



Who are NAHB's Builder Members?

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It is imperative for any membership organization to know and understand the composition and characteristics of the people that it counts as members. At the National Association of Home Builders (NAHB), a census that collects company and demographic data from its members is conducted every year to achieve this goal. Among other uses, findings from the annual census help guide NAHB's member 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/panelized/log homes. Among others, associate members include trade contractors, manufacturers, designers, and architects. In 2011, builder members represented 33 percent of the total NAHB membership, while associates made up the remaining 67 percent.

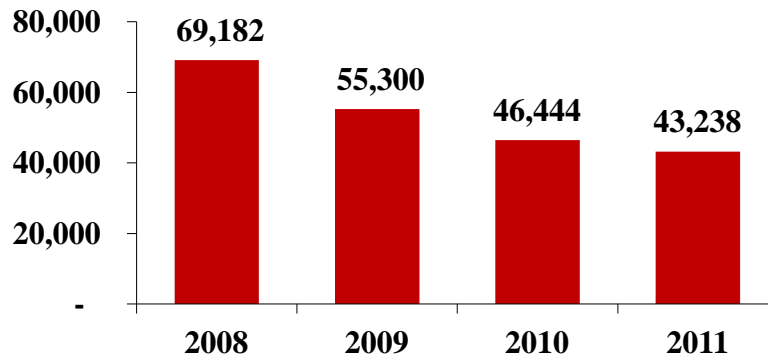
This article will use results from the 2011 annual census to shed light on the characteristics of NAHB's builder members in general, and on those of specific types of builder members, such as single-family builders, residential remodelers, or land developers.

How many are there?

The number of NAHB builder members at the end of 2011 stood at 43,238, about 38 percent below the 69,182 builders counted in 2008¹ (Exhibit 1). This decline in membership is a direct reflection of the deep downturn the housing industry has undergone in recent years, a period that saw total housing starts fall by more than 70 percent between 2005 and 2011. Yet, despite the downward trend, it is important to recognize that the 2011 builder count highlights a positive development that should not be overlooked: the pace of decline in builder membership continues to decelerate, from 20 percent in 2009, to 16 percent in 2010, to only 7 percent in 2011.

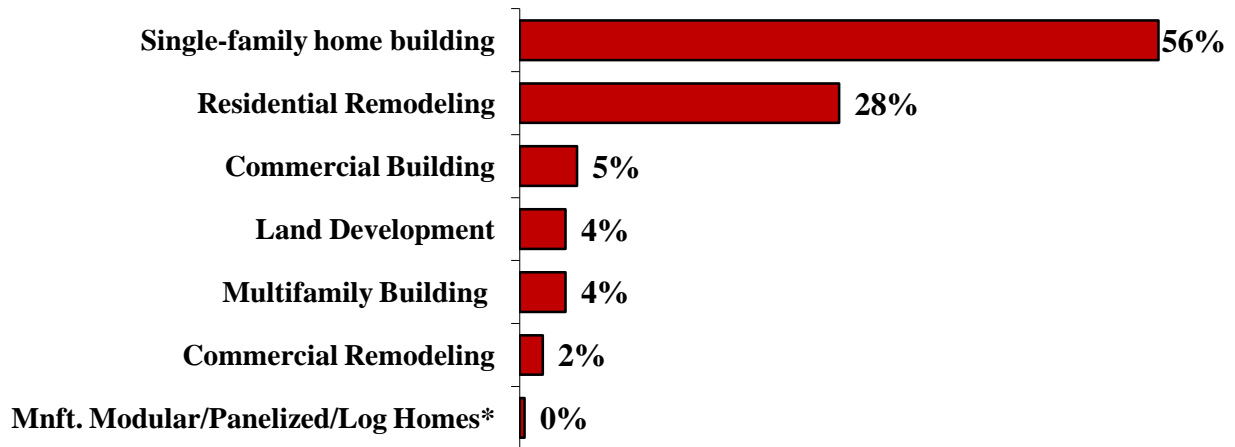
¹ The NAHB member census was reinstated in 2008 after a hiatus of several years, so numbers are not available for the years immediately prior to 2008.

Exhibit 1. Number of NAHB Builder Members



In terms of the current composition of NAHB's 43,238 builder members, 56 percent of that number reported themselves to be primarily single-family builders (spec/tract, custom, or general contracting), 28 percent residential remodelers, 5 percent commercial builders, 4 percent land developers, 4 percent multifamily builders (rental units, condo, or general contracting), and 2 percent commercial remodelers. Less than half of one percent reported manufacturing of modular/panelized/log homes as their primary activity in 2011 (Exhibit 2).

**Exhibit 2. Share of Builder Members by Primary Business Activity, 2011
(Percent of Respondents)**



* Less than half of 1%.

The composition of NAHB’s builder membership has changed over the past few years. As Exhibit 3 shows, in 2008, 66 percent of all NAHB’s builder members were single-family builders, 19 percent were residential remodelers, while the other builder types made up the remaining 15 percent. By 2011, single-family builders represented 56 percent of all builder members, remodelers 28 percent, and other types 14 percent.

Exhibit 3. Share of Builder Members by Primary Business Activity - History
(Percent of Respondents)

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

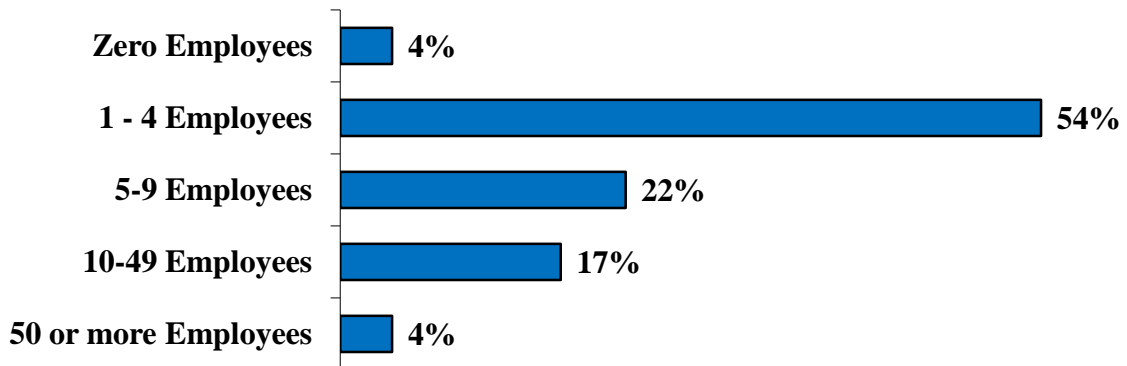
**Less than 0.5%*

How many people on payroll?

In 2011, builder members had an average of 11.6 employees on payroll. Fifty four percent had 1 to 4 employees, 22 percent had 5 to 9, 17 percent had 10 to 49, and 4 percent had 50 or more paid employees. Four percent had no payroll at all (Exhibit 4).

Exhibit 4. Total Number of Employees on Payroll - 2011

(Percent of Respondents)

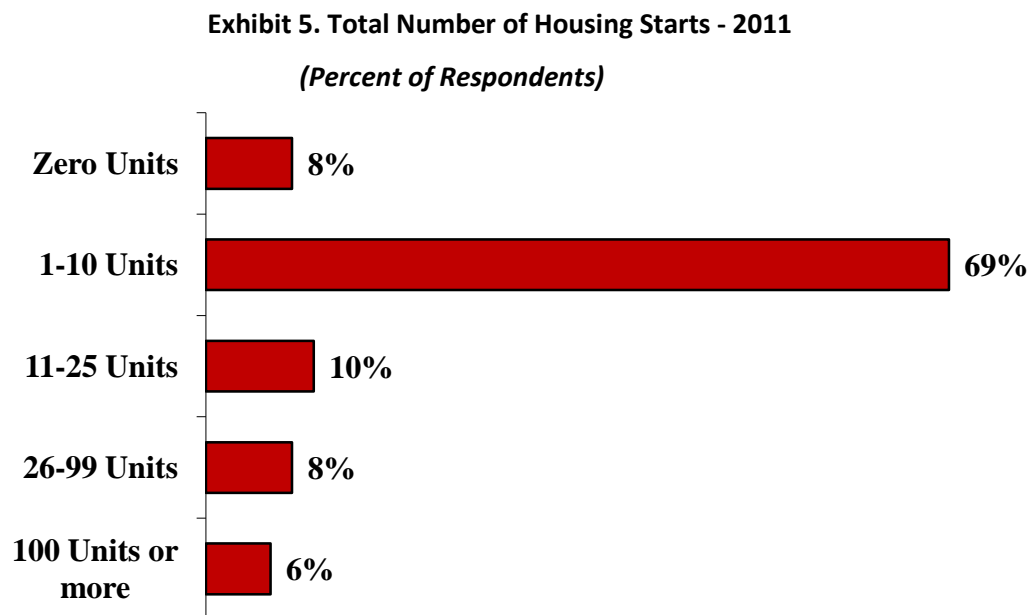


The average number of employees on payroll varies significantly by type of builder member. Multifamily builders, for example, had the largest payrolls, with an average of 43.0 employees in 2011, while manufacturers of modular/panelized/log homes followed closely at 41.9. Among commercial builders, the average number of paid employees was 29.7, and among land developers, it was 17.3. In contrast, the average payroll size for single-family builders (9.5), commercial remodelers (7.1), and residential remodelers (6.0) was in the single digits.

How many units does the average builder start?

In 2011, builder members started an average of 28 housing units, four more than the average 24 units they started in 2010. The increase was not uniform across unit type, however, as the average number of single-family starts fell from 17 to 16, while average multifamily starts rose from 7 to 12.

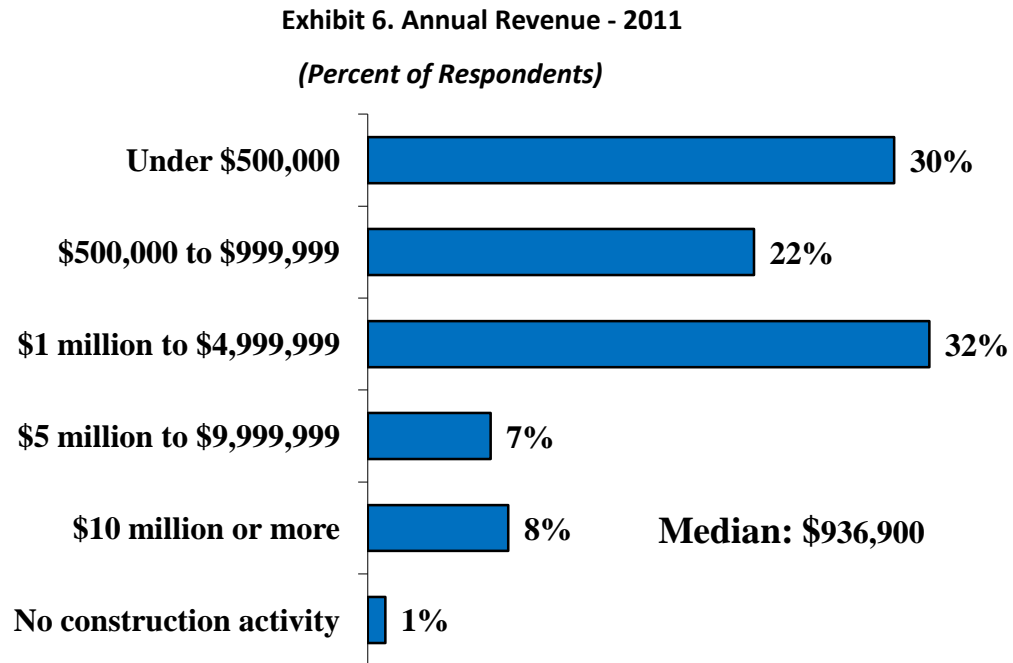
The large majority of builder members – 69 percent – started between 1 and 10 units in 2011, 10 percent started 11 to 25 units, 8 percent 26 to 99 units, and 6 percent 100 or more units (Exhibit 5). Eight percent did not have any starts. In contrast, in 2010, 14 percent of builder members reported zero housing starts, while 65 percent reported 1 to 10 starts.



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 2011, compared to 170 units among multifamily builders and 153 among manufacturers of modular/panelized/log homes. Interestingly, NAHB tenure in 2011 was positively related to production levels: among those with 1 to 4 years of membership, the average number of starts was 19 units, compared to 22 units among those with 5 to 9 years, and 30 units among those with 10 or more years of NAHB membership.

How about Revenue?

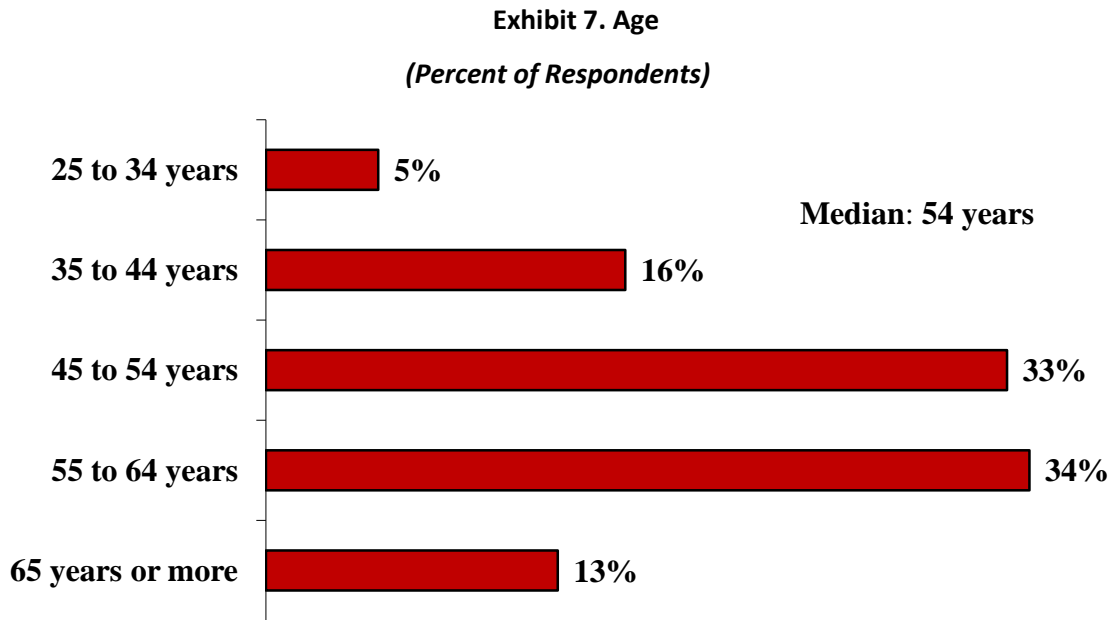
NAHB builder members reported a median revenue of \$936,900 in the year 2011, essentially unchanged from the \$936,426 reported in 2010. Just under one-third – 30 percent – had annual revenue of less than \$500,000 in 2011, while 22 percent reported \$500,000 to \$999,999, 32 percent \$1.0 million to \$4.9 million, 7 percent \$5.0 million to \$9.9 million, and 8 percent reported 2011 median revenue of \$10 million or more (Exhibit 6). One percent did not have any construction activity/revenue to report.



Levels of revenue also vary widely across categories of builder members. Multifamily builders had the highest median revenue in 2011 (\$4.7 million), followed by manufacturers of modular/panelized/log homes (\$3.2 million), commercial builders (\$2.6 million), single-family builders (\$1.6 million), land developers (\$1.2 million), commercial remodelers (\$0.6 million), and residential remodelers (\$0.5 million).

How old are builder members?

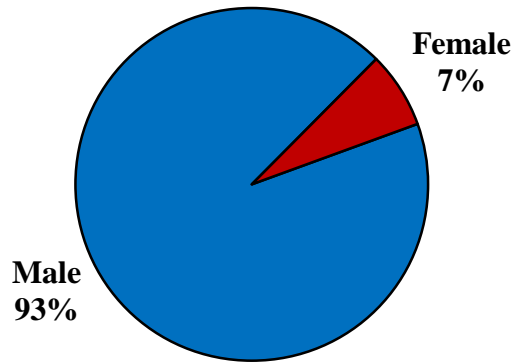
The median age of NAHB builder members in 2011 was 54 years. A large share – 67 percent – is between the ages of 45 and 64. Of the remaining one-third, 21 percent are younger than 45 and 13 percent are older than 64 (Exhibit 7). The median age of builder members has been rising in recent years, from 52 in 2008, to 53 in both 2009 and 2010, and up to 54 in 2011.



What is the gender breakdown?

In 2011, the share of NAHB builder members that were women stood at 7 percent (Exhibit 8). That share has barely changed since 2008, oscillating only between 6 percent and 8 percent every year. Interestingly, the female share is rather uniform across all types of builder members (6 percent to 8 percent), except for manufacturers of modular/panelized/log homes, among whom women represent 12 percent.

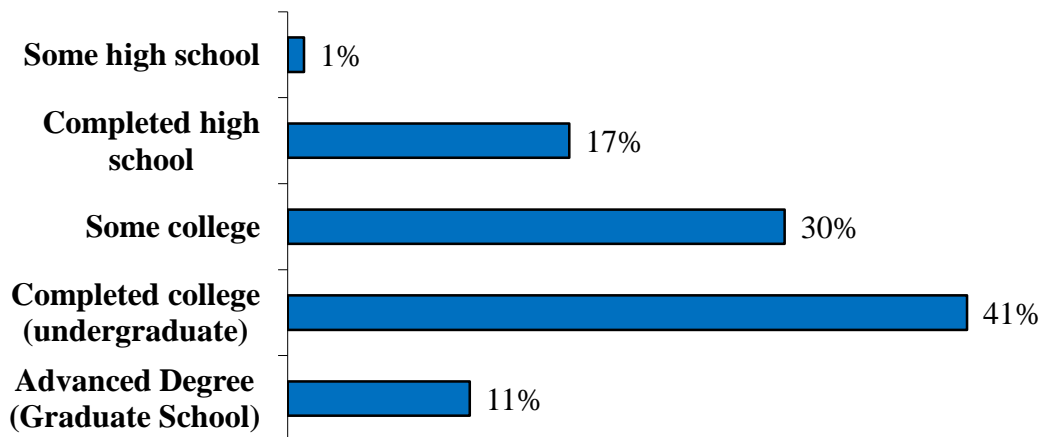
Exhibit 8. Gender
(Percent of Respondents)



What is their educational attainment?

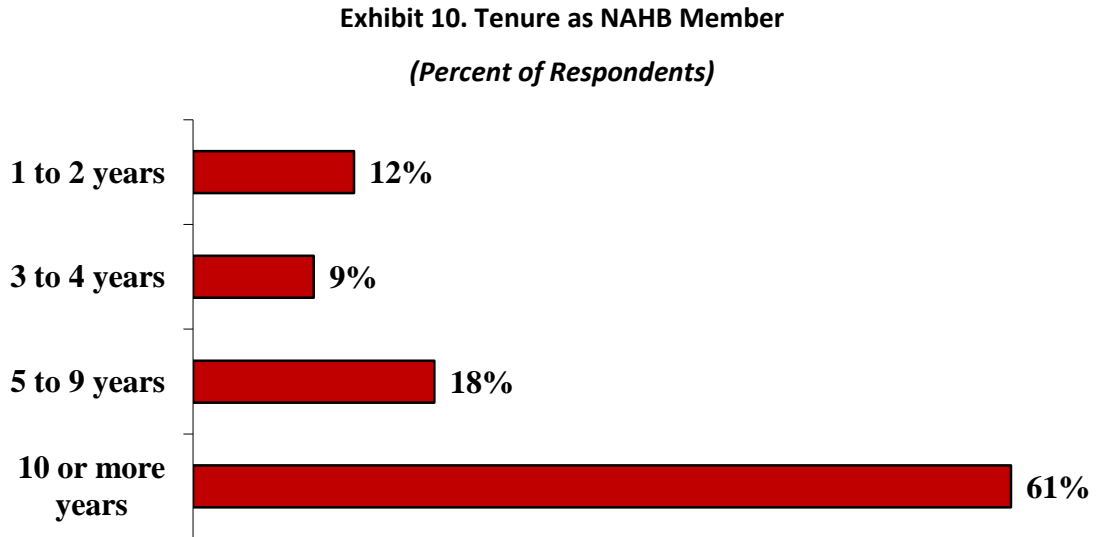
The majority of NAHB builder members in 2011 – 52 percent – had a college or advanced degree. Only one percent did not finish high school. Of the remaining 47 percent, 17 percent completed high school and 30 percent have had some college education (Exhibit 9). The educational background of NAHB builder members has not changed significantly over the past few years: more than half of builder members have reported holding at least a college degree on every member census since 2008.

Exhibit 9. Education
(Percent of Respondents)



How long have they been with NAHB?

Most builders – 61 percent – have been NAHB members for more than a decade. Another 18 percent have been members 5 to 9 years. Only 21 percent have been members for 4 years or less (Exhibit 10).



A profile for each category of builder member is available below.

PROFILES BY BUILDER MEMBER TYPE

Single Family Builder in 2011

	2008	2009	2010	2010
Number of Single-family builders	45,198	31,630	27,512	24,159

Company Profile

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

Construction Employees	5.3
Non-construction Employees	4.3
Total	9.5

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

2. No. of units Started (<i>Average</i>):	Single Family	19
	Multifamily	4
	Total	23

(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*):

\$1,560,617

(Only 5 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*): **15 years**

2. Age (*Median*): **53 years**

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

4. Education **53 percent of the single family builders responding have completed college or have an advanced degree and 29 percent have some college education.**

Multifamily Builder in 2011

	2008	2009	2010	2011
Number of Multifamily builders	3,006	2,633	1,702	1,445

Company Profile

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

Construction Employees	11.4
Non-construction Employees	31.7
Total	43.0

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

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

Single Family	9
Multifamily	161
Total	170

(28 percent of the multifamily builders started 100 to 499 units while 9 percent started 500 or more units)

3. Dollar volume of company's construction (*Median*): **\$4,682,047**

(Twenty-three 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*): **19 years**

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

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

4. Education **73 percent of multifamily builders responding have completed college or have an advanced degree and another 18 percent have some college education.**

Residential Remodeler in 2011

	2008	2009	2010	2011
Number of Residential Remodelers	12,885	13,645	11,484	11,986

Company Profile

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

Construction Employees	4.0
Non-construction Employees	2.0
Total	6.0

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

2. No. of units Started (Average):

Single Family	2
Multifamily	1
Total	3

(Four percent of residential remodelers started 11 to 99 units.)

3. Dollar volume of company's construction (Median): \$536,234

(One percent of residential remodelers had \$10 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): 13 years

2. Age (Median) 54 years

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

4. Education 46 percent of remodelers have completed college or have an advanced degree and another 35 percent have some college education

Commercial Remodeler in 2011

	2008	2009	2010	2011
Number of Commercial Remodelers	661	973	714	700

Company Profile

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

Construction Employees	4.2
Non-construction Employees	2.9
Total	7.1

(None of the commercial remodelers have 50 or more employees.)

2. No. of units Started (Average):

Single Family	2
Multifamily	0
Total	2

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

3. Dollar volume of company's construction (Median): \$633,562

(One percent of commercial remodelers had between \$10 million and \$14,999,999 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): 13 years

2. Age (Median) 55 years

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

4. Education 54 percent of remodelers have completed college or have an advanced degree and another 19 percent have some college education

Commercial Builder in 2011

	2008	2009	2010	2011
Number of Commercial Builders	3,177	2,491	2,603	2,347

Company Profile

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

Construction Employees	22.2
Non-construction Employees	7.5
Total	29.7

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

2. No. of units Started (Average):

Single Family	4
Multifamily	20
Total	24

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

3. Dollar volume of company's revenue (Median): \$2,578,376

(Ten 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): 15 years

2. Age (Median) 55 years

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

4. Education 53 percent of commercial builders have completed college or have an advanced degree and another 28 percent have some college education

Land Developer in 2011

	2008	2009	2010	2011
Number of Land Developers	2,972	2,709	1,928	1,630

Company Profile

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

Construction Employees	3.7
Non-construction Employees	13.6
Total	17.3

(Four percent of land developers have 50-99 employees and 2 percent have 100 or more employees.)

2. No. of units Started (Average):

Single Family	7
Multifamily	28
Total	35

(Eleven percent of land developers started 100-499 units, none started 500 or more)

3. Dollar volume of company's revenue (Median): \$1,240,996

(Seven 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 **18 years**
(Average):

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

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

4. Education **74 percent of land developers have completed college or have an advanced degree and another 16 percent have some college education**

Manufacturers of Modular/Panelized/Log Homes in 2011

	2008	2009	2010	2011
Number of Manufacturers of Modular/Panelized/Log Homes	273	431	278	177

Company Profile

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

Construction Employees	27.8
Non-construction Employees	14.0
Total	41.9

(Twenty-two percent of manufacturers of modular/panelized/log homes have 100 or more employees.)

2. No. of units Started (Average):

Single Family	68
Multifamily	85
Total	153

(Twenty percent of manufacturers of modular/panelized/log homes started 500 or more units.)

3. Dollar volume of company's revenue (Median): \$3,222,221

(Nineteen 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+: 36%

Member Profile

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

2. Age (Median) 52 years

3. Sex: Male: 82%
Female: 18%

4. Education 59 percent of manufacturers of modular/panelized/log homes have completed college or have an advanced degree and another 36 percent have some college education