

## **Who are NAHB's Builder Members?**

**November 1, 2013**

**Special Study Report for HousingEconomics**

**By Heather Taylor**

In order to better serve its members, the National Association of Home Builders (NAHB) strives to know and understand the composition and characteristics of the people who belong to its organization. In order to achieve this goal, NAHB conducts an annual census that collects company and demographic data from its members. The findings from the census guide NAHB's education activities, marketing efforts, and housing policy advocacy.

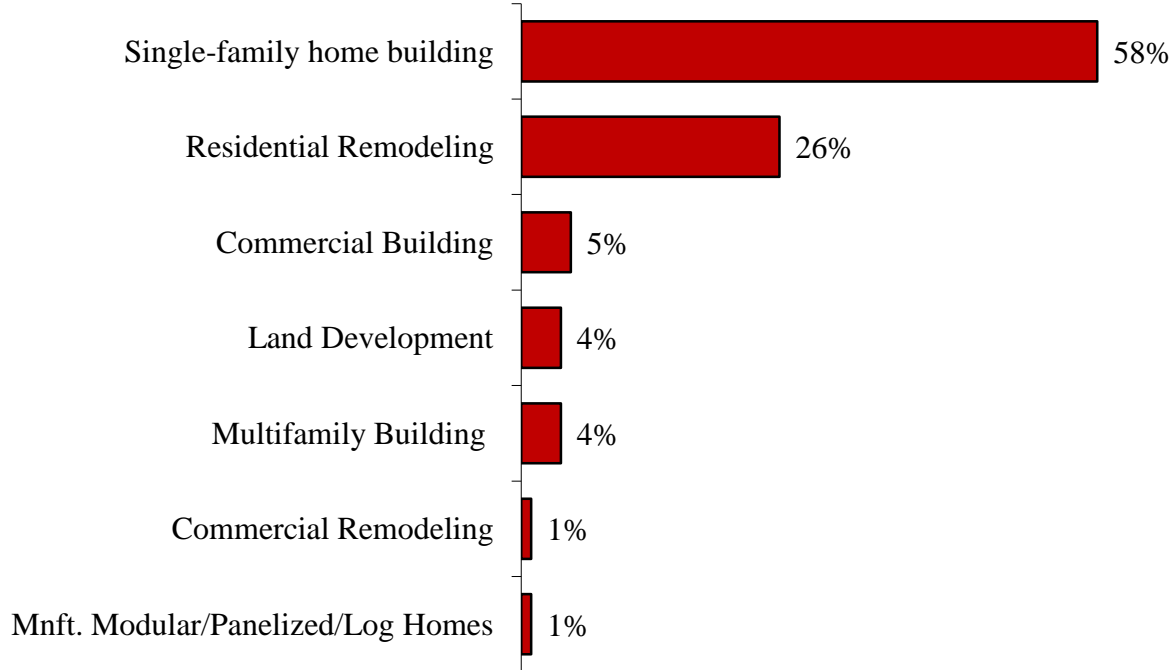
NAHB has two main types of membership: builders and associates. Builder members are defined as those whose primary business is single-family home building, multifamily building, residential or commercial remodeling, commercial building, land development, or manufacturing of modular/paneled/log homes. Among others, associate members include trade contractors, manufacturers, designers, and architects. In 2012, builder members represented 33 percent of the total NAHB membership, while associates made up the remaining 67 percent.

This article will use results from the 2012 annual census to shed light on the characteristics of NAHB's builder members in general, and on those of specific types of builder members, such as single-family builders, residential remodelers, or land developers.

### **How many are there?**

At the end of 2012 NAHB had 40,632 builder members. Fifty-eight percent of NAHB's builder members are primarily single-family builders (spec/tract, custom, or general contracting), 26 percent are residential remodelers, 5 percent commercial builders, 4 percent land developers, 4 percent multifamily builders (rental units, condo, or general contracting), 1 percent commercial remodelers, and 1 percent manufacturers of modular/paneled/log homes (Exhibit 1).

**Exhibit 1. Share of Builder Members by Primary Business Activity - 2012  
(Percent of Respondents)**



The composition of NAHB's builder membership changed little between 2011 and 2012. As Exhibit 3 shows, the share of builder members who are primarily single-family builders rose two points, from 56 percent in 2011 to 58 percent in 2012, while the share of residential remodelers fell by two points, from 28 percent to 26 percent (Exhibit 2).

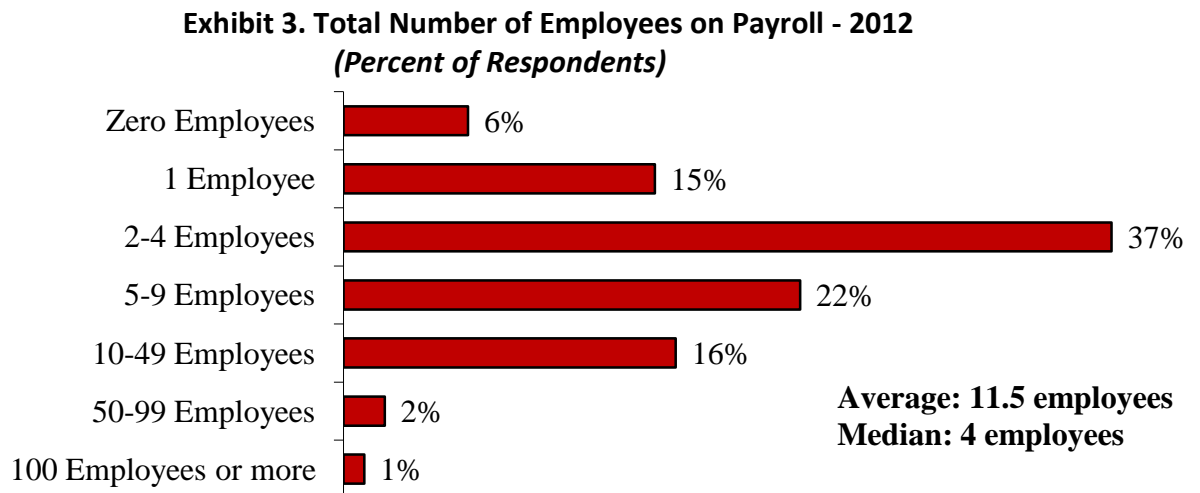
**Exhibit 2. Share of Builder Members by Primary Business Activity - History  
(Percent of Respondents)**

	2008	2009	2010	2011	2012
Single-family home building	66%	58%	59%	56%	58%
Residential remodeling	19	25	25	28	26
Commercial building	5	5	6	5	5
Multifamily building	4	5	3	4	4
Land development	4	5	4	4	4
Commercial remodeling	1	2	2	2	1
Manufacturing of Modular/Panelized/Log Homes	*	1	1	*	1

\*Less than 0.5%

### How many people on payroll?

In 2012, builder members had an average of 11.5 employees on payroll (this number split evenly between construction and non-construction employees). Fifty-two percent had 1 to 4 employees, 22 percent had 5 to 9, 16 percent had 10 to 49, and 3 percent had 50 or more paid employees. Six percent had no payroll at all (Exhibit 3).



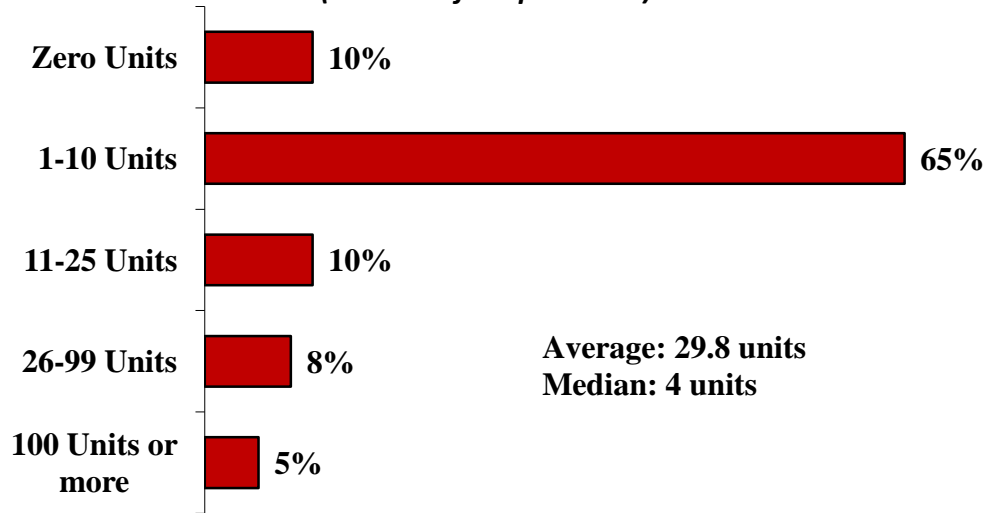
The average number of employees on payroll varies significantly by type of builder member. Multifamily builders, for example, had the largest payrolls, with an average of 51.3 employees in 2012. Among manufacturers of modular/panelized/log homes, the average number of paid employees was 30.8; among commercial remodelers, it was 23.7; among land developers, it was 20.8; and among commercial builders, 17.1. In contrast, the average payroll size was only 9.1 employees for single-family builders, and 5.6 for residential remodelers.

### How many units does the average builder start?

In 2012, builder members started an average of 30 housing units. The average number of housing units started has been increasing over the past few years, from 22 in 2009, to 24 in 2010, 28 in 2011, and 30 in 2012.

About two-thirds of builder members – 65 percent – started between 1 and 10 units in 2012, 10 percent started 11 to 25 units, 8 percent 26 to 99 units, and 5 percent 100 or more units (Exhibit 4). The share of builders reporting no starts increased to 10 percent in 2012, up from 8 percent in 2011, but was still below the 14 percent share with no starts in 2010.

**Exhibit 4. Total Number of Housing Starts – 2012  
(Percent of Respondents)**

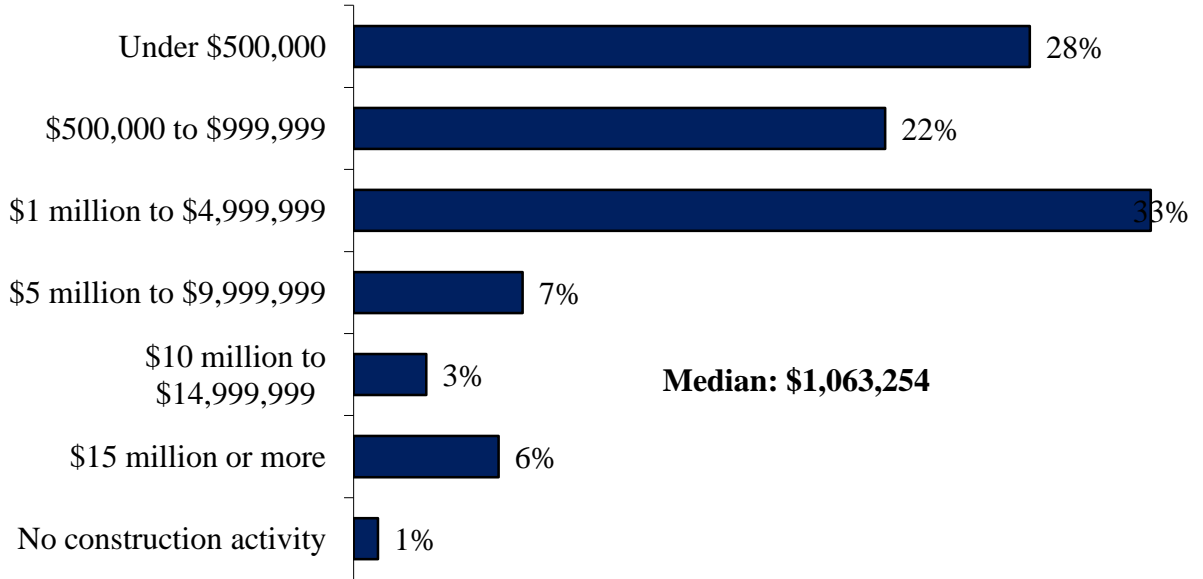


As expected, the average number of starts varies significantly across different groups of builder members. Single-family builders, for example, started an average of 23 units in 2012, compared to 209 units among multifamily builders. Tenure as a NAHB member is correlated to the number of units produced: among those with 1 to 4 years of membership, the average number of starts was 18 units, compared to 20 units among those with 5 to 9 years, and 36 units among those with 10 or more years of NAHB membership.

**How about Revenue?**

In 2012, builder members reported a median revenue of \$1,063,254, the first time since the census was started in 2008 that builders have reported a median revenue of more than \$1 million. Twenty-eight percent had annual revenue of less than \$500,000 in 2012, while 22 percent reported \$500,000 to \$999,999, 33 percent \$1.0 million to \$4.9 million, 7 percent \$5.0 million to \$9.9 million, and 9 percent reported 2012 median revenue of \$10 million or more (Exhibit 5). One percent did not have any construction activity/revenue to report.

**Exhibit 5. Annual Revenue - 2012**  
*(Percent of Respondents)*

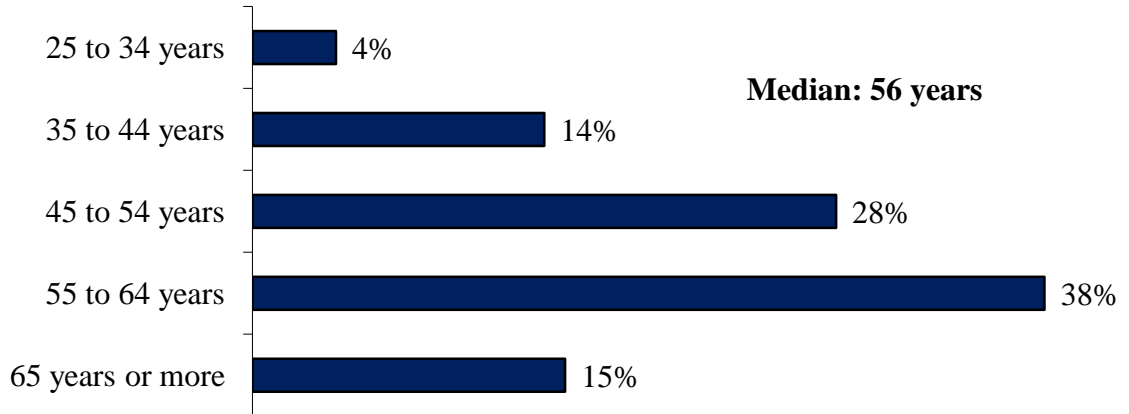


Levels of revenue also vary widely across categories of builder members. Multifamily builders had the highest median revenue in 2012 (\$4.4 million), followed by commercial builders (\$2.7 million), manufacturers of modular/panelized/log homes (\$2.5 million), land developers (\$2.2 million), single-family builders (\$1.8 million), residential remodelers (\$0.6 million), and commercial remodelers (\$0.5 million).

#### **How old are builder members?**

The median age of NAHB builder members in 2012 was 56 years. Two-thirds of builders are between the ages of 45 and 64. Of the remaining one-third, 18 percent are younger than 45 and 15 percent are older than 64 (Exhibit 6). The median age of builder members has been rising in recent years, from 52 in 2008, to 53 in both 2009 and 2010, 54 in 2011, and up to 56 in 2012.

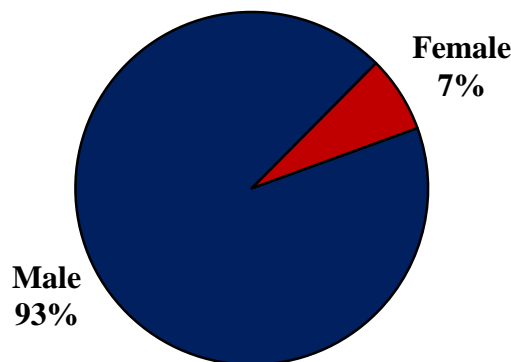
**Exhibit 6. Age - 2012**  
*(Percent of Respondents)*



**What is the gender breakdown?**

In 2012, just as in 2011, 7 percent of NAHB builder members were women (Exhibit 7). The female share was small and varied little—between 4 percent and 8 percent—across the various types of builder members, except for manufacturers of modular/panelized/log homes, among whom women represent 21 percent of the membership.

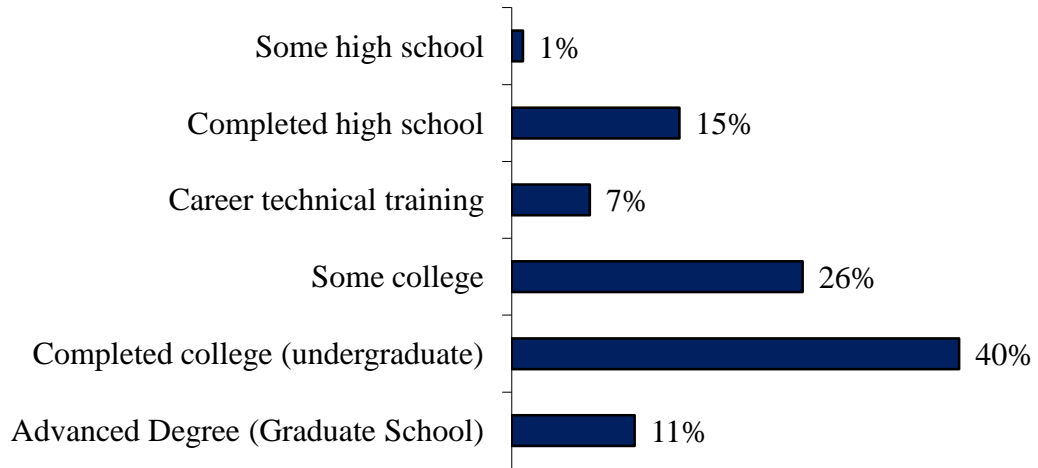
**Exhibit 7. Gender - 2012**  
*(Percent of Respondents)*



**What is their educational attainment?**

About half of NAHB builder members in 2012 – 51 percent – had a college or advanced degree. Only one percent did not finish high school. Of the remaining 48 percent, 15 percent completed high school, 7 percent have career technical training, and 26 percent have had some college education (Exhibit 8). The educational background of NAHB builder members has not changed significantly over the past few years: more than half have reported holding at least a college degree on every member census since 2008.

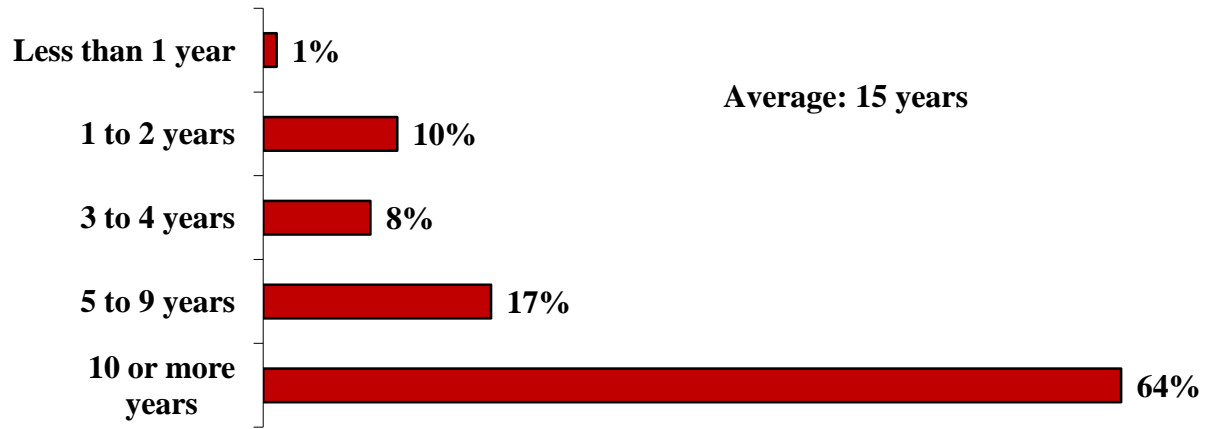
**Exhibit 8. Education - 2012**  
**(Percent of Respondents)**



**How long have they been with NAHB?**

Almost two-thirds of builders – 64 percent – have been NAHB members for more than a decade. Another 17 percent have been members 5 to 9 years, and 19 percent have been members for 4 years or less (Exhibit 9).

**Exhibit 9. Tenure as NAHB Member - 2012**  
*(Percent of Respondents)*



A profile for each category of builder member is available in the following pages.



## PROFILES BY BUILDER MEMBER TYPE

### Single-Family Builder

Number of Single-Family Builder Members in 2012: **23,520**

#### Company Profile

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

Construction Employees	<b>4.8</b>
Non-construction Employees	<b>4.3</b>
Total	<b>9.1</b>

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

<b>2. No. of units Started (Average):</b>	Single-Family	<b>20.4</b>
	Multifamily	<b>2.6</b>
	Total	<b>23.0</b>

*(Four 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):** **\$1,822,281**

*(Seven 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. Sex: Male: 93%  
Female: 7%**

**4. Education 52 percent of the single family builders responding have completed college or have an advanced degree and 24 percent have some college education.**

## Residential Remodeler

Number of Residential Remodeler Members in 2012: **10,364**

### Company Profile

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

Construction Employees	<b>3.7</b>
Non-construction Employees	<b>1.8</b>
Total	<b>5.6</b>

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

#### 2. No. of units Started (Average):

Single Family	<b>3.2</b>
Multifamily	<b>0.7</b>
Total	<b>3.9</b>

*(Five percent of residential remodelers started 11 to 499 units.)*

#### 3. Dollar volume of company's construction (Median): **\$578,705**

*(One percent of residential remodelers had \$10 million or more in business activity)*

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

### Member Profile

1. No. of years as a member of NAHB (Average): **13 years**

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

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

4. Education **43 percent of remodelers have completed college or have an advanced degree and another 30 percent have some college education**

## Commercial Builder

Number of Commercial Builder Members in 2012: **2,028**

### Company Profile

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

Construction Employees	<b>13.0</b>
Non-construction Employees	<b>4.1</b>
Total	<b>17.1</b>

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

#### 2. No. of units Started (Average):

Single Family	<b>3.7</b>
Multifamily	<b>11.2</b>
Total	<b>14.9</b>

*(Three percent of commercial builders started 100 to 499 units.)*

#### 3. Dollar volume of company's revenue (Median): **\$2,678,031**

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

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

3. Sex: **Male: 96%**  
**Female: 4%**

4. Education **50 percent of commercial builders have completed college or have an advanced degree and another 28 percent have some college education**

## Land Developer

Number of Land Developer Members in 2012: **1,588**

### Company Profile

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

Construction Employees	<b>5.4</b>
Non-construction Employees	<b>15.4</b>
Total	<b>20.8</b>

*(Three percent of land developers have 50-99 employees and another 3 percent have 100 or more employees.)*

#### 2. No. of units Started (Average):

Single Family	<b>29.7</b>
Multifamily	<b>32.0</b>
Total	<b>61.8</b>

*(Ten percent of land developers started 100-499 units, and 4 percent started 500 or more)*

#### 3. Dollar volume of company's revenue (Median): **\$2,184,898**

*(Ten 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 **20 years**  
(Average):

2. Age (Median) **60 years**

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

4. Education **80 percent of land developers have completed college or have an advanced degree and another 14 percent have some college education**

## Multifamily Builder

Number of Multifamily Builder Members in 2012: **1,423**

### Company Profile

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

Construction Employees	<b>9.4</b>
Non-construction Employees	<b>41.9</b>
Total	<b>51.3</b>

*(Eleven percent of multifamily builders have 50-99 employees and 8 percent have 100 employees or more.)*

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

Single Family	<b>4.7</b>
Multifamily	<b>203.9</b>
Total	<b>208.6</b>

*(Seventeen percent of the multifamily builders started 100 to 499 units while 10 percent started 500 or more units)*

**3. Dollar volume of company's construction (Median):** **\$4,363,442**

*(Twenty-two percent of the multifamily builders had \$15 million or more in business activity)*

**4. Build Age-Restricted Housing for People Age 55+: 38%**

### Member Profile

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

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

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

**4. Education 67 percent of multifamily builders responding have completed college or have an advanced degree and another 19 percent have some college education.**

## Commercial Remodeler

Number of Commercial Remodeler Members in 2012: **573**

### Company Profile

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

Construction Employees	<b>19.7</b>
Non-construction Employees	<b>4.1</b>
Total	<b>23.7</b>

*(Two percent of the commercial remodelers have 50 or more employees.)*

#### 2. No. of units Started (Average):

Single Family	<b>0.6</b>
Multifamily	<b>0.8</b>
Total	<b>1.4</b>

*(None of the commercial remodelers started more than 10 units)*

#### 3. Dollar volume of company's construction (Median): **\$505,494**

*(Five 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): **16 years**

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

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

4. Education **45 percent of remodelers have completed college and another 26 percent have some college education**

## **Manufacturers of Modular/Panelized/Log Homes**

Number of Modular/Panelized/Log Home Manufacturer Members in 2012: **244**

### **Company Profile**

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

Construction Employees	<b>18.8</b>
Non-construction Employees	<b>11.9</b>
Total	<b>30.8</b>

*(Eleven percent of manufacturers of modular/panelized/log homes have 50 to 99 employees, and another 11 percent have 100 or more employees.)*

#### **2. No. of units Started (Average):**

Single Family	<b>23.9</b>
Multifamily	<b>5.1</b>
Total	<b>29.0</b>

*(Six percent of manufacturers of modular/panelized/log homes started between 100-499 units.)*

#### **3. Dollar volume of company's revenue (Median):** **\$2,458,012**

*(Seven 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+:** **44%**

### **Member Profile**

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

**2. Age (Median)** **55 years**

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

**4. Education** **58 percent of manufacturers of modular/panelized/log homes have completed college or have an advanced degree and another 34 percent have some college education**