

NAHB Builders' Businesses Showed Significant Growth in 2021

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The business of the typical NAHB builder grew significantly between 2020 and 2021, according to results from the National Association of Home Builder's (NAHB's) latest census. NAHB has been conducting an annual census of its members since 2008, with the most recent installment conducted by NAHB at the end of 2021 and covering the business activity of its members throughout 2021.

Although the majority of NAHB builders remain relatively small businesses by most standards, the 2021 NAHB census shows that their businesses tended to be larger in 2021 than in 2020:

- Median gross revenue of an NAHB builder in 2021 was \$3.3 million, up 29.6 percent from the previous year.
- Median number of homes started in 2021 was 6, up 20.0 percent.

While the *median* number of payroll employees remained constant at 5, the *average* number of employees increased by 50.6 percent, to a record high 23.5.

The following sections describe these and other results in more detail. At the end of the article is a series of profiles for each of the major categories of NAHB's builder members (single-family builder, residential remodeler, commercial builder, multifamily builder, land developer, commercial remodeler and manufacturer of modular/panelized/log homes).

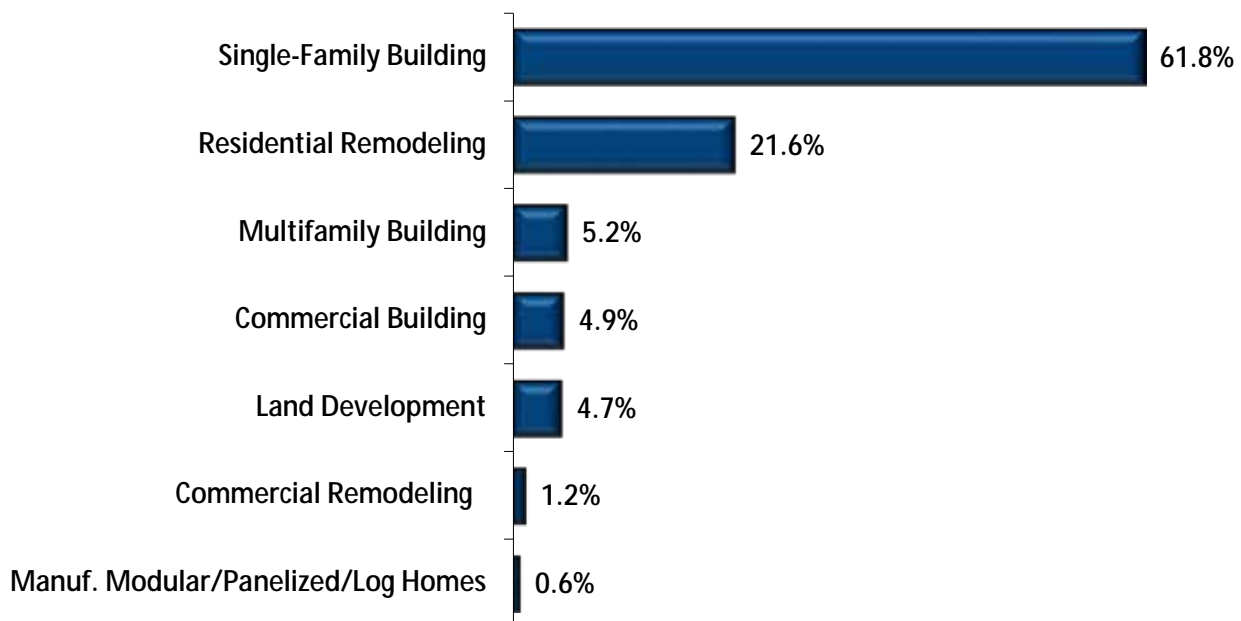
NAHB Members and Their Primary Business Activities

At the time of its 2021 member census, NAHB had total of 37,767 *builder* members, accounting for roughly 34 percent of NAHB's total membership of 110,196. The remainder are classified as *associate* members, engaged in activities related to home

building while not being actual builders themselves.

Among NAHB builder members, 61.8 percent reported single-family building as their primary activity in 2021, compared to 21.6 percent for residential remodeling, 5.2 percent for multifamily building, 4.9 percent for commercial building, and 4.7 percent for land development. Fewer than two percent reported that their primary activity was commercial remodeling or the manufacturing of modular/panelized/log homes (fig. 1). Excluded from the chart are 4 percent of NAHB builder members who failed to report a primary activity in 2021.

**Figure 1. Primary Business Activity in 2021
(Percent of Respondents)***



**Based on respondents who provided information on their primary activity.*

The composition of NAHB's builder membership in 2021 was little changed compared to the previous year, with each of the percentages shown in Figure 1 moving only by a single percentage point or less.

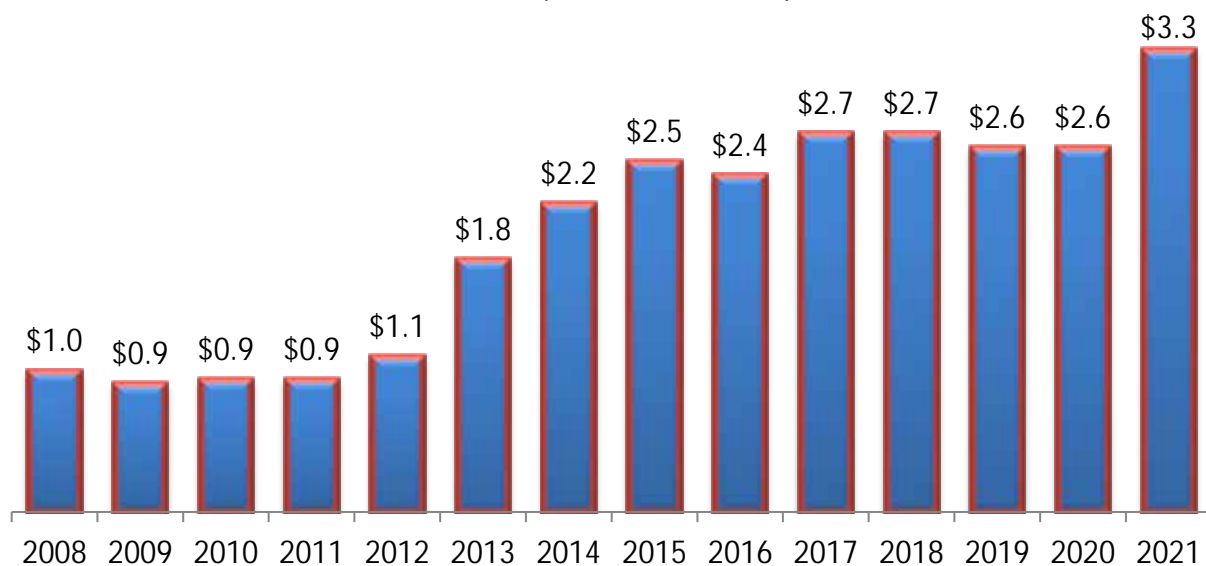
Dollar Volume of Business

With some exceptions, NAHB builder members are relatively small businesses. In the 2021 census, 14 percent of the NAHB's builder members reported a dollar volume of less than \$500,000, 13 percent reported between \$500,000 and \$999,999, 38 percent between \$1.0

million and \$4.9 million, 15 percent between \$5.0 million and \$9.9 million, 6 percent between \$10.0 million and \$14.9 million, and 13 percent reported dollar volume of \$15.0 million or more. One percent of builder members reported no business activity. The median was an annual business volume of \$3.3 million, up \$700,000 percent from the \$2.6 million recorded in 2020. By way of comparison, the Small Business Administration's [size standards](#) classify most types of construction businesses as small if they have average annual receipts of less than \$39.5 million.

NAHB reinstated its member census during the industry-wide downturn of 2008, when median annual revenue of builder members was only around \$1.0 million. Median annual revenue began rising in 2013, plateauing at \$2.6 to \$2.7 million from 2017 through 2020. The \$3.3 million recorded in 2021 thus represents a substantial 26.9 percent increase from the 2020 number, as well as an all-time high (fig. 2). General inflation undoubtedly accounts for some of the increase, with the Consumer Price Index rising by 4.7 percent during the year. However, as the next section shows, business activity of NAHB 's builder members also increased in real terms in 2021.

Figure 2. Median Annual Revenue: HISTORY
(Millions of dollars)



Housing Starts

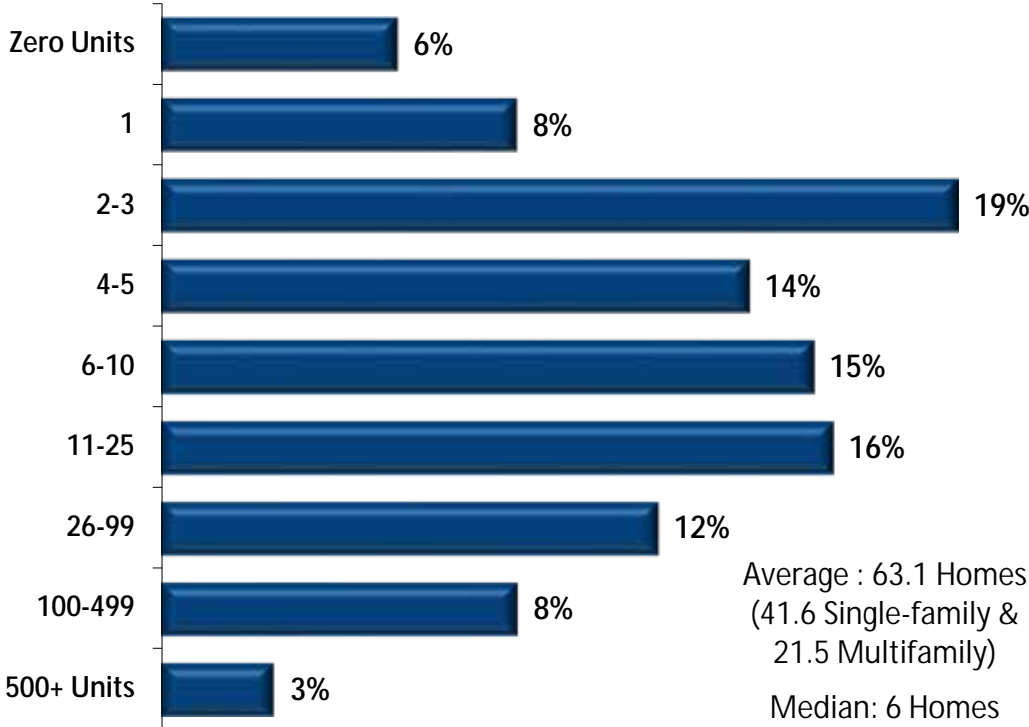
The NAHB census also asks builder members about the number of homes started¹ in 2021. The plurality—19 percent—started 2 or 3 homes, while 8 percent started one, 14 percent started

¹ In its [Survey of Construction](#), the U.S. Census Bureau considers housing unit started when excavation for the foundation of the structure begins.

four or five, 15 percent started six to ten, 16 percent started eleven to twenty-five, 16 percent started 26 to 99, 8 percent started 100 to 499, and 3 percent started 500 homes or more (fig. 3). About 6 percent did not start any homes at all in 2021.

On average, NAHB builders started an average of 63.1 homes in 2021 (41.6 single-family units and 21.5 multifamily homes). The median number of housing starts was 6 (fig. 3). Because the data on starts include a small percentage of very large builders, the average number of starts is much higher than the median, and for many purposes the median number of 6 housing starts is more representative of the typical builder.

Figure 3. Number of Housing Starts in 2021
(Percent of Respondents)

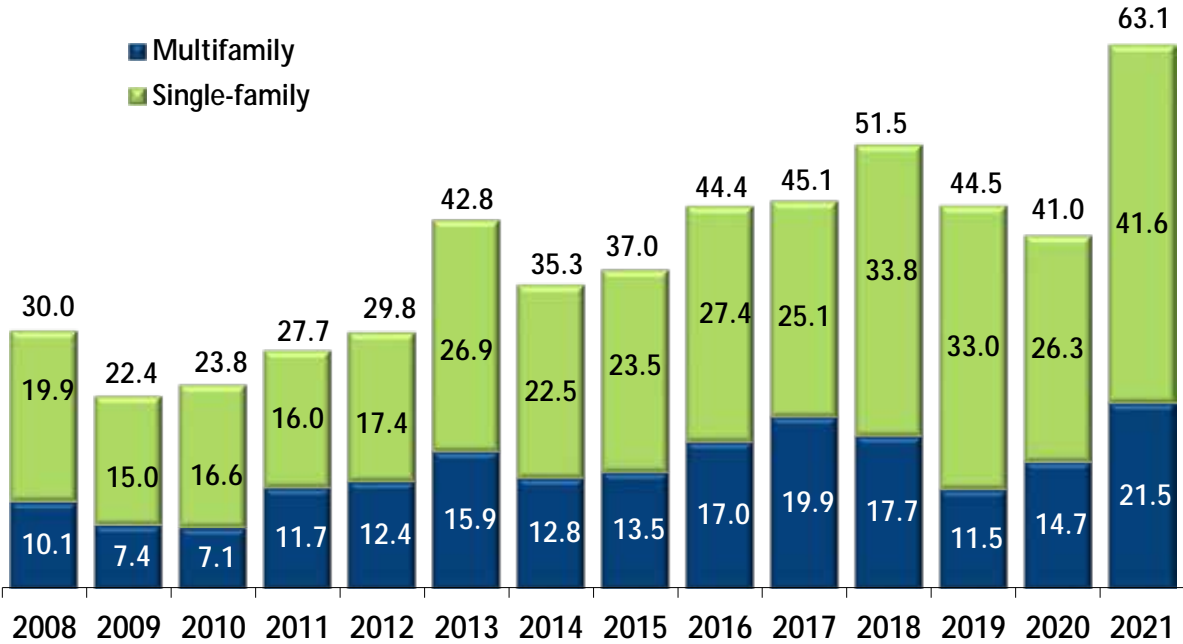


Not surprisingly, multifamily builders tend to start more homes per year than single-family builders. Multifamily builders reported a median of 84 housing starts in 2021, compared to 6 for single-family builders.

Although there has been considerable year-to-year fluctuation, the trend in average starts per builder has been generally upward over the long term (fig. 4). The increase from 41.0 in 2020 to 63.1 in 2021 represents a particularly strong 53.9 percent surge, however, with single-family

starts rising by 58.2 percent (from 26.3 to 41.6) and multifamily starts by 46.3 percent (from 14.7 to 21.5). Meanwhile, the median number of starts, less sensitive to the results reported by a relatively small number of very large builders, increased by an even 20.0 percent, from 5 in 2020 to 6 in 2021.

Figure 4. Average Number of Housing Starts: HISTORY



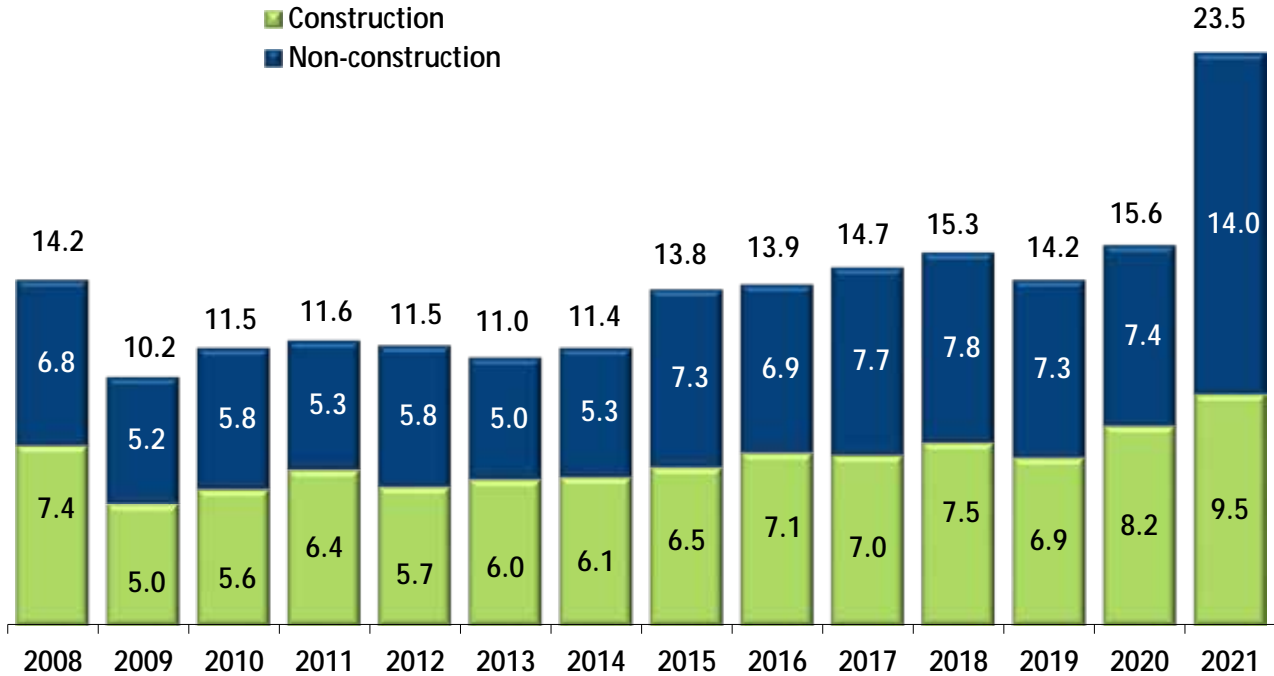
Employees

Due to their status as small businesses and frequent reliance on [subcontractors](#), many builders carry relatively few employees on their payrolls. In NAHB's 2021 member census, the builder members reported a median of 5 employees (including employees in both construction and non-construction jobs). The median varies by the company's primary activity. Among manufacturers of modular/panelized/log homes, the median number of paid employees in 2021 was 27, compared to 13 for multifamily builders, 10 for commercial builders, 8 for commercial remodelers, and 5 for each of the three other major categories of NAHB builders: single-family builders, residential remodelers and land developers. The median number of payroll employees for NAHB builder members remained stable at 4 from 2008 through 2014, then edged up to 5 where it has stayed since 2015.

Skewed by a small number of very large builders, the average was a considerably higher 23.5 employees (9.5 construction and 14.0 non-construction). While the median has remained relatively stable, the average number of employees surged in 2021, coinciding with the similar surges in revenue and housing starts.

The average of 23.5 employees on builders' payrolls in 2021 was 50.6 percent higher than the 15.6 recorded in 2020 and represents a record high in the 14-year history of the series. At its inception in 2008, builders carried an average of 14.2 payroll employees. The average hovered around 10 to 12 payroll employees from 2009 through 2014, and around 14 to 16 from 2015 through 2020. Most of the subsequent surge in 2021 was attributable to the number of non-construction employees carried on the payroll (which nearly doubled from 7.4 to 14.0).

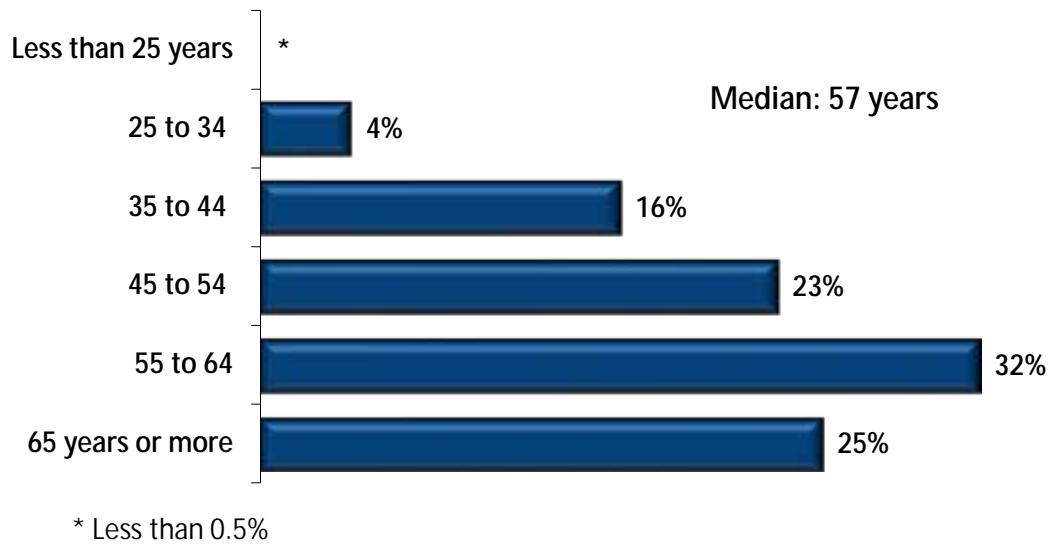
Figure 5. Average Number of Employees on Payroll: HISTORY



Age, Gender, Race and Ethnicity

In 2021, only 4 percent of builder members were less than 35 years old, 16 percent were 35 to 44, 23 percent were 45 to 54, 32 percent were 55 to 64, and 25 percent were 65 years or older. The median age of builder members in 2020 was 57 years (fig. 6).

Figure 6. Age
(Percent of Respondents)

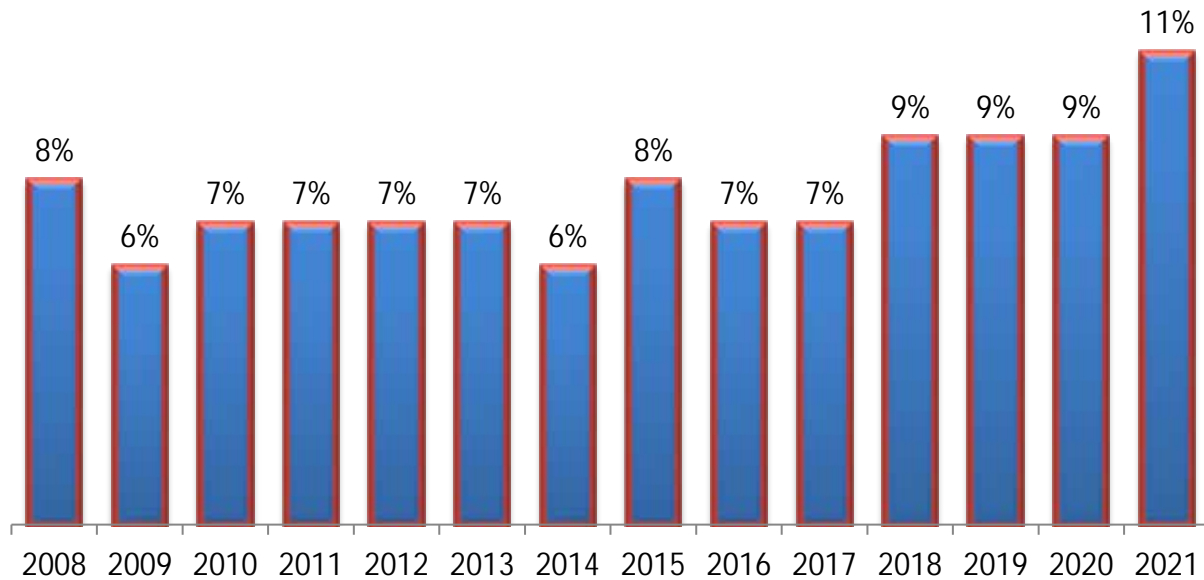


The median age has been rising gradually since the inception of the current incarnation of the member census: from 52 in 2008, to 53 in 2009 and 2010, 54 in 2011, 56 from 2012 to 2016, and to 57 since 2017.

Builders' median age shows some variation across primary activities. The typical land developer and commercial remodeler are slightly older, at 62 and 61, respectively, compared to manufacturers of modular/panelized/log homes and single-family builders, at 52 and 56, respectively.

In 2021, 11 percent of NAHB builder members were women. This is about the same as the percentage in the [construction industry overall](#) and the highest NAHB's female share has been since the inception of the current version of the member census in 2008. The previous high was 9 percent, every year from 2017 through 2019 (fig. 7). The census also shows that the female share is slightly higher among more recent members: 14 percent of those with only 1 to 4 years of membership are women, compared to 8 percent of those with 10 years or more.

Figure 7. Female Share of Builder Members: HISTORY

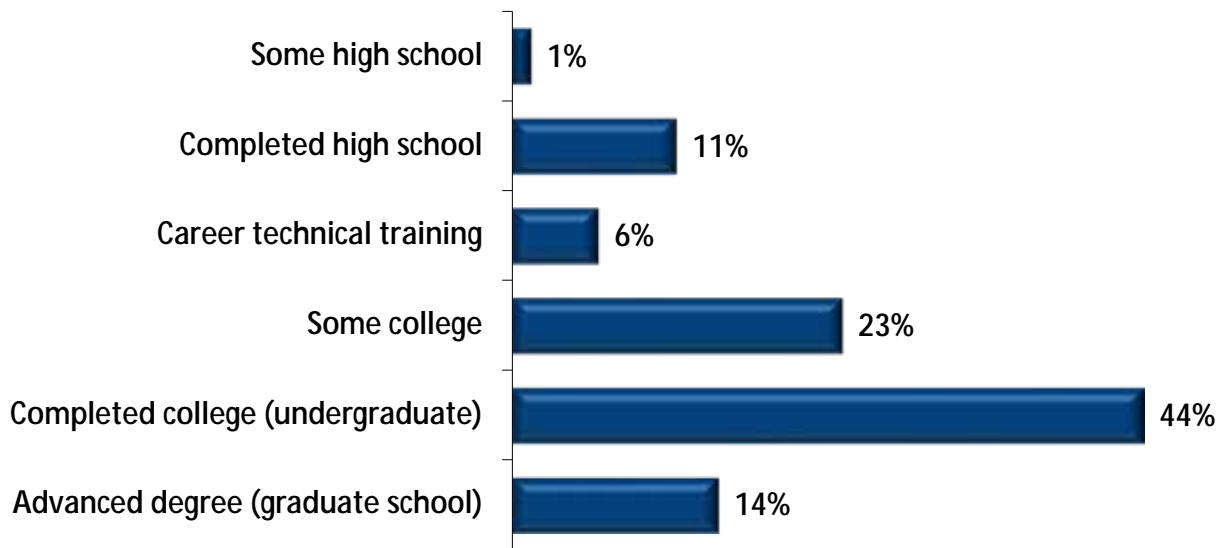


The vast majority of NAHB's builder members are white. In fact, 96 percent of builders identified themselves as White, alone, while one percent identified as Black, African-American, alone. Another one percent as American Indian or Alaska Native, alone; and less than half of one percent as either Asian, alone or Pacific Islander, alone. Two percent of builder members are of some other race and one percent are of two or more races. In terms of ethnicity, only 3 percent of builder members report being of Hispanic, Latino, or Spanish origin

Education

Fifty-eight percent of NAHB's builder members either completed college or have an advanced graduate degree, 23 percent have some college but not a degree, 6 percent have career technical training, 11 percent completed high school, and 1 percent only have some high school education (fig. 8). The share of builder members with a college and/or advanced degree has remained consistently above 50 percent since the inception of the current version of the member census in 2008.

Figure 8. Education
(Percent of Respondents)



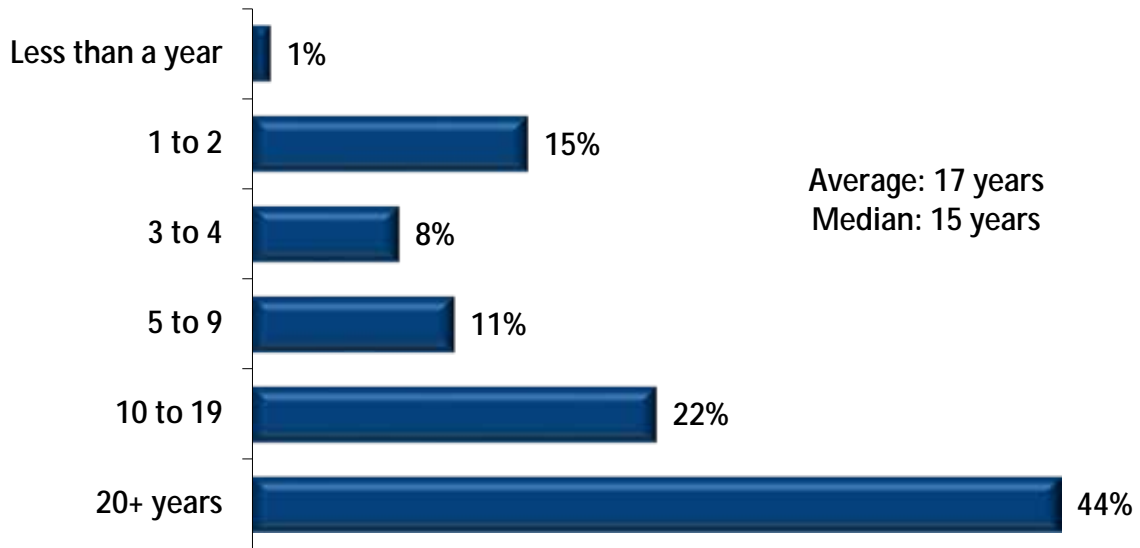
The share of builder members with a college or graduate degree varies significantly based on the company's primary business. For example, 81 percent of land developers and 76 percent of multifamily builders have a degree, compared to 51 percent of residential and 44 percent of commercial remodelers.

The likelihood of a college or advanced degree also is positively related to the company's size. At one end of the scale, 55 percent of builder members whose companies started 1 to 10 housing units in 2021 have a degree. At the other end, the share is 76 percent at companies with 100 starts or more.

Tenure as an NAHB Member

Builder members have had an NAHB membership for an average of 17 years and a median of 15 years. Sixteen percent have been members for less than 3 years, 8 percent for 3 to 4 years, 11 percent for 5 to 9, 22 percent for 10 to 19, and the remaining 44 percent have been members of NAHB for 20 or more years (fig. 9).

Figure 9. Number of Years as a Member of NAHB
(Percent of Respondents)



The average tenure of NAHB builder members was 14 or 15 years from 2009 through 2013, then remained stable at 16 years from 2014 to 2018. Average tenure of NAHB members has remained steady at 17 years since 2019.

Among the major categories of builders, , land developers and multifamily builders have the longest tenures, having been members of NAHB for an average of 23 and 19 years, respectively. Next come manufacturers of modular/panelized/log homes (17 years), single-family builders (17 years), commercial remodelers (16 years), and residential remodelers and commercial builders (15 years each)

Following are a series of profiles covering each of the major categories of NAHB builder members.

PROFILES BY BUILDER MEMBER TYPE

Single Family Builder in 2021

Member Count	2008	2009	2010	2011	2012	2013 ²	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	2020	2021						
22,996	23,733	22,891	22,412							

Company Profile

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

Construction Employees	3
Non-construction Employees	1
Total	5

(Three percent have 50-99 employees and two percent have 100 or more)

2. No. of units Started (Median):

Single Family	6
Multifamily	0
Total	6

(Seven percent started 100-499 units and two percent started 500 units or more.)

3. Dollar volume of company's business activity (Median): **\$3,960,889**
(Fifteen percent had \$15 million or more in business activity.)

- 4. Build Age-Restricted Housing for People Age 55+: 18%**
- 5. Incorporate Green/Sustainable Features into Homes: 68%**

Member Profile

1. No. of years as a member of NAHB (Median): 16 years
2. Age (Median) 56 years
3. Gender: Male: 90% Female: 10%
4. Race/Ethnicity: White: 96% Hispanic: 3%
5. Education 59% have college/advanced degree
23% have some college education

² Count for 2013 is skewed downward by the anomalous large share of respondents who failed to provide a primary activity that year.

Residential Remodeler in 2021

Member Count	2008	2009	2010	2011	2012	2013 ³	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	2020	2021						
8,291	7,891	8,191	7,845							

Company Profile

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

Construction Employees	3
Non-construction Employees	1
Total	5

(One percent have 50-99 employees.)

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

Single Family	1
Multifamily	0
Total	1

(Among residential remodelers who also build new housing units, one percent started 100 to 499 units.)

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

\$964,298

(One percent had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 11%

5. Incorporate Green/Sustainable Features into Homes: 57%

Member Profile

1. No. of years as a member of NAHB (*Median*): 13 years
2. Age (*Median*): 57 years
3. Gender: Male: 90% Female: 10%
4. Race/Ethnicity: White: 96% Hispanic: 2%
5. Education: 51% have college/advanced degree
28% have some college education

³ Count for 2013 is skewed downward by the anomalous large share of respondents who failed to provide a primary activity that year.

Commercial Builder in 2021

	2008	2009	2010	2011	2012	2013 ⁴	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	2020	2021						
	1,964	2,151	1,692	1,956						

Company Profile

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

Construction Employees	7
Non-construction Employees	2
Total	10

(Four percent have 50-99 employees and five 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, two percent started 100-499 units and three percent 500+ units.)

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

\$4,029,417

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

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

18%

5. Incorporate Green/Sustainable Features into Homes:

44%

Member Profile

- | | |
|--|---|
| 1. No. of years as a member of NAHB (<i>Median</i>): | 12 years |
| 2. Age (<i>Median</i>) | 58 years |
| 3. Gender: | Male: 84% Female: 16% |
| 4. Race/Ethnicity: | White: 92% Hispanic: 4% |
| 5. Education | 53% have college/advanced degree
23% have some college education |

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

Multifamily Builder in 2021

Member Count	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	3,006	2,633	1,702	1,445	1,423	1,853	1,568	1,639	1,773	1,637
	2018	2019	2020	2021						
	1,817	1,566	1,532	1,911						

Company Profile

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

Construction Employees	5
Non-construction Employees	4
Total	13

(Eight percent have 50-99 employees and 11 percent have 100 or more.)

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

Single Family	0
Multifamily	74
Total	84

(Thirty-two percent started 100-499 units and 13 percent 500 or more.)

3. Dollar volume of company's construction (*Median*): **\$8,387,204**

(Thirty-one percent had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 32%

5. Incorporate Green/Sustainable Features into Homes: 70%

Member Profile

1. No. of years as a member of NAHB (*Median*): 17 years
2. Age (*Median*) 57 years
3. Gender: Male: 92% Female: 8%
4. Race/Ethnicity: White: 93% Hispanic: 7%
5. Education 76% have college/advanced degree
14% have some college education

Land Developer in 2021

Member Count	2008	2009	2010	2011	2012	2013 ⁵	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	2020	2021						
	1,624	1,489	1,732	1,505						

Company Profile

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

Construction Employees	1
Non-construction Employees	3
Total	5

(Five percent have 50-99 employees and two percent have 100 or more.)

2. No. of units Started (Median):

Single Family	4
Multifamily	0
Total	5

(Among land developers who also build new housing units, 11 percent started 100 to 499 units and 4 percent 500 or more.)

3. Dollar volume of company's revenue (Median): \$3,676,095

(Twenty-two percent had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 11%

5. Incorporate Green/Sustainable Features into Homes: 37%

Member Profile

1. No. of years as a member of NAHB (Median): 22 years
2. Age (Median) 62 years
3. Gender: Male: 90% Female: 10%
4. Race/Ethnicity: White: 95% Hispanic: 2%
5. Education 81% have college/advanced degree 12%
have some college education

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

Commercial Remodeler in 2021

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	2020	2021						
	542	573	471	396						

Company Profile

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

Construction Employees	6
Non-construction Employees	2
Total	8

(Four percent have 50-99 employees.)

2. No. of units Started (Median):

Single Family	1
Multifamily	0
Total	1

(Among commercial remodelers who also build new housing units, none started more than 100 units.)

3. Dollar volume of company's construction (Median): **\$2,042,006**

(Four percent had \$15 million or more in business activity.)

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

5. Incorporate Green/Sustainable Features into Homes: 47%

Member Profile

- 1. No. of years as a member of NAHB (Median): 16 years
- 2. Age (Median) 61 years
- 3. Gender: Male: 89% Female: 11%
- 4. Race/Ethnicity: White: 97% Hispanic: 7%
- 5. Education 44% have college/advanced degree
24% have some college education

Manufacturers of Modular/Panelized/Log Homes in 2021

Member Count	2008	2009	2010	2011	2012	2013 ⁶	2014	2015	2016	2017
	273	431	278	177	244	93	260	274	244	156
	2018	2019	2020	2021						
	217	223	102	217						

Company Profile

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

Construction Employees	13
Non-construction Employees	6
Total	27

(Twenty-five percent have 50-99 employees and 12 percent have 100 or more.)

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

Single Family	12
Multifamily	0
Total	12

(Sixteen percent started 100 to 499 housing units.)

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

\$4,634,220

(Twenty-six percent had \$15 million or more in business activity.)

4. Build Age-Restricted Housing for People Age 55+: 24%

5. Incorporate Green/Sustainable Features into Homes: 87%

Member Profile

1. No. of years as a member of NAHB (*Median*): 18 years
2. Age (*Median*): 52 years
3. Gender: Male: 88% Female: 12%
4. Race/Ethnicity: White: 100% Hispanic: 0%
5. Education: 65% have college/advanced degree
35% have some college education

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