have 100 or more.)

2. No. of units Started (Median):

Single Family	6
Multifamily	0
Total	6

(Five percent of single-family builders started 100 to 499 units and 1 percent started 500 units or more.)

3. Dollar volume of company's business activity (Median): **\$3,209,846**

(Eleven percent of the single-family builders had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: **17%**

Member Profile

- 1. No. of years as a member of NAHB (Median):** **15 years**
- 2. Age (Median)** **56 years**
- 3. Gender:** **Male: 92% Female: 8%**
- 4. Race/Ethnicity:** **White: 97% Hispanic: 3%**
- 5. Education** **55 percent of the single-family builders responding have completed college or have an advanced degree and 25 percent have some college education.**

⁴ Count for 2013 is skewed down by the anomalous large share of respondents who failed to provide a primary activity that year.

Residential Remodeler in 2019

Member Count	2008	2009	2010	2011	2012	2013 ⁵	2014	2015	2016	2017
	12,885	13,645	11,484	11,986	10,364	8,078	8,546	7,427	8,602	7,638
	2018	2019								
	8,291	7,891								

Company Profile

1. No. of employees on payroll (*Median*):

Construction Employees	3
Non-construction Employees	1
Total	5

(One percent of residential remodelers have 50 or more employees and another 1 percent have 100 or more employees.)

2. No. of units Started (*Median*):

Single Family	1
Multifamily	0
Total	1

(Among residential remodelers who also build new housing units, 1 percent started 26 to 99 units and another 1 percent started 100 to 499 units)

3. Dollar volume of company's construction (*Median*): \$847,374

(Four percent of residential remodelers had \$5 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 10%

Member Profile

1. No. of years as a member of NAHB (*Median*): 14 years
2. Age (*Median*): 57 years
3. Gender: Male: 90% Female: 10%
4. Race/Ethnicity: White: 95% Hispanic: 2%
5. Education 49 percent of residential remodelers have completed college or have an advanced degree and another 26 percent have some college education.

⁵ Count for 2013 is skewed down by the anomalous large share of respondents who failed to provide a primary activity that year.

Commercial Builder in 2019

	2008	2009	2010	2011	2012	2013 ⁶	2014	2015	2016	2017
Member Count	3,177	2,491	2,603	2,347	2,028	1,487	1,611	2,516	2,399	2,028
	2018	2019								
	1,964	2,151								

Company Profile

1. No. of employees on payroll (Median):

Construction Employees	6
Non-construction Employees	2
Total	9

(Six percent of commercial builders have 50 to 99 employees and 1 percent have 100 or more.)

2. No. of units Started (Median):

Single Family	2
Multifamily	0
Total	4

(Among commercial builders who also build new housing units, 9 percent started 26 to 99 units and 7 percent started 100 to 499 units.)

3. Dollar volume of company's revenue (Median): **\$3,372,976**

(Thirteen percent of commercial builders had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: **18%**

Member Profile

1. No. of years as a member of NAHB (Median): **12 years**
2. Age (Median) **59 years**
3. Gender: **Male: 89% Female: 11%**
4. Race/Ethnicity: **White: 94% Hispanic: 2%**
5. Education **45 percent of commercial builders have completed college or have an advanced degree and another 26 percent have some college education**

⁶ Count for 2013 is skewed down by the anomalous large share of respondents who failed to provide a primary activity that year.

Multifamily Builder in 2019

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Member Count	3,006	2,633	1,702	1,445	1,423	1,853	1,568	1,639	1,773	1,637
	2018	2019								
	1,817	1,566								

Company Profile

1. No. of employees on payroll (*Median*):

Construction Employees	4
Non-construction Employees	3
Total	9

(Seven percent of multifamily builders have 50 to 99 employees and 7 percent have 100 or more.)

2. No. of units Started (*Median*):

Single Family	0
Multifamily	35
Total	45

(Twenty-nine percent of multifamily builders started 100 to 499 units and 7 percent started 500 or more.)

3. Dollar volume of company's construction (*Median*): **\$6,091,379**

(Twenty-seven percent of multifamily builders had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: **31%**

Member Profile

1. No. of years as a member of NAHB (*Median*): **20 years**

2. Age (*Median*): **56 years**

3. Gender: **Male: 89% Female: 11%**

4. Race/Ethnicity: **White: 96% Hispanic: 6%**

5. Education **73 percent of multifamily builders responding have completed college or have an advanced degree and another 15 percent have some college education.**

Land Developer in 2019

Member Count	2008	2009	2010	2011	2012	2013 ⁷	2014	2015	2016	2017
	2,972	2,709	1,928	1,630	1,588	1,346	2,022	1,450	1,641	1,695
	2018	2019								
	1,624	1,489								

Company Profile

1. No. of employees on payroll (Median):

Construction Employees	1
Non-construction Employees	2
Total	3

(Three percent of land developers have 50 to 99 employees and 6 percent have 100 or more.)

2. No. of units Started (Median):

Single Family	4
Multifamily	0
Total	7

(Among land developers who also build new housing units, 13 percent started 100 to 499 units and 13 percent started 500 units or more.)

3. Dollar volume of company's revenue (Median): \$2,590,411

(Seventeen percent of land developers had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 9%

Member Profile

1. No. of years as a member of NAHB (Median): **20 years**
2. Age (Median) **62 years**
3. Gender: **Male: 89% Female: 11%**
4. Race/Ethnicity: **White: 95% Hispanic: 2%**
5. Education **77 percent of land developers have completed college or have an advanced degree and another 9 percent have some college education.**

⁷ Count for 2013 is skewed down by the anomalous large share of respondents who failed to provide a primary activity that year.

Commercial Remodeler in 2019

Member Count	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	661	973	714	700	573	1,625	680	536	405	520
	2018	2019								
	542	573								

Company Profile

1. No. of employees on payroll (Median):

Construction Employees	4
Non-construction Employees	1
Total	6

(Two percent of commercial remodelers have 100 or more employees.)

2. No. of units Started (Median):

Single Family	1
Multifamily	0
Total	1

(Among commercial remodelers who also build new housing units, 13 percent started 26 to 99 units.)

3. Dollar volume of company's construction (Median): **\$1,351,195**

(Two percent of commercial remodelers had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: **7%**

Member Profile

1. No. of years as a member of NAHB (Median): **14 years**
2. Age (Median) **58 years**
3. Gender: **Male: 100% Female: 0%**
4. Race/Ethnicity: **White: 95% Hispanic: 2%**
5. Education **57 percent of commercial remodelers responding have completed college or have an advanced degree and another 24 percent have some college education.**

Manufacturers of Modular/Panelized/Log Homes in 2019

	2008	2009	2010	2011	2012	2013 ⁸	2014	2015	2016	2017
Member Count	273	431	278	177	244	93	260	274	244	156
	2018	2019								
	217	223								

Company Profile

1. No. of employees on payroll (*Median*):

Construction Employees	4
Non-construction Employees	5
Total	21

(Fifteen percent of the manufacturers of modular/panelized/log homes have 50 to 99 employees.)

2. No. of units Started (*Median*):

Single Family	32
Multifamily	0
Total	32

(Seventy percent of manufacturers of modular/panelized/log homes started 26 to 99 units.)

3. Dollar volume of company's revenue (*Median*):

\$3,483,526

(Eleven percent of manufacturers of modular/panelized/log homes had \$15 million or more in business activity)

4. Build Age-Restricted Housing for People Age 55+:

35%

Member Profile

1. No. of years as a member of NAHB (*Median*): **11 years**

2. Age (*Median*) **58 years**

3. Gender: **Male: 94%** **Female: 6%**

4. Race/Ethnicity: **White: 100%** **Hispanic: 0%**

5. Education **63 percent of manufacturers of modular/panelized/ log homes have completed college or have an advanced degree and another 21 percent have some college education.**

⁸ Count for 2013 is skewed down by the anomalous large share of respondents who failed to provide a primary activity that year.