

May 1, 2017
Special Study for HousingEconomics.com
By Carmel Ford

Who Are NAHB's Builder Members?

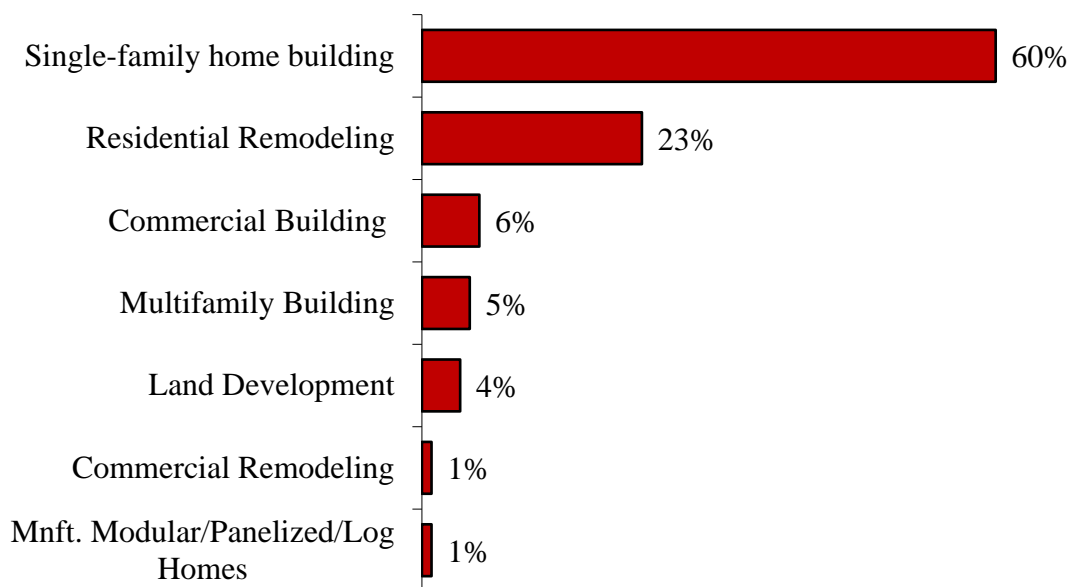
Every year since 2008, the National Association of Home Builders (NAHB) has conducted an annual census that collects company and demographic data from its members. It subsequently publishes these results here in HousingEconomics.com.

This article updates previous studies with results from the 2016 annual 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 2015 Builder Census can be found in the June 1, 2016 Special Study and Associate Census can be found in the July 1, 2016 Special Study. At the end of 2016, 38,935 builder members represented 32 percent of the total NAHB membership. Associate members make up the remaining 68 percent and will be highlighted in a future article.

60% of Builder Members Build Single-Family Homes

Sixty percent of NAHB's builder members are primarily single-family builders (spec/tract, custom, or general contracting), 23 percent are residential remodelers, 6 percent are commercial builders, 5 percent are multifamily builders, and 4 percent are 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 - 2016
(Percent of Respondents)



The composition of NAHB's builder membership changed slightly between 2015 and 2016. The share of builder members primarily involved in single-family home building, for example, decreased from 64 percent to 60 percent during this period, while the share who are residential remodelers increased from 19 percent to 23 percent.

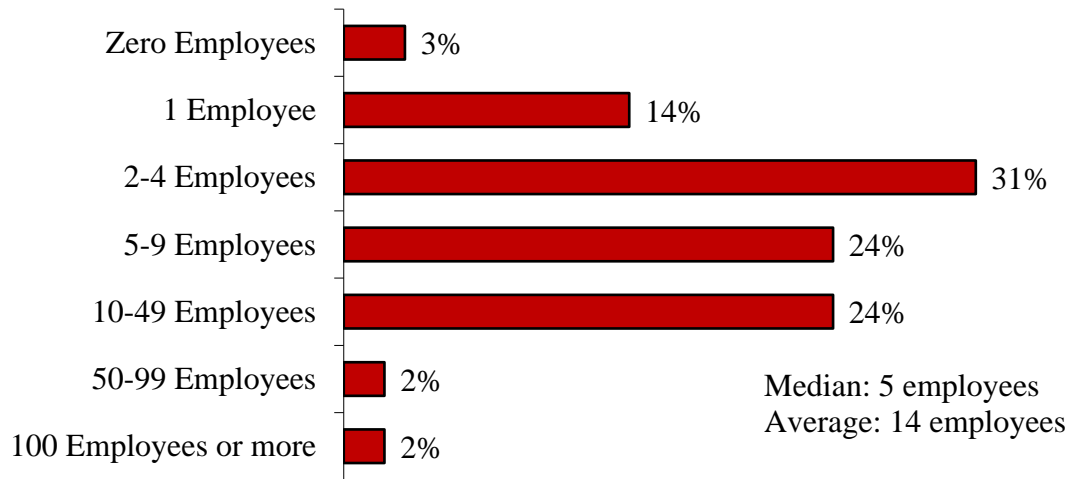
45% of Builders Have Between 1 and 4 Employees

In 2016, builder members had a median¹ of 5 employees on payroll. Fourteen percent had 1 employee, 31 percent had 2 to 4 employees, 24 percent had 5 to 9, another 24 percent had 10 to 49, and 4 percent had 50 or more paid employees. Three percent had no employees on payroll (Exhibit 2). The median number of employees remained unchanged at 5 from 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 - 2016

(Percent of Respondents)

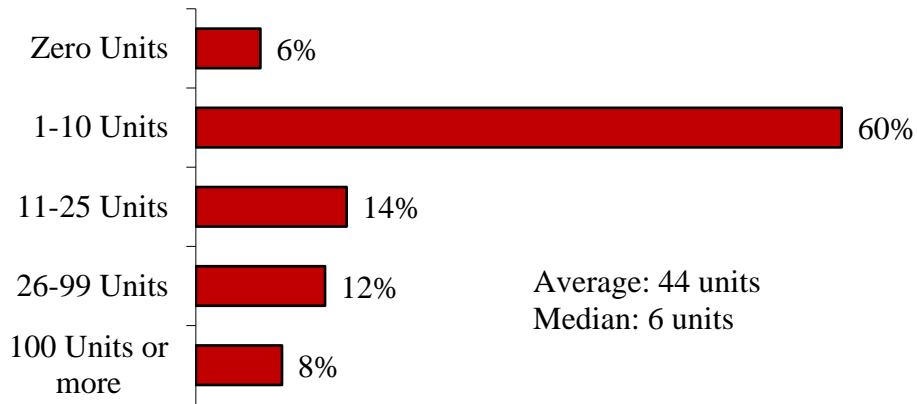


The median number of employees on payroll varies significantly by the company's primary activity. Manufacturers of modular/panelized/log homes, for example, had the largest payrolls, with a median of 23 employees in 2016, followed by commercial builders (12 employees), multifamily builders (11 employees), and commercial remodelers (5 employees). In contrast, among single-family builders, residential remodelers, and land developers, the median number of employees was 4.

60% of Builders Started Between 1 and 10 Units

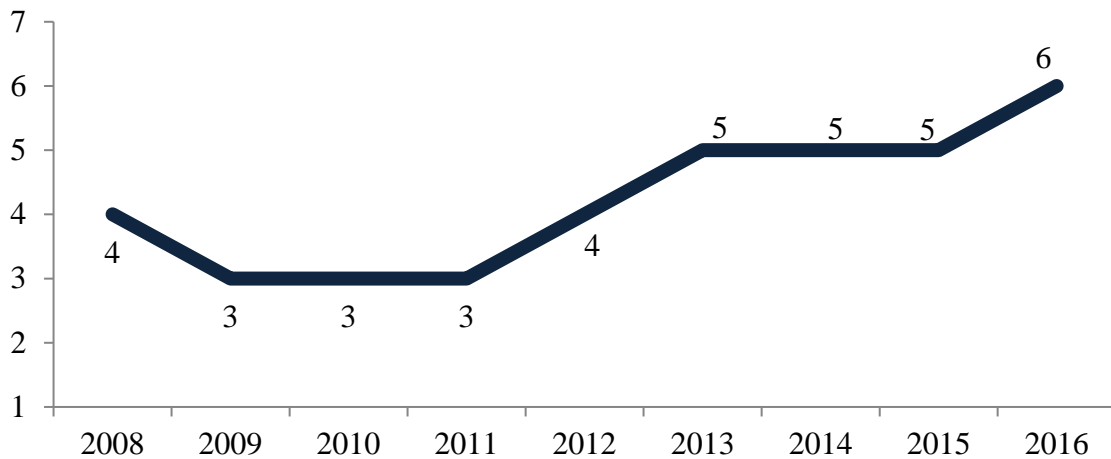
Six percent of builder members did not start any units in 2016, while 60 percent started between 1 and 10 units, 14 percent started 11 to 25 units, 12 percent 26 to 99 units, and 8 percent 100 or more units (Exhibit 3). The median number of units started in 2016 was 6.

Exhibit 3. Total Number of Housing Starts – 2016
(Percent of Respondents)



The first year the member Census was conducted, 2008, builders reported starting a median of 4 units. The median then slipped to 3 units between 2009 and 2011, but gradually increased thereafter. It rose to 4 units in 2012, to 5 units between 2013 and 2015, and to 6 units in 2016 (Exhibit 4).

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



As expected, the median number of starts varies significantly across different groups of builder members. Single-family builders, for example, started a median of 6 units in 2016, while multifamily builders started a median of 42.

Median Dollar Volume Dips Slightly in 2016

The median dollar volume of builder members in 2016 was \$2.4 million, barely under the median dollar volume reported in 2015 (\$2.5 million). Nineteen percent of builder members reported a 2016 dollar volume of less than \$500,000, 17 percent between \$500,000 and \$999,999, 39 percent between \$1.0 million and \$4.9 million, 11 percent between \$5.0 million and \$9.9 million, 5 percent between \$10.0 million and \$14.9 million, and 9 percent reported their dollar volume in 2016 at \$15.0 million or more. One percent of builder members reported no business activity in 2016 (Exhibit 5 & 6).

Exhibit 5. Annual Revenue - 2016
(Percent of Respondents)

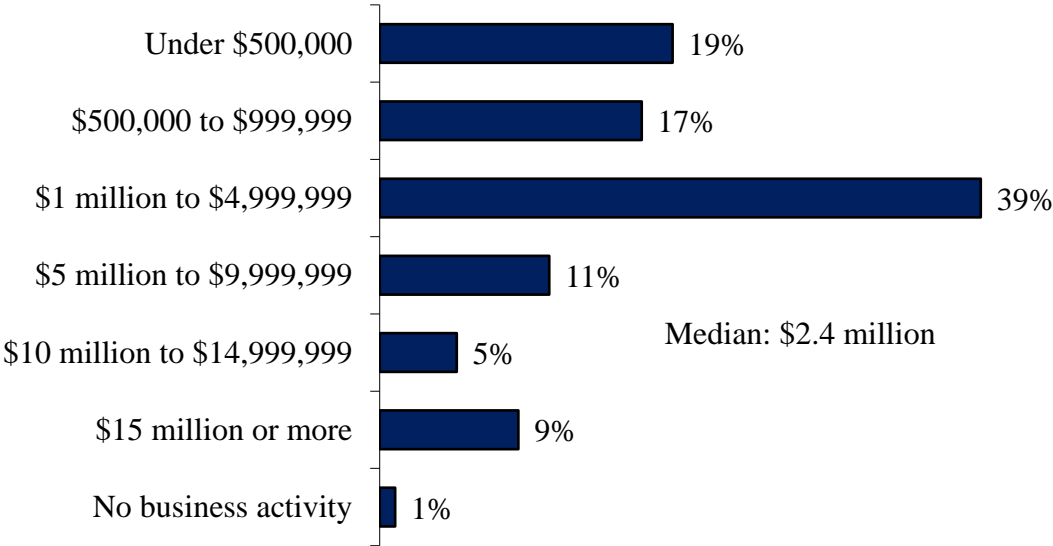
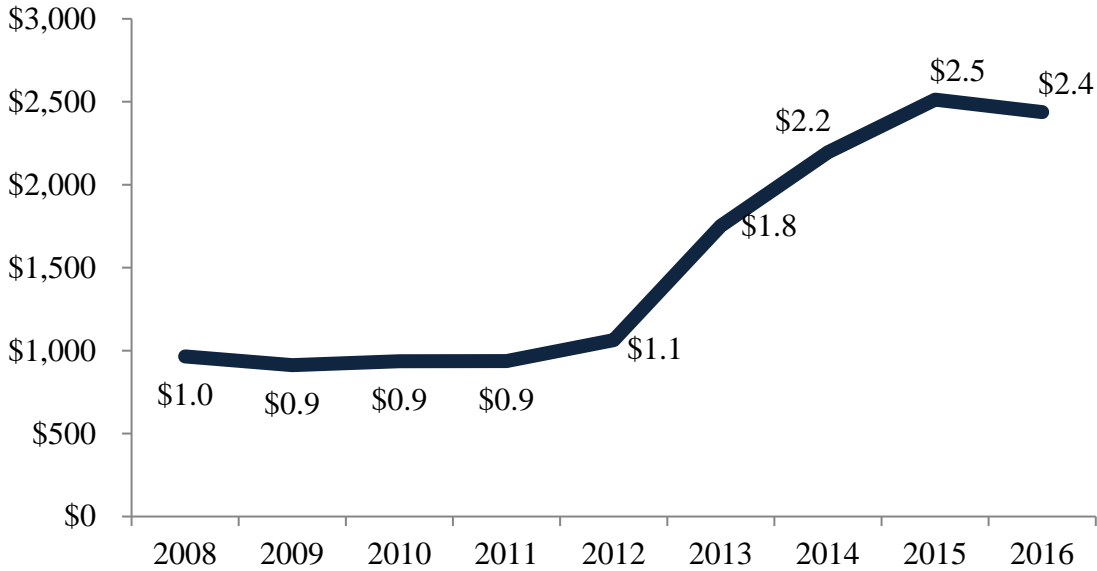


Exhibit 6. Annual Revenue – History
(Median - millions of dollars)

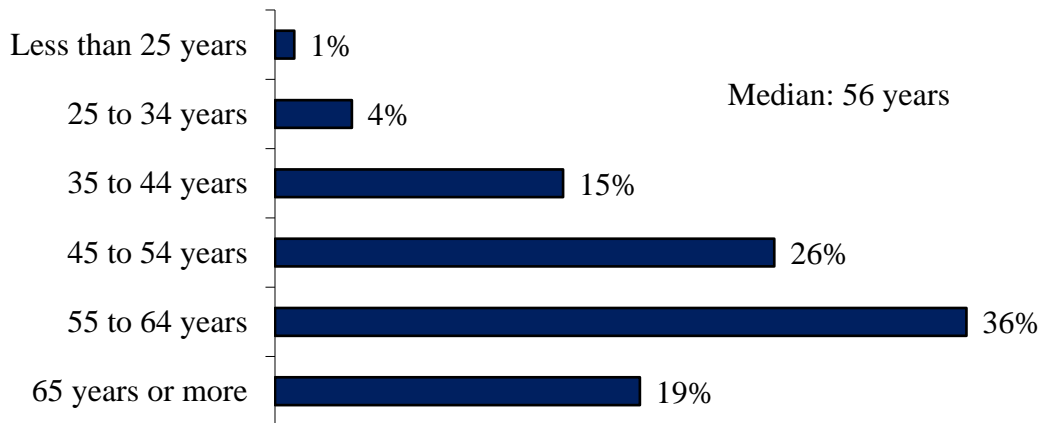


Levels of revenue also vary widely across categories of builder members. Multifamily builders had the highest median revenue in 2016 (\$5.3 million), followed by manufacturers of modular/panelized log homes (\$5.0 million), commercial builders (\$4.0 million), land developers (\$3.2 million), single-family builders (\$3.0 million), commercial remodelers (\$1.2 million), and residential remodelers (\$0.8 million).

Age, Race and Ethnicity

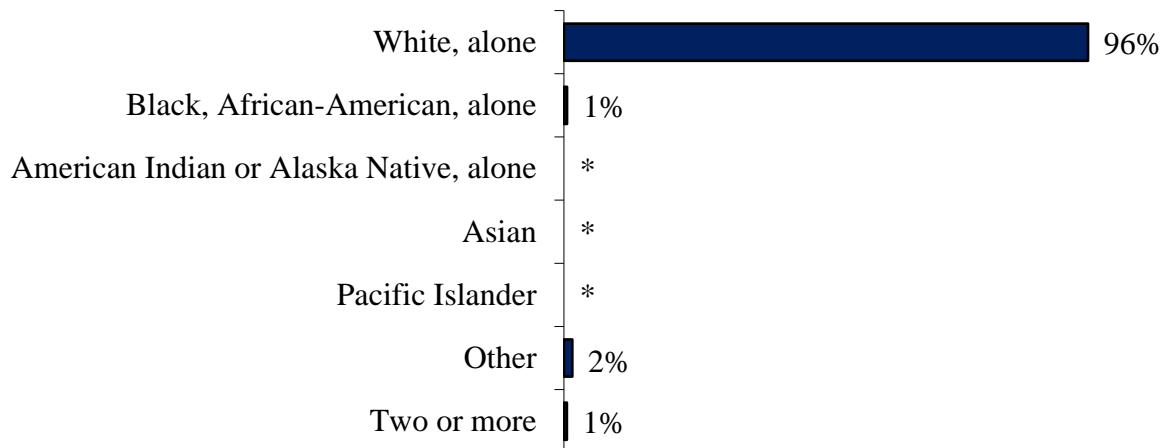
The median age of NAHB builder members in 2016 was 56 years. Fifty-five percent of builder members are 55 or older. Of the remaining, 26 percent are 45 to 54 years of age and 20 percent are younger than 45 (Exhibit 7).

Exhibit 7. Age - 2016
(Percent of Respondents)



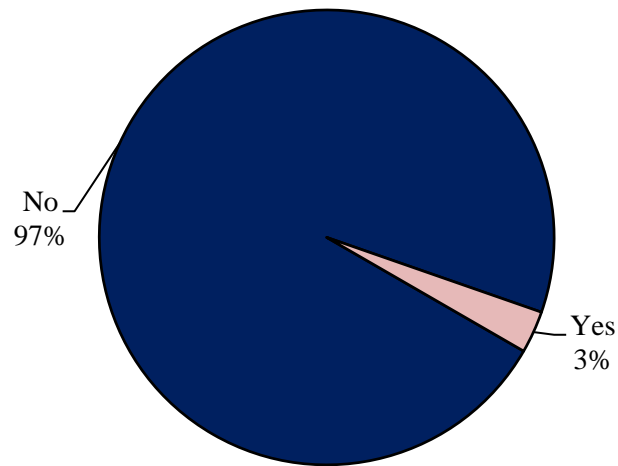
The vast majority (96 percent) of NAHB's builder members are White (alone). One percent or less identify themselves as Black/African-American, American Indian/Alaska Native, Asian, or Pacific Islander. In terms of ethnicity, only three percent report being of Hispanic/Latino/Spanish origin (Exhibits 8 and 9).

Exhibit 8. Race
(Percent of Respondents)



* Less than 0.5% reported being American Indian or Alaska Native, alone, Asian, alone, or Pacific Islander, alone.

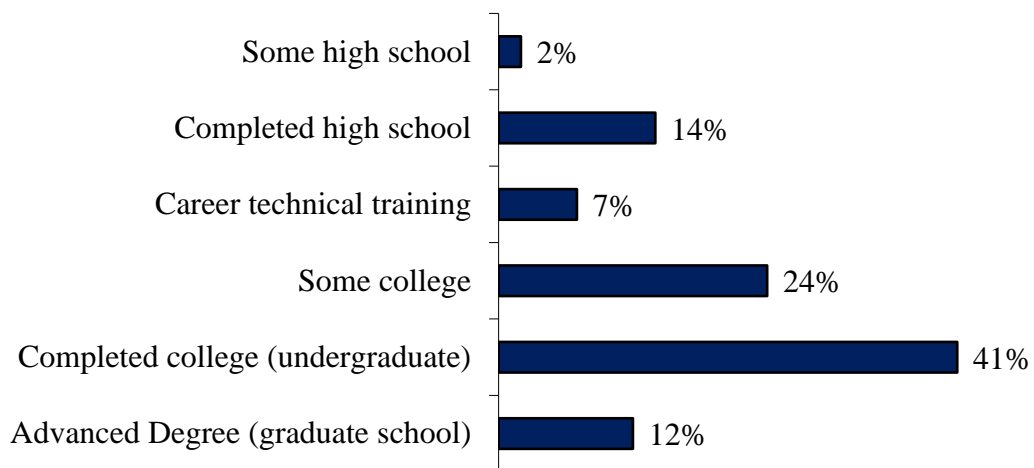
Exhibit 9. Ethnicity: Are you of Hispanic, Latino, or Spanish origin?
(Percent of Respondents)



Over Half of Builder Members Have a Degree

The share of NAHB builder members with a college or advanced degree has remained above 50 percent every year since 2008. In 2016, 2 percent reported that they did not finish high school, 14 percent completed high school, 7 percent have career technical training, and 24 percent have had some college education. The remaining 53 percent have a college or graduate degree (Exhibit 10).

Exhibit 10. Education - 2016
(Percent of Respondents)

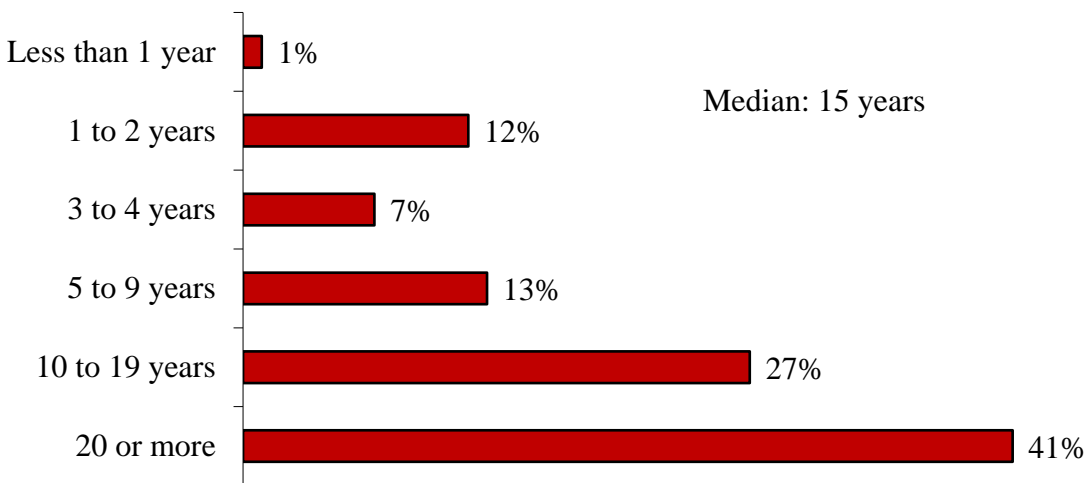


The share of builder members with a higher education degree (either undergraduate or graduate) differs across builder categories. For example, seventy-seven percent of multifamily builders have a degree, compared to forty-one percent of commercial remodelers.

More Than Two-Thirds Have Been Members for a Decade or More

The median NAHB membership tenure among builders is 15 years, with 68 percent of builder members having more than a decade of membership. Thirteen percent have been members 5 to 9 years, and 20 percent have been members for 4 years or less (Exhibit 11).

Exhibit 11. Tenure as NAHB Member - 2016
(Percent of Respondents)



A profile for each category of builder member is available in the “Additional Resources” box at the top of this article.

PROFILES BY BUILDER MEMBER TYPE

Single Family Builder in 2016

Company Profile

1. No. of Single-family Builders: 22,908

2. No. of employees on payroll (Average):

Construction Employees 6.1

Non-construction Employees 5.5

Total 11.6

(Two percent of single-family builders have 50-99 employees and another 2 percent have 100 employees or more.)

3. No. of units Started (Average): Single Family 31.2

Multifamily 4.4

Total 35.6

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

4. Dollar volume of company's business activity (Median): \$3,018,187

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 16 years

2. Age (Median) 56 years

3. Gender: Male: 93% Female: 7%

4. Race/Ethnicity: White: 97% Hispanic: 3%

5. Education 54 percent of the single-family builders responding have completed college or have an advanced degree and 23 percent have some college education.

Residential Remodeler in 2016

Company Profile

1. No. of Residential Remodelers: 8,602

2. No. of employees on payroll (Average):

Construction Employees 4.9

Non-construction Employees 3.0

Total 7.9

(Two percent of residential remodelers have 50 or more employees.)

3. No. of units Started (Average):

Single Family 6.6

Multifamily 0.7

Total 7.2

(Among residential remodelers who also build new housing units, 4 percent started 26 to 99 units, and one percent started 100 to 499 units.)

4. Dollar volume of company's construction (Median): \$771,829

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 15 years

2. Age (Median): 56 years

3. Gender: Male: 93% Female: 7%

4. Race/Ethnicity: White: 97% Hispanic: 2%

5. Education 44 percent of residential remodelers have completed college or have an advanced degree and another 29 percent have some college education.

Commercial Builder in 2016

Company Profile

1. No. of Commercial Builders: **2,399**

2. No. of employees on payroll (Average):

Construction Employees **16.0**

Non-construction Employees **6.0**

Total **22.1**

(Nine percent of commercial builders have 50 or more employees.)

3. No. of units Started (Average):

Single Family **3.0**

Multifamily **77.9**

Total **80.9**

(Among commercial builders who also build new housing units, 13 percent started 100-499 units in 2016 and four percent started 500 units or more.)

4. Dollar volume of company's revenue (Median): **\$4,028,414**

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

5. Build Age-Restricted Housing for People Age 55+: **20%**

Member Profile

1. No. of years as a member of NAHB (Average): **16 years**

2. Age (Median) **57 years**

3. Gender: **Male: 92%** **Female: 8%**

4. Race/Ethnicity: **White: 94%** **Hispanic: 5%**

5. Education **55 percent of commercial builders have completed college or have an advanced degree and another 21 percent have some college education**

Multifamily Builder in 2016

Company Profile

1. No. of Multifamily Builders: 1,773

2. No. of employees on payroll (Average):

Construction Employees 9.5

Non-construction Employees 42.8

Total 52.3

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

3. No. of units Started (Average):

Single Family 7.6

Multifamily 190.2

Total 197.8

(Twenty-seven percent of multifamily builders started 100 to 499 units while 10 percent started 500 or more units.)

4. Dollar volume of company's construction (Median): \$5,306,604

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

5. Build Age-Restricted Housing for People Age 55+: 33%

Member Profile

1. No. of years as a member of NAHB (Average): 21 years

2. Age (Median) 58 years

3. Gender: Male: 97% Female: 3%

4. Race/Ethnicity: White: 96% Hispanic: 3%

5. Education 77 percent of multifamily builders responding have completed college or have an advanced degree and another 16 percent have some college education.

Land Developer in 2016

Company Profile

1. No. of Land Developers: **1,641**

2. No. of employees on payroll (Average):

Construction Employees **13.2**

Non-construction Employees **5.1**

Total **18.3**

(Four percent of land developers have 50-99 employees and one percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family **52.6**

Multifamily **55.3**

Total **107.9**

(Among land developers who also build new housing units, 14 percent started 100-499 units and eight percent built 500 units or more.)

4. Dollar volume of company's revenue (Median): **\$3,244,295**

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

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

Member Profile

1. No. of years as a member of NAHB (Average): **19 years**

2. Age (Median) **62 years**

3. Gender: **Male: 87% Female: 13%**

4. Race/Ethnicity: **White: 96% Hispanic: 2%**

5. Education **68 percent of land developers have completed college or have an advanced degree and another 23 percent have some college education.**

Commercial Remodeler in 2016

Company Profile

1. No. of Commercial Remodelers: 405

2. No. of employees on payroll (Average):

Construction Employees **11.7**

Non-construction Employees **3.2**

Total **14.9**

(Six percent of the commercial remodelers have 50 to 99 employees and three percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family **1.6**

Multifamily **0.0**

Total **1.6**

(Among commercial remodelers who also build new housing units, 90 percent started 1 to 10 units.)

4. Dollar volume of company's construction (Median): \$1,153,613

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 16 years

2. Age (Median) 60 years

3. Gender: Male: 92% Female: 8%

4. Race/Ethnicity: White: 95% Hispanic: 0%

5. Education 41 percent of commercial remodelers responding have completed college or have an advanced degree and another 34 percent have some college education.

Manufacturers of Modular/Panelized/Log Homes in 2016

Company Profile

1. No. of Manufacturers of Modular/Panelized/Log Homes: 244

2. No. of employees on payroll (Average):

Construction Employees 26.5

Non-construction Employees 20.1

Total 46.6

(Twenty percent of the manufacturers of modular/panelized/log homes have 50 to 99 employees and fifteen percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family 143.1

Multifamily 45.8

Total 188.9

(Twenty-one percent of manufacturers of modular/panelized/log homes started 100-499 units and 10 percent started 500 units or more.)

4. Dollar volume of company's revenue (Median): \$4,999,998

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 17 years

2. Age (Median) 57 years

3. Gender: Male: 92% Female: 8%

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

5. Education 56 of manufacturers of modular/panelized/ log homes have completed college or have an advanced degree and another 25 percent have some college education.

PROFILES BY BUILDER MEMBER TYPE

Single Family Builder in 2016

Company Profile

1. No. of Single-family Builders: **22,908**

2. No. of employees on payroll (Average):

Construction Employees **6.1**

Non-construction Employees **5.5**

Total **11.6**

(Two percent of single-family builders have 50-99 employees and another 2 percent have 100 employees or more.)

3. No. of units Started (Average): Single Family **31.2**

Multifamily **4.4**

Total **35.6**

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

4. Dollar volume of company's business activity (Median): **\$3,018,187**

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

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

Member Profile

1. No. of years as a member of NAHB (Average): **16 years**

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

3. Gender: **Male: 93%** **Female: 7%**

4. Race/Ethnicity: **White: 97%** **Hispanic: 3%**

5. Education **54 percent of the single-family builders responding have completed college or have an advanced degree and 23 percent have some college education.**

Residential Remodeler in 2016

Company Profile

1. No. of Residential Remodelers: 8,602

2. No. of employees on payroll (Average):

Construction Employees 4.9

Non-construction Employees 3.0

Total 7.9

(Two percent of residential remodelers have 50 or more employees.)

3. No. of units Started (Average):

Single Family 6.6

Multifamily 0.7

Total 7.2

(Among residential remodelers who also build new housing units, 4 percent started 26 to 99 units, and one percent started 100 to 499 units.)

4. Dollar volume of company's construction (Median): \$771,829

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 15 years

2. Age (Median): 56 years

3. Gender: Male: 93% Female: 7%

4. Race/Ethnicity: White: 97% Hispanic: 2%

5. Education 44 percent of residential remodelers have completed college or have an advanced degree and another 29 percent have some college education.

Commercial Builder in 2016

Company Profile

1. No. of Commercial Builders: **2,399**

2. No. of employees on payroll (Average):

Construction Employees **16.0**

Non-construction Employees **6.0**

Total **22.1**

(Nine percent of commercial builders have 50 or more employees.)

3. No. of units Started (Average):

Single Family **3.0**

Multifamily **77.9**

Total **80.9**

(Among commercial builders who also build new housing units, 13 percent started 100-499 units in 2016 and four percent started 500 units or more.)

4. Dollar volume of company's revenue (Median): **\$4,028,414**

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

5. Build Age-Restricted Housing for People Age 55+: **20%**

Member Profile

1. No. of years as a member of NAHB (Average): **16 years**

2. Age (Median) **57 years**

3. Gender: **Male: 92%** **Female: 8%**

4. Race/Ethnicity: **White: 94%** **Hispanic: 5%**

5. Education **55 percent of commercial builders have completed college or have an advanced degree and another 21 percent have some college education**

Multifamily Builder in 2016

Company Profile

1. No. of Multifamily Builders: **1,773**

2. No. of employees on payroll (Average):

Construction Employees **9.5**

Non-construction Employees **42.8**

Total **52.3**

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

3. No. of units Started (Average):

Single Family **7.6**

Multifamily **190.2**

Total **197.8**

(Twenty-seven percent of multifamily builders started 100 to 499 units while 10 percent started 500 or more units.)

4. Dollar volume of company's construction (Median): **\$5,306,604**

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

5. Build Age-Restricted Housing for People Age 55+: **33%**

Member Profile

1. No. of years as a member of NAHB (Average): **21 years**

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

3. Gender: **Male: 97%** **Female: 3%**

4. Race/Ethnicity: **White: 96%** **Hispanic: 3%**

5. Education **77 percent of multifamily builders responding have completed college or have an advanced degree and another 16 percent have some college education.**

Land Developer in 2016

Company Profile

1. No. of Land Developers: **1,641**

2. No. of employees on payroll (Average):

Construction Employees **13.2**

Non-construction Employees **5.1**

Total **18.3**

(Four percent of land developers have 50-99 employees and one percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family **52.6**

Multifamily **55.3**

Total **107.9**

(Among land developers who also build new housing units, 14 percent started 100-499 units and eight percent built 500 units or more.)

4. Dollar volume of company's revenue (Median): **\$3,244,295**

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

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

Member Profile

1. No. of years as a member of NAHB (Average): **19 years**

2. Age (Median) **62 years**

3. Gender: **Male: 87% Female: 13%**

4. Race/Ethnicity: **White: 96% Hispanic: 2%**

5. Education **68 percent of land developers have completed college or have an advanced degree and another 23 percent have some college education.**

Commercial Remodeler in 2016

Company Profile

1. No. of Commercial Remodelers: 405

2. No. of employees on payroll (Average):

Construction Employees 11.7

Non-construction Employees 3.2

Total 14.9

(Six percent of the commercial remodelers have 50 to 99 employees and three percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family 1.6

Multifamily 0.0

Total 1.6

(Among commercial remodelers who also build new housing units, 90 percent started 1 to 10 units.)

4. Dollar volume of company's construction (Median): \$1,153,613

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 16 years

2. Age (Median) 60 years

3. Gender: Male: 92% Female: 8%

4. Race/Ethnicity: White: 95% Hispanic: 0%

5. Education 41 percent of commercial remodelers responding have completed college or have an advanced degree and another 34 percent have some college education.

Manufacturers of Modular/Panelized/Log Homes in 2016

Company Profile

1. No. of Manufacturers of Modular/Panelized/Log Homes: 244

2. No. of employees on payroll (Average):

Construction Employees 26.5

Non-construction Employees 20.1

Total 46.6

(Twenty percent of the manufacturers of modular/panelized/log homes have 50 to 99 employees and fifteen percent have 100 or more employees.)

3. No. of units Started (Average):

Single Family 143.1

Multifamily 45.8

Total 188.9

(Twenty-one percent of manufacturers of modular/panelized/log homes started 100-499 units and 10 percent started 500 units or more.)

4. Dollar volume of company's revenue (Median): \$4,999,998

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

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

Member Profile

1. No. of years as a member of NAHB (Average): 17 years

2. Age (Median) 57 years

3. Gender: Male: 92% Female: 8%

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

5. Education 56 of manufacturers of modular/panelized/ log homes have completed college or have an advanced degree and another 25 percent have some college education.