

Who are NAHB's Builder Members?

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Special Study for HousingEconomics.com

By Heather Taylor

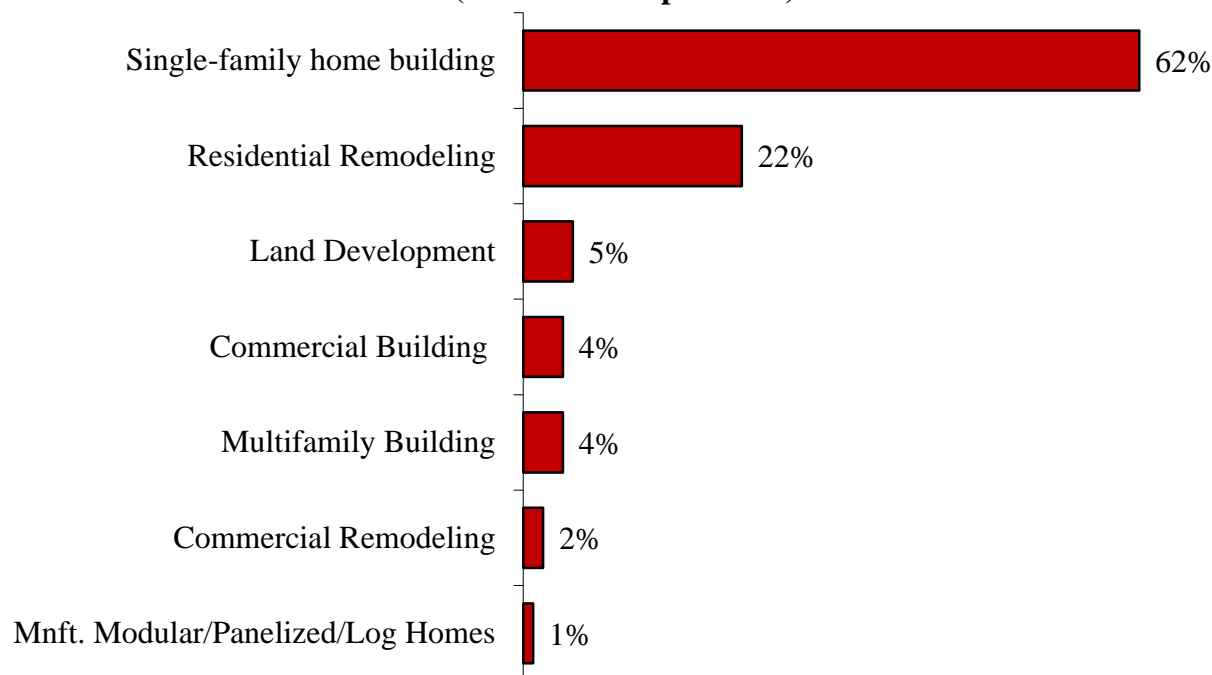
Every year since 2008, the National Association of Home Builders (NAHB) conducts an annual census that collects company and demographic data from its members. It subsequently publishes these results here in HousingEconomics.com.

This article updates previous studies with results from the 2014 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 include a wide range of supportive industries and professions including, among others, trade contractors, manufacturers, retailers/distributors, designers, and architects. Findings from the 2013 Builder Census can be found [here](#) and Associate Census [here](#). At the end of 2014, 39,773 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.

More Than 60 Percent 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), 22 percent are residential remodelers, 5 percent land developers, 4 percent commercial builders, another 4 percent multifamily builders (rental units, condo, or general contracting), 2 percent commercial remodelers, and one percent manufacturers of modular/panelized/log homes (Exhibit 1).

Exhibit 1. Share of Builder Members by Primary Business Activity - 2014
(Percent of Respondents)



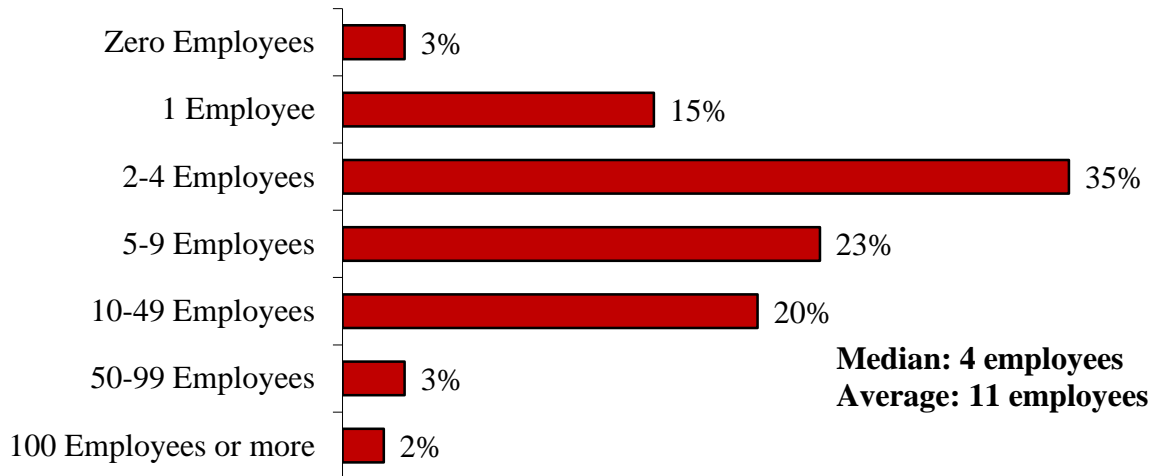
The composition of NAHB’s builder membership changed only slightly between 2013 and 2014. The two most notable changes come from the shares of single-family custom home builders and residential remodelers. The share of builder members primarily involved with single-family custom home building rose seven percentage points from 27 percent in 2013 to 34 percent in 2014. On the other hand, the share of builder members who are primarily residential remodelers has dropped by 2 percentage points each year for the past three years, from 28 percent in 2011 to 22 percent in 2014.

Half of Builders Have Between 1 and 4 Employees

In 2014, builder members had a median¹ of 4 employees on payroll, 3 construction employees and 1 non-construction employee. Fifteen percent had 1 employee, 35 percent 2 to 4 employees, 23 percent had 5 to 9, 20 percent had 10 to 49, and 5 percent had 50 or more paid employees. Three percent had no payroll at all (Exhibit 2). The median number of employees has been 4 since the membership census launched in 2008.

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.

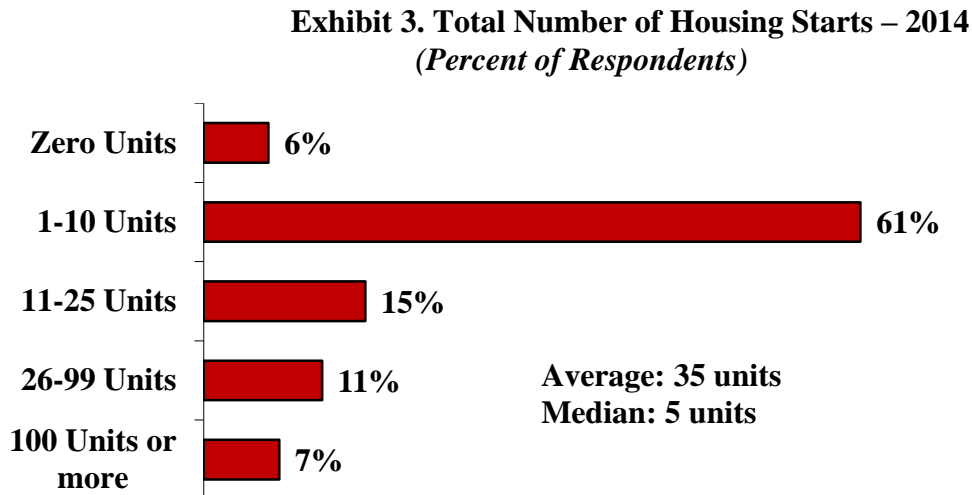
Exhibit 2. Total Number of Employees on Payroll - 2014
(Percent of Respondents)



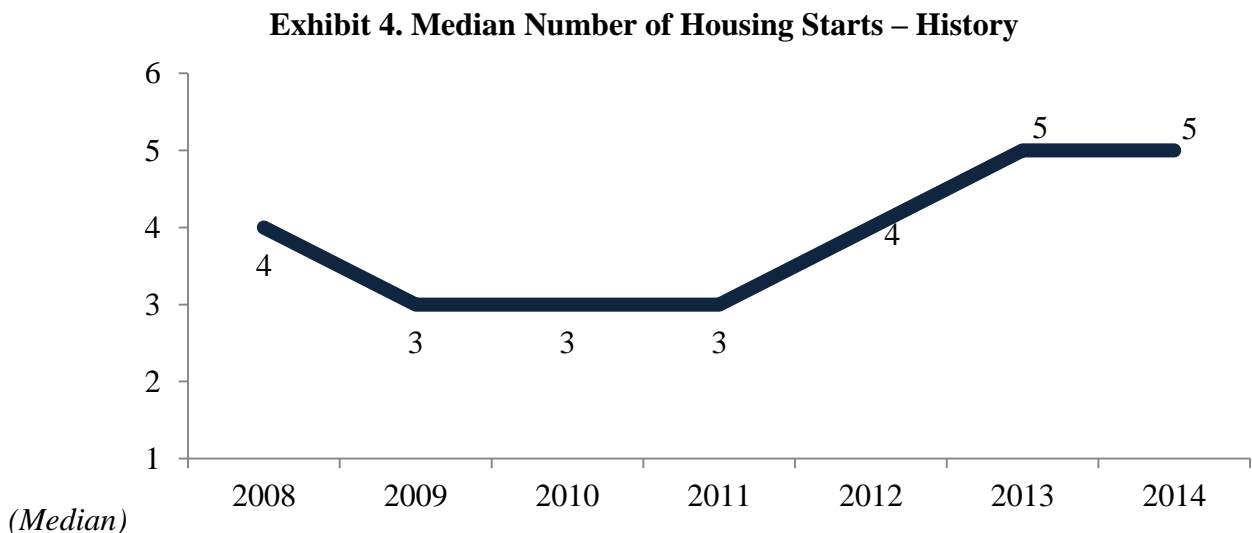
The median number of employees on payroll varies significantly by the company's primary activity. Manufacturers of modular/panelized/log homes, for example, had the largest payrolls, with a median of 12 employees in 2014, followed by multifamily builders, with a median of 10 employees, and commercial builders with a median of 8 employees. In contrast, among commercial remodelers, the median number of employees was 5; among residential remodelers and single-family builders, the median was 4; and among land developers the median number of employees was 4.

Most Builders Started Between 1 and 10 Units

Six percent of builder members did not start any units in 2014, while 61 percent of builder members started between 1 and 10 units, 15 percent started 11 to 25 units, 11 percent 26 to 99 units, and 7 percent 100 or more units (Exhibit 3).



The median number of units started in 2014 was 5, unchanged from the 5 started in 2013, but higher than the 4 units started in 2012 or the 3 started in 2011 (Exhibit 4).



As expected, the median number of starts varies significantly across different groups of builder members. Single-family builders, for example, started a median of 5 units in 2014, while multifamily builders started a median of 60.

Median Dollar Volume Doubled Over Past Two Years

The median dollar volume of builder members in 2014 was \$2,195,605. The 2014 median is about twice as high as 2012's median (\$1,063,324) and the highest it has been since the membership census was launched in 2008. Twenty percent of builder members reported a 2014 dollar volume of less than \$500,000, 18 percent reported between \$500,000 and \$999,999, 38 percent between \$1.0 million and \$4.9 million, 10 percent between \$5.0 million and \$9.9 million, 4 percent between \$10.0 million and \$14.9 million, and 8 percent reported their dollar volume in 2014 at \$15.0 million or more. One percent of builder members reported no construction activity in 2014 (Exhibit 5 & 6).

Exhibit 5. Annual Revenue - 2014
(Percent of Respondents)

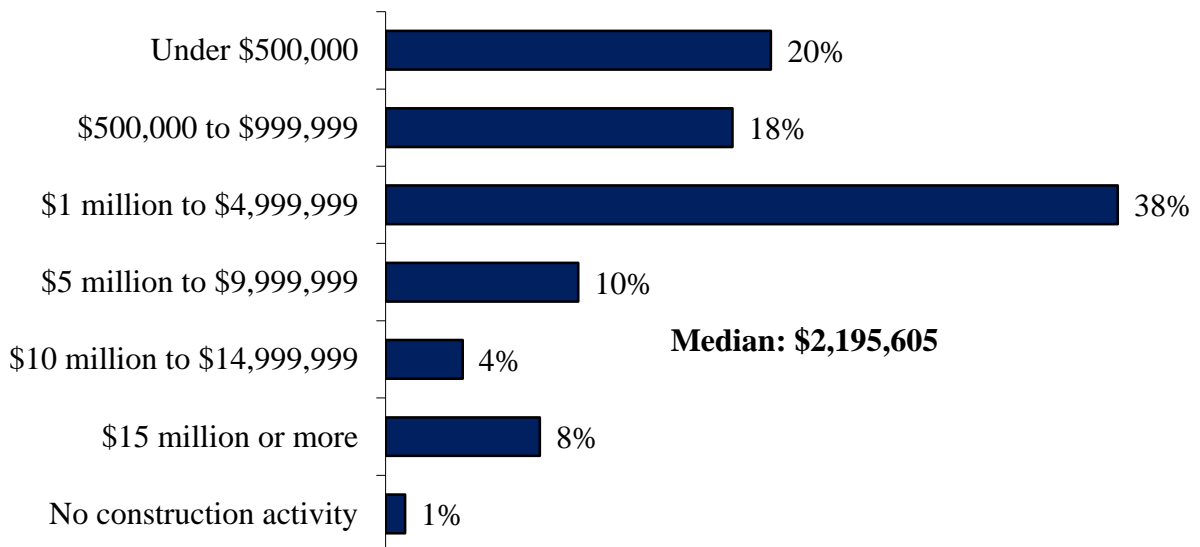
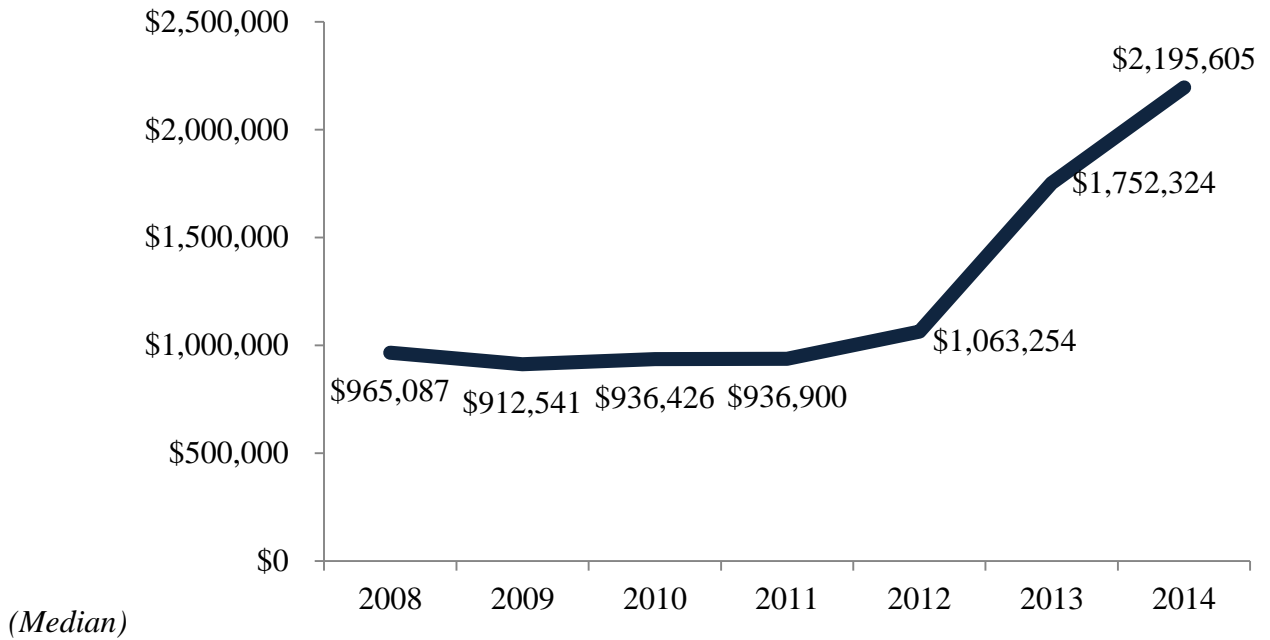


Exhibit 6. Annual Revenue – History

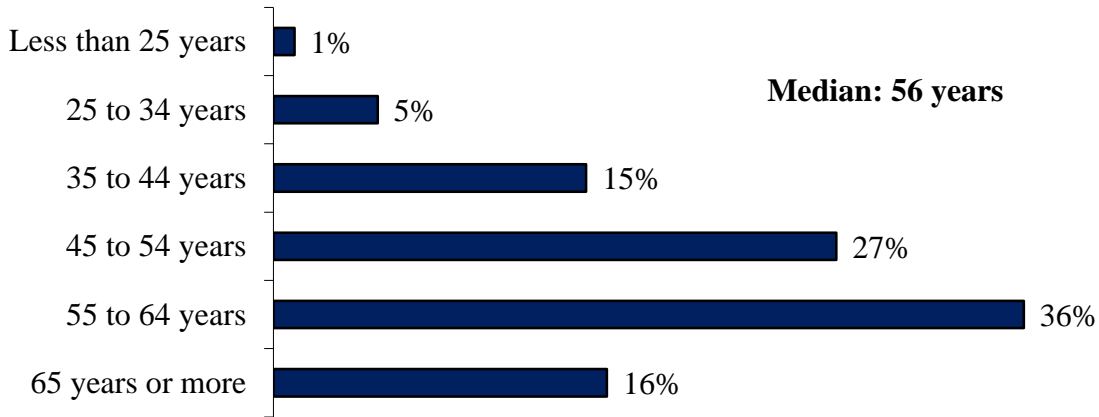


Levels of revenue also vary widely across categories of builder members. Multifamily builders had the highest median revenue in 2014 (\$5.6 million), followed by land developers (\$3.4 million), commercial builders (\$3.0 million), single-family builders (\$2.8 million), manufacturers of modular/panelized/log homes (\$2.7 million), commercial remodelers (\$0.8 million), and residential remodelers (\$0.8 million).

Age, Ethnicity, and Gender

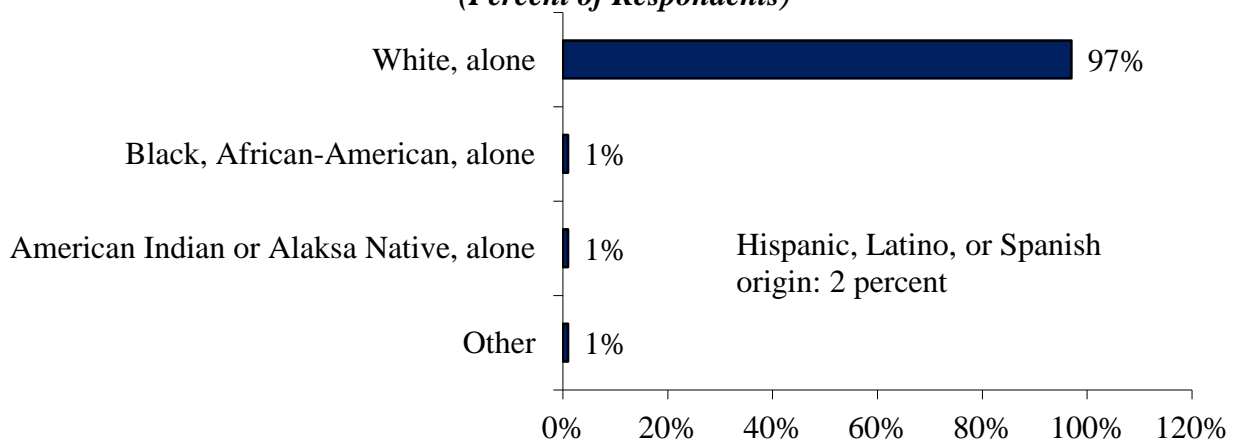
The median age of NAHB builder members in 2014 was 56 years. Just over half of builder members are 55 years of age or older. Of the remaining half, 27 percent are 45 to 54 years of age and 21 percent are younger than 45 years of age (Exhibit 7).

Exhibit 7. Age - 2014
(Percent of Respondents)



Ninety-seven percent of members identified themselves as White, alone; 1 percent as Black or African-American, alone; 1 percent as American Indian or Alaska Native, alone; and 1 percent as some other race. About half a percent of builder members selected more than one race on the NAHB census. Two percent of builder members are of Hispanic, Latino, or Spanish origin (Exhibit 8).

Exhibit 8. Race/Ethnicity
(Percent of Respondents)

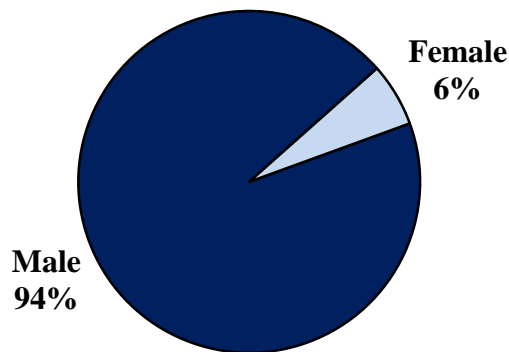


Note: Less than 0.5% reported being Asian, alone; or Pacific Islander, alone

Regardless of the type of company, the share of builder members who identify themselves as White, alone, never drops below 93 percent, and the share of those with a Hispanic, Latino, or Spanish origin never rises above 6 percent.

The share of builder members who are women was 7 percent every year from 2010 to 2013, but in 2014, it fell to 6 percent (Exhibit 9). The share of women is significantly higher among manufacturers of modular/panelized/log homes, at 21 percent, than among all other types of builder members, at 7 percent or less.

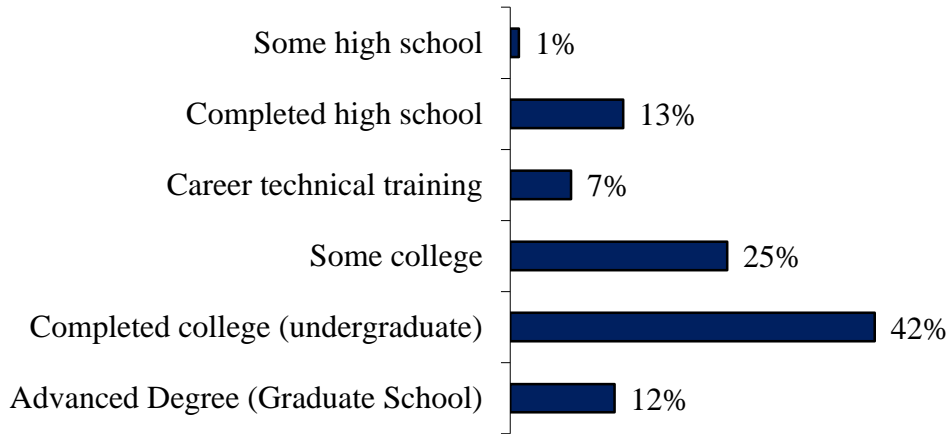
Exhibit 9. Gender - 2014
(Percent of Respondents)



Over Half of Builder Members Have a Degree

Since 2008, the share of NAHB builder members with a college or advanced degree has remained above 50 percent. In 2014, only 1 percent did not finish high school. Thirteen percent completed high school, 7 percent have career technical training, and 25 percent have had some college education. The remaining 54 percent have a college or graduate degree (Exhibit 10).

Exhibit 10. Education - 2014
(Percent of Respondents)

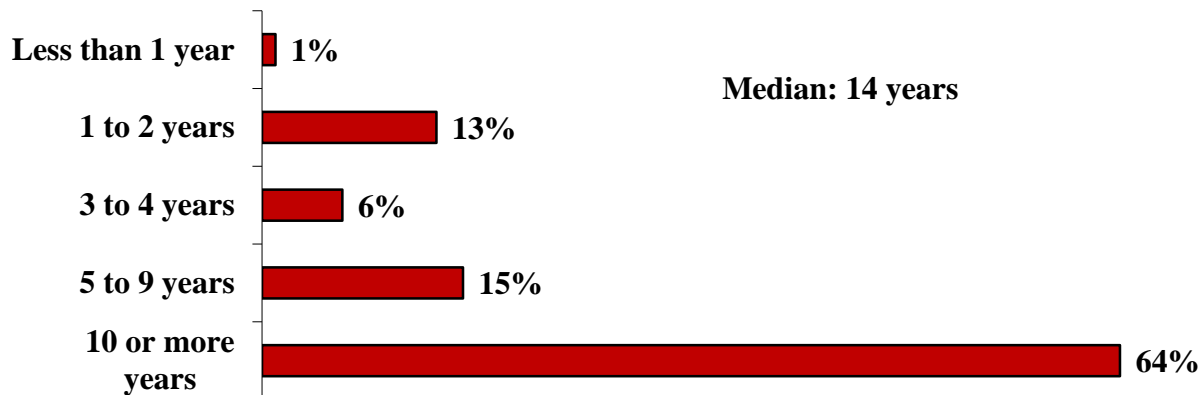


The share of builder members with a degree (either undergraduate or graduate) differs across builder categories. Seventy percent of land developers have a degree, compared to only forty-seven percent of remodelers (both commercial and residential).

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

The median NAHB membership tenure among builders is 14 years, with 64 percent of builder members having more than a decade of membership. Fifteen 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 - 2014
(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 2014

	2008	2009	2010	2011	2012	2013 ¹	2014
Number of Single-family builders	45,198	31,630	27,512	24,159	23,520	18,973	24,289

Company Profile

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

Construction Employees	5.3
Non-construction Employees	5.3
Total	10.6

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

2. No. of units Started (Average):

Single Family	25.0
Multifamily	3.3
Total	28.4

(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):

\$2,821,219

(Nine percent of the single family 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 (Average): 16 years

2. Age (Median) 55 years

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

4. Race/Ethnicity: White: 98%
Hispanic: 2%

5. Education 54 percent of the single family builders responding have completed college or have an advanced degree and 25 percent have some college education.

¹ 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 2014

	2008	2009	2010	2011	2012	2013 ²	2014
Number of Residential Remodelers	12,885	13,645	11,484	11,986	10,364	8,078	8,546

Company Profile

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

Construction Employees	4.7
Non-construction Employees	2.3
Total	7.0

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

2. No. of units Started (Average):

Single Family	3.5
Multifamily	0.1
Total	3.7

(Two percent of residential remodelers started 26 to 99 units, and none started more than 99 units.)

3. Dollar volume of company's construction (Median): \$754,350

(Less than one percent of residential remodelers had \$15 million or more in business activity)

4. Build Age-Restricted Housing for People Age 55+: 12%

Member Profile

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

2. Age (Median) 55 years

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

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

5. Education 47 percent of remodelers have completed college or have an advanced degree and another 28 percent have some college education

² 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 2014

	2008	2009	2010	2011	2012	2013 ³	2014
Number of Commercial Builders	3,177	2,491	2,603	2,347	2,028	1,487	1,611

Company Profile

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

Construction Employees	17.4
Non-construction Employees	5.2
Total	22.6

(Five percent of commercial builders have 50 to 99 employees and another 5 percent have 100 or more employees.)

2. No. of units Started (Average):

Single Family	4.5
Multifamily	32.3
Total	36.7

(Three percent of commercial builders started 500 units or more.)

3. Dollar volume of company's revenue (Median): **\$3,006,348**

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

4. 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: 96%**
Female: 4%

4. Race/Ethnicity: **White: 93%**
Hispanic: 4%

5. Education **51 percent of commercial builders have completed college or have an advanced degree and another 23 percent have some college education**

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

Land Developer in 2014

	2008	2009	2010	2011	2012	2013 ⁴	2014
Number of Land Developers	2,972	2,709	1,928	1,630	1,588	1,346	2,022

Company Profile

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

Construction Employees	4.0
Non-construction Employees	8.2
Total	12.3

(Three percent of land developers have 50-99 employees and 1 percent have 100 or more employees.)

2. No. of units Started (Average):

Single Family	26.3
Multifamily	18.5
Total	44.8

(Eighteen percent of land developers started 100-499 units and none built more than 499 units.)

3. Dollar volume of company's revenue (Median): **\$3,359,857**

(Fifteen percent of land developers had \$15 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 (Average): **19 years**

2. Age (Median) **59 years**

3. Gender: **Male: 95%**
Female: 5%

4. Race/Ethnicity: **White: 98%**
Hispanic: 2%

5. Education **70 percent of land developers have completed college or have an advanced degree and another 19 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.

Multifamily Builder in 2014

	2008	2009	2010	2011	2012	2013	2014
Number of Multifamily builders	3,006	2,633	1,702	1,445	1,423	1,853	1,568

Company Profile

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

Construction Employees 15.5

Non-construction Employees 17.9

Total 33.5

(Nine percent of multifamily builders have 50 to 99 employees and 8 percent have 100 employees or more.)

2. No. of units Started (Average):

Single Family 15.8

Multifamily 183.3

Total 199.0

(Twenty-seven percent of the multifamily builders started 100 to 499 units while 11 percent started 500 or more units)

3. Dollar volume of company's construction (Median): \$5,592,501

(Thirty-one percent of the 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 (Average): 20 years

2. Age (Median) 59 years

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

**4. Race/Ethnicity: White: 98%
Hispanic: 2%**

5. Education 65 percent of multifamily builders responding have completed college or have an advanced degree and another 20 percent have some college education.

Commercial Remodeler in 2014

	2008	2009	2010	2011	2012	2013	2014
Number of Commercial Remodelers	661	973	714	700	573	1,625	680

Company Profile

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

Construction Employees	6.7
Non-construction Employees	2.6
Total	9.3

(Two percent of the commercial remodelers have 50 to 99 employees and none have 100 or more employees.)

2. No. of units Started (Average):

Single Family	0.6
Multifamily	0.0
Total	0.6

(None of the commercial remodelers started more than 10 units and 57 percent did not start any units)

3. Dollar volume of company's construction (Median): **\$776,749**

(Two percent of commercial remodelers 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: 94%**
Female: 6%

4. Race/Ethnicity: **White: 95%**
Hispanic: 2%

5. Education **47 percent of commercial remodelers responding have completed college or have an advanced degree and another 31 percent have some college education.**

Manufacturers of Modular/Panelized/Log Homes in 2014

	2008	2009	2010	2011	2012	2013 ⁵	2014
Number of Manufacturers of Modular/Panelized/Log Homes	273	431	278	177	244	93	260

Company Profile

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

Construction Employees	16.6
Non-construction Employees	8.9
Total	25.4

(Eleven percent of the manufacturers of modular/panelized/log homes have 50 to 99 employees and 5 percent have 100 or more employees.)

2. No. of units Started (Average):

Single Family	59.4
Multifamily	99.4
Total	158.8

(Twenty-eight percent of the manufacturers of modular/panelized/log homes started 100 to 499 units and 14 percent started 500 units or more.)

3. Dollar volume of company's revenue (Median): **\$2,714,915**

(Fifteen percent of the manufacturers of modular/panelized/log homes had \$5 million or more in business activity)

4. Build Age-Restricted Housing for People Age 55+: **26%**

Member Profile

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

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

3. Gender: **Male: 79%**
Female: 21%

4. Race/Ethnicity: **White: 100%**
Hispanic: 6%

5. Education **58 percent of manufacturers of modular/panelized/log homes have completed college 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.