

Who Are NAHB's Builder Members?

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National Association of Home Builders

A Nation of Builders

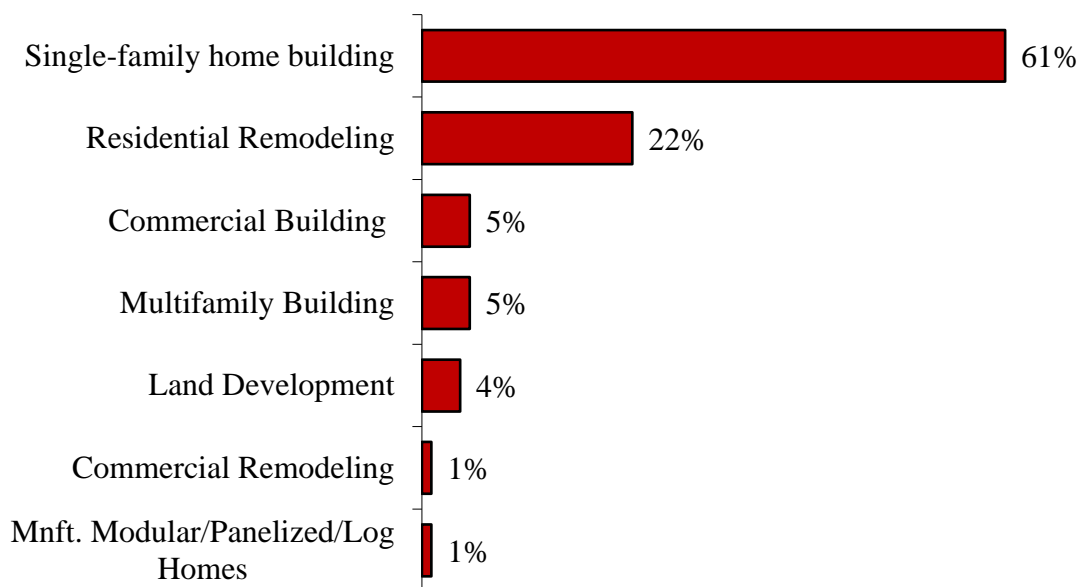
Every year since 2008, the National Association of Home Builders (NAHB) has conducted an annual census that collects company and demographic data from its members. It subsequently publishes these results here in HousingEconomics.com.

This article updates previous studies with results from the 2018 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 2017 Builder Census can be found in the April 11, 2018 Special Study and Associate Census in the May 1, 2018 Special Study. At the end of 2018, there were 38,233 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 May 1, 2019 Special Study article.

61% of Builder Members Build Single-Family Homes

Sixty-one percent of NAHB's builder members are primarily single-family builders (spec/tract, custom, or general contracting), 22 percent are residential remodelers, 5 percent each are commercial builders and 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 - 2018
(Percent of Respondents)



The composition of NAHB’s builder membership did not change significantly from 2017 to 2018. The categories of single-family home builders, residential remodeling, commercial building, and land development shifted by just 1 percentage point during this time frame. Meanwhile, the categories of multifamily building and commercial remodeling remained unchanged, while that for manufacturing of modular/panelized/log homes shifted by less than a percentage point.

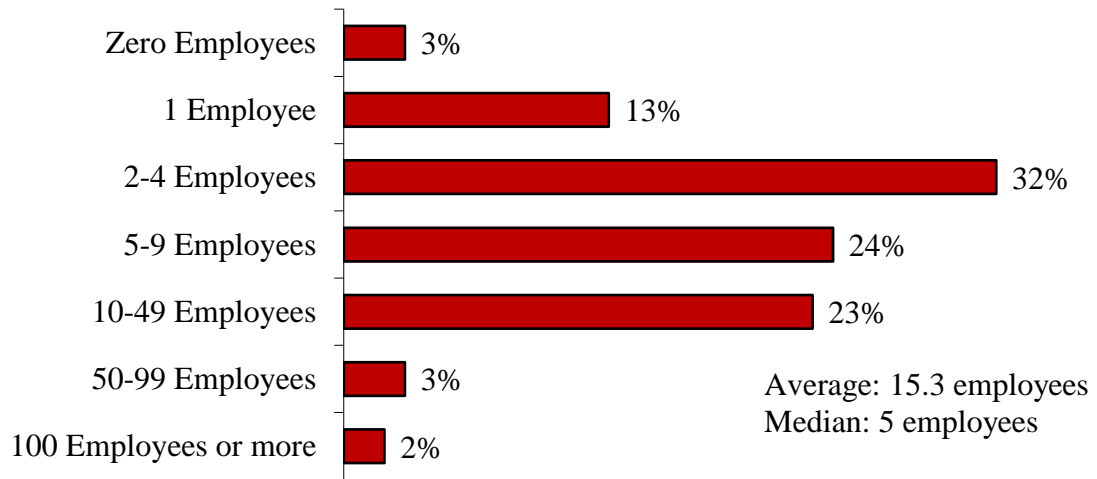
69% of Builders Have Fewer than 10 Employees

In 2018, builder members had a median¹ of 5 employees on payroll. Thirteen percent had 1 employee, 32 percent had 2 to 4 employees, 24 percent had 5 to 9, 23 percent had 10 to 49, and 5 percent had 50 or more paid employees. Three percent had no employees on payroll (Exhibit 2). The median number of employees in 2018 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 - 2018

(Percent of Respondents)



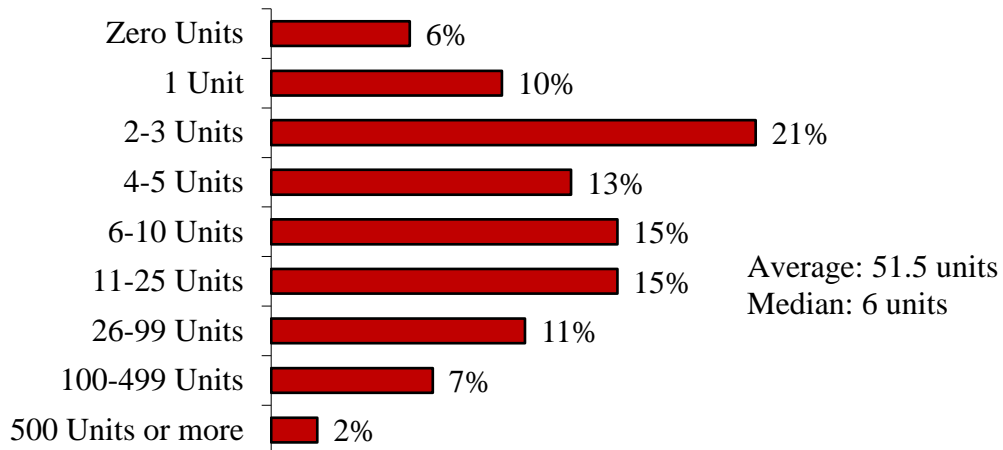
The median number of employees on payroll varies significantly by the company's primary activity. Manufacturers of modular/paneled/log homes had the largest payrolls, with a median of 18 employees in 2018, followed by multifamily builders and commercial builders (a median of 10 employees each), commercial remodelers (8 employees), and residential remodelers (5 employees). Single-family builders had a median of 4 employees and land developers had a median of 3.

21% of Builders (Plurality) only Build 2 to 3 Units a Year

Ten percent of builders started only one unit, the plurality – 21 percent – started 2 or 3 units, 13 percent 4 or 5 units, 15 percent 6 to 10 units, 15 percent 11 to 25 units, 11 percent 26 to 99 units, 7 percent 100 to 499 units, and only 2 percent started 500 units or more. Six percent did not start any housing unit in 2018 (Exhibit 3). The median number of units started in 2018 was 6.

Exhibit 3. Total Number of Housing Starts – 2018

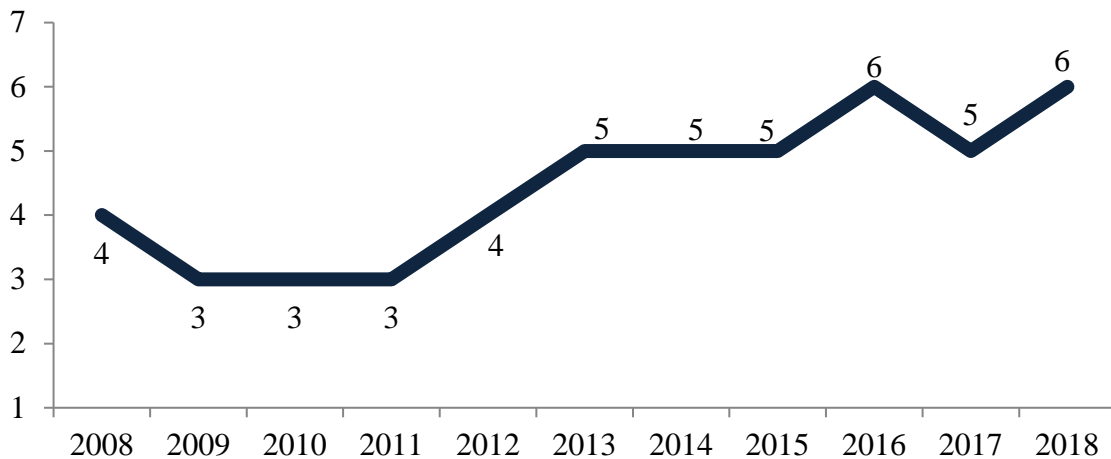
(Percent of Respondents)



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, 5 units between 2013 and 2015, and 6 units in 2016, fell back to 5 units in 2017, and then inched up to 6 again in 2018.

Exhibit 4. Median Number of Housing Starts – History

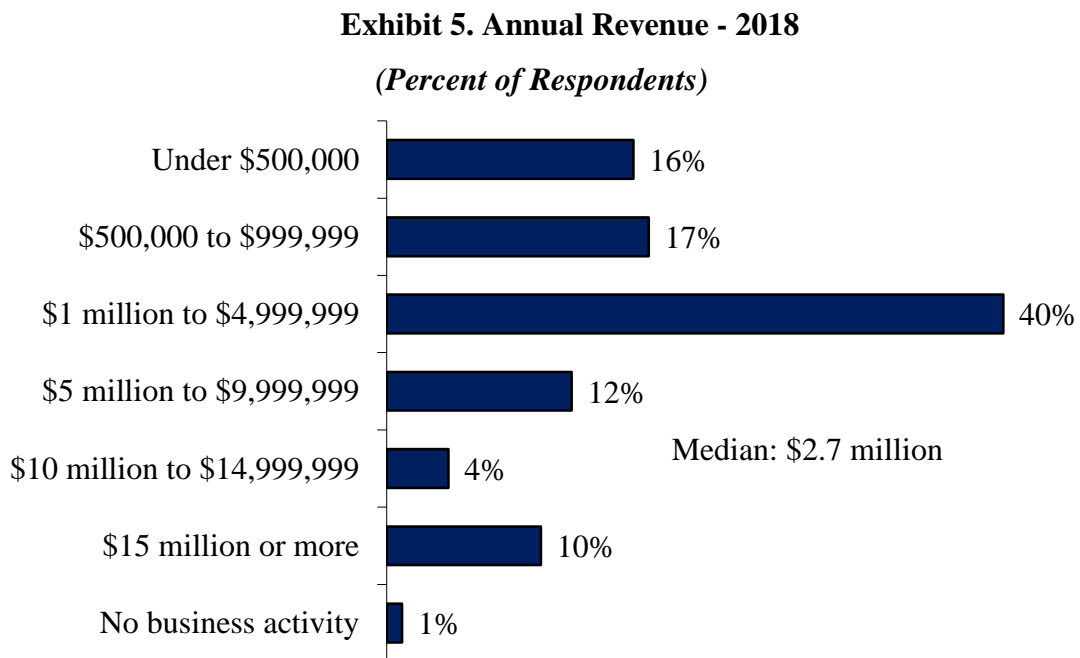
(Median)



The median number of units started is highest among multifamily builders (75 units started in 2018), followed by manufacturers of modular/panelized/log homes (50), single-family builders and land developers (a median of 6 each), commercial builders (3), commercial remodelers (2), and residential remodelers (1).

Median Dollar Volume is Flat in 2018

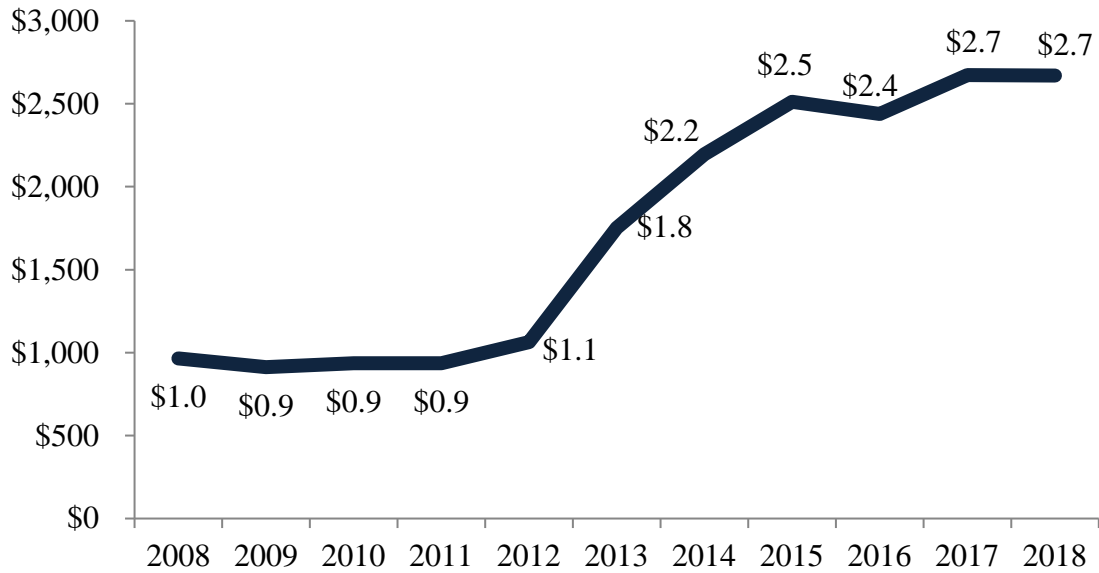
The median dollar volume of business among builder members was \$2.7 million in 2018, unchanged from its 2017 level. Sixteen percent of builder members reported a 2018 dollar volume of less than \$500,000, 17 percent between \$500,000 and \$999,999, 40 percent between \$1.0 million and \$4.9 million, 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 2018 at \$15.0 million or more. One percent of builder members reported no business activity in 2018 (Exhibit 5).



The median dollar volume of business essentially plateaued between 2008 and 2011, with levels ranging from \$0.9 to \$1 million dollars, then rose sharply between 2012 (\$1.1 million) and 2015 (\$2.5 million). It fell slightly to \$2.4 million in 2016, and increased in 2017 and 2018 to reach its highest level since the inception of the Census (\$2.7 million) (Exhibit 6).

Exhibit 6. Annual Revenue – History

(Median - millions of dollars)

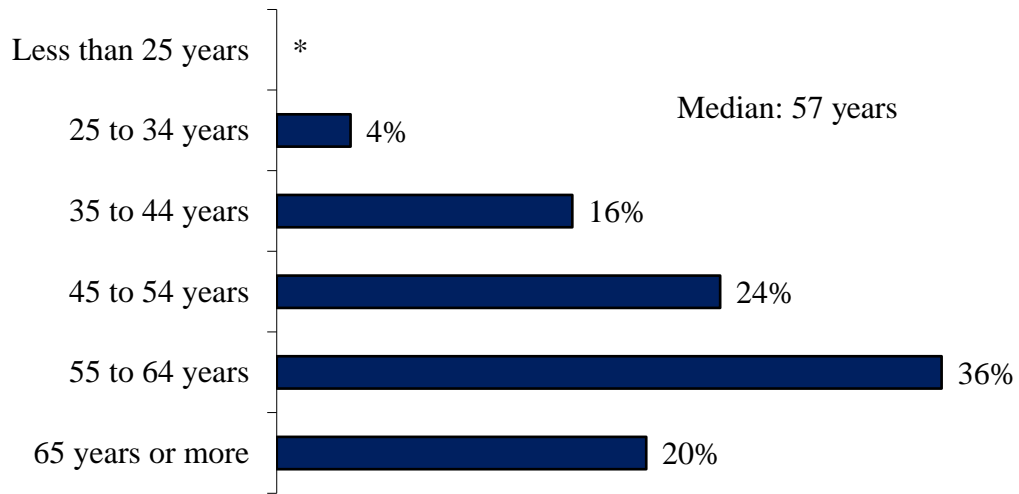


Levels of revenue also vary widely across categories of builder members. Multifamily builders had the highest median revenue in 2018 (\$8.3 million), compared to \$0.8 million among residential remodelers, \$1.3 million among commercial remodelers, \$3.0 million among land developers, \$3.1 million among modular/panelized/log home manufacturers, and \$3.2 million for both single-family builders and commercial builders.

Age, Race and Ethnicity

The median age of NAHB builder members in 2018 was 57 years. Fifty-six 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).

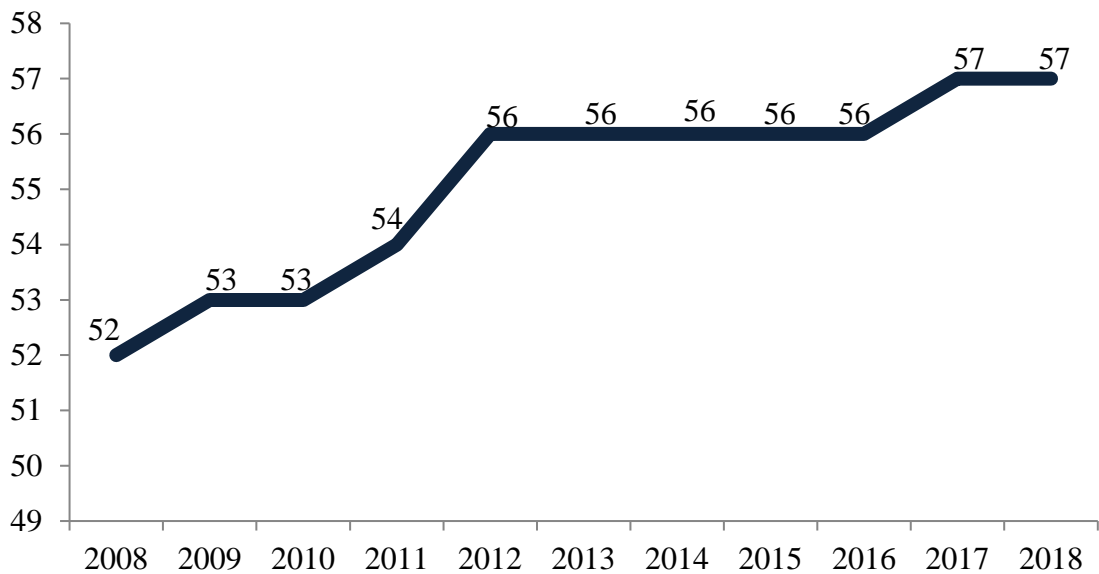
Exhibit 7. Age - 2018
(Percent of Respondents)



*Less than 0.5%

The median age of builder members has been rising since the Census first started in 2008. 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 and 2018 (Exhibit 8).

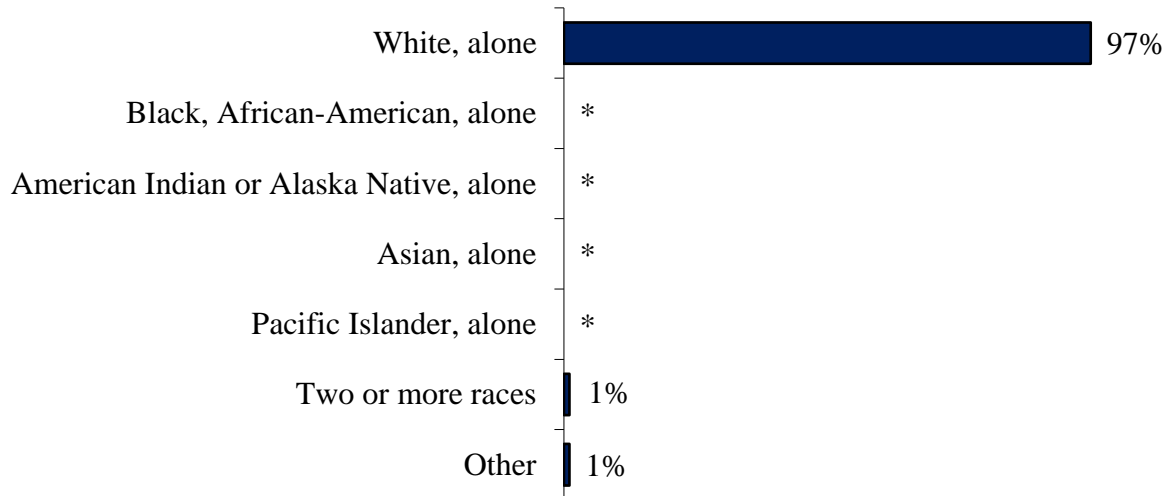
Exhibit 8. Median Age – History



The vast majority of NAHB’s builder members are white. In fact, 97 percent of builder members identified themselves as White, alone; while less than 0.5 percent identified themselves

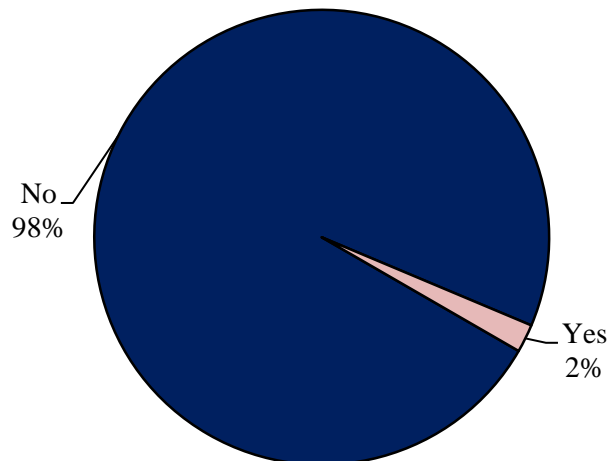
as Black or African-American, alone; American Indian or Alaska Native, alone; Asian, alone; or Pacific Islander, alone. One percent identified themselves as having two or more races and another 1 percent identified themselves as belonging to some other race. In terms of ethnicity, only two percent report being of Hispanic, Latino, or Spanish origin (Exhibits 9 and 10).

Exhibit 9. Race - 2018
(Percent of Respondents)



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

Exhibit 10. Ethnicity: Are you of Hispanic, Latino, or Spanish origin? - 2018
(Percent of Respondents)

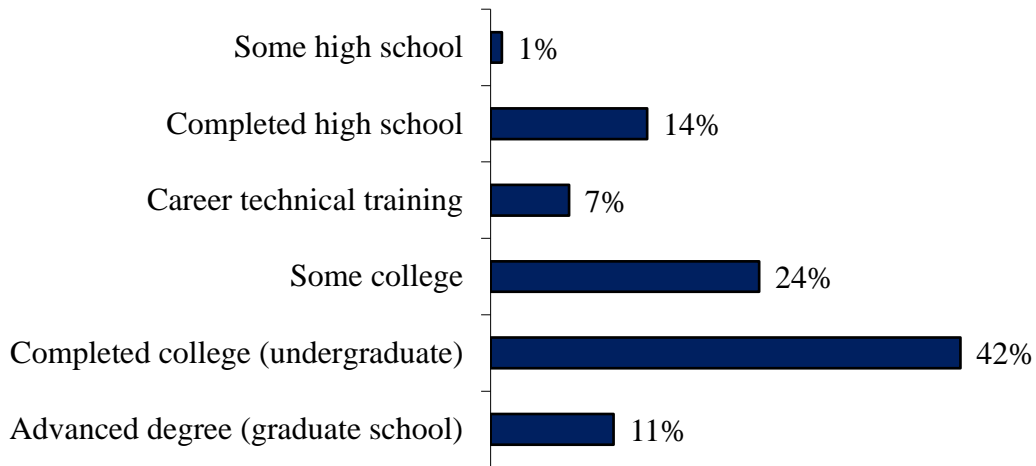


53% of Builder Members Have a Higher Education Degree

The share of NAHB builder members with a college or advanced degree has remained above 50 percent every year since 2008. In 2018, only 1 percent reported that they did not finish high school, 14 percent completed high school, 7 percent have had career technical training, and 24 percent have had some college education. The remaining 53 percent have an undergraduate or graduate degree (Exhibit 11).

Exhibit 11. Education - 2018

(Percent of Respondents)

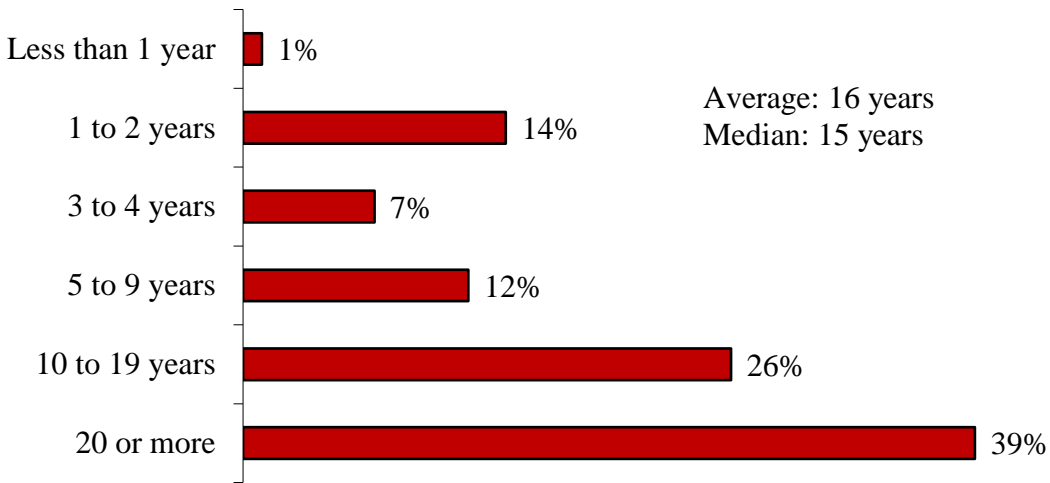


The share of builder members with a higher education degree (either undergraduate or graduate) differs across builder categories. For example, 83 percent of members in land development have a degree, compared to 34 percent of commercial remodelers.

65% Have Been Members for a Decade or More

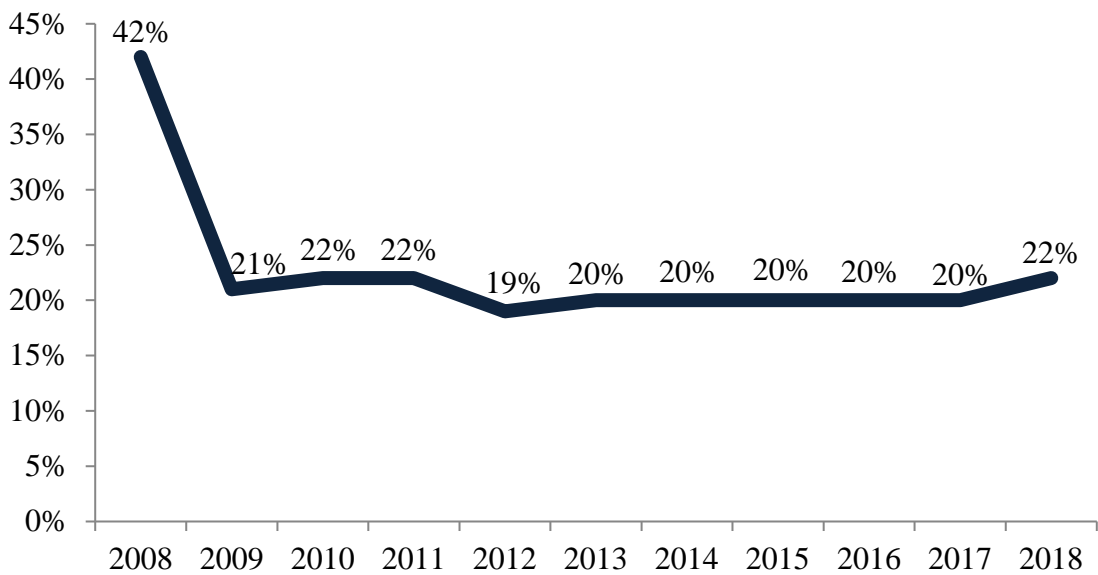
The median NAHB membership tenure among builders is 15 years, with 65 percent of builder members having more than a decade of membership. Twelve percent have been members 5 to 9 years, and 22 percent have been members for 4 years or less (Exhibit 12).

Exhibit 12. Tenure as NAHB Member - 2018
(Percent of Respondents)



The Builder Census in 2018 marks the first year since 2013 in which the share of builders who have been members for four years or less has increased. From 2013 to 2017, the share of builder members with a tenure of 4 years or less held steady at 20 percent, but increased slightly to 22 percent in 2018 (Exhibit 13). It is important to note, however, that this share is still significantly lower than the share in 2008 (42 percent).

Exhibit 13. Tenure as NAHB Member – History



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

PROFILES BY BUILDER MEMBER TYPE

Single Family Builder in 2018

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

Company Profile

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

Construction Employees	6.7
Non-construction Employees	5.7
Total	12.4

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

2. No. of units Started (Average): Single Family **40.1**

Multifamily	4.4
Total	44.6

(Six percent of single-family builders started 100 to 499 units and 2 percent started 500 units or more.)

3. Dollar volume of company's business activity (Median): **\$3,236,718**

(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 (Average): 16 years

2. Age (Median) 56 years

3. Gender: Male: 91% Female: 9%

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

5. Education 57 percent of the single-family builders responding have completed college or have an advanced degree and 23 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 2018

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

Company Profile

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

Construction Employees	5.6
Non-construction Employees	3.0
Total	8.6

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

2. No. of units Started (Average):

Single Family	4.7
Multifamily	1.2
Total	5.9

(Among residential remodelers who also build new housing units, 6 percent started 26 to 99 units)

3. Dollar volume of company's construction (Median): **\$838,052**

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

4. Build Age-Restricted Housing for People Age 55+: **14%**

Member Profile

1. No. of years as a member of NAHB (Average): **14 years**

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

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

4. Race/Ethnicity: **White: 97% Hispanic: 1%**

5. Education **46 percent of residential remodelers have completed college or have an advanced degree and another 28 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 2018

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

Company Profile

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

Construction Employees	12.6
Non-construction Employees	3.4
Total	16.0

(Three percent of commercial builders have 50 to 99 employees and 2 percent have 100 or more.)

2. No. of units Started (Average):

Single Family	3.9
Multifamily	22.7
Total	26.5

(Among commercial builders who also build new housing units, 12 percent started 26 to 99 units and 6 percent started 100 to 499 units.)

3. Dollar volume of company's revenue (Median): **\$3,229,228**

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

4. Build Age-Restricted Housing for People Age 55+: **13%**

Member Profile

1. No. of years as a member of NAHB (Average): **15 years**
2. Age (Median) **58 years**
3. Gender: **Male: 86%** **Female: 14%**
4. Race/Ethnicity: **White: 94%** **Hispanic: 4%**
5. Education **59 percent of commercial builders have completed college or have an advanced degree and another 19 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 2018

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

Company Profile

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

Construction Employees	13.5
Non-construction Employees	53.7
Total	67.2

(Ten percent of multifamily builders have 50 to 99 employees and 12 percent have 100 or more.)

2. No. of units Started (Average):

Single Family	5.8
Multifamily	216.5
Total	222.3

(Thirty-one percent of multifamily builders started 100 to 499 units and 12 percent started 500 or more.)

3. Dollar volume of company's construction (Median): **\$8,349,248**

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

4. Build Age-Restricted Housing for People Age 55+: **36%**

Member Profile

1. No. of years as a member of NAHB (Average): **19 years**
2. Age (Median) **57 years**
3. Gender: **Male: 90% Female: 10%**
4. Race/Ethnicity: **White: 97% Hispanic: 2%**
5. Education **69 percent of multifamily builders responding have completed college or have an advanced degree and another 17 percent have some college education.**

Land Developer in 2018

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

Company Profile

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

Construction Employees	3.1
Non-construction Employees	12.5
Total	15.6

(Four percent of land developers have 50 to 99 employees and 3 percent have 100 or more.)

2. No. of units Started (Average):

Single Family	38.1
Multifamily	37.9
Total	76.0

(Among land developers who also build new housing units, 14 percent started 100 to 499 units and 4 percent started 500 units or more.)

3. Dollar volume of company's revenue (Median): **\$3,023,086**

(Nineteen percent of land developers 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 (Average): **19 years**
2. Age (Median): **61 years**
3. Gender: **Male: 88% Female: 12%**
4. Race/Ethnicity: **White: 98% Hispanic: 2%**
5. Education: **83 percent of land developers have completed college or have an advanced degree and another 8 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 2018

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

Company Profile

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

Construction Employees	36.0
Non-construction Employees	11.2
Total	47.2

(Six percent of commercial remodelers have 50 to 99 employees and 2 percent have 100 or more.)

2. No. of units Started (Average):

Single Family	4.3
Multifamily	7.5
Total	11.8

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

3. Dollar volume of company's construction (Median): **\$1,283,323**

(Two percent of commercial remodelers 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 (Average): **14 years**
2. Age (Median) **57 years**
3. Gender: **Male: 87% Female: 13%**
4. Race/Ethnicity: **White: 95% Hispanic: 5%**
5. Education **34 percent of commercial remodelers responding have completed college or have an advanced degree and another 33 percent have some college education.**

Manufacturers of Modular/Panelized/Log Homes in 2018

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number	273	431	278	177	244	93	260	274	244	156	217

Company Profile

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

Construction Employees	24.0
Non-construction Employees	17.0
Total	41.0

(Twenty-one percent of the manufacturers of modular/panelized/log homes have 50 to 99 employees and 9 percent have 100 or more.)

2. No. of units Started (Average):

Single Family	30.1
Multifamily	8.3
Total	38.4

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

3. Dollar volume of company's revenue (Median): **\$3,126,482**

(Seventeen 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 (Average): **16 years**

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

3. Gender: **Male: 68%** **Female: 32%**

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

5. Education **50 of manufacturers of modular/panelized/ log homes have completed college or have an advanced degree and another 31 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.