

# HOUSE DATA AND BUYER DEMOGRAPHICS

Builders and architects report on cost per square foot, house size, and buyer income and preferences

By Mike Beirne, Senior Editor

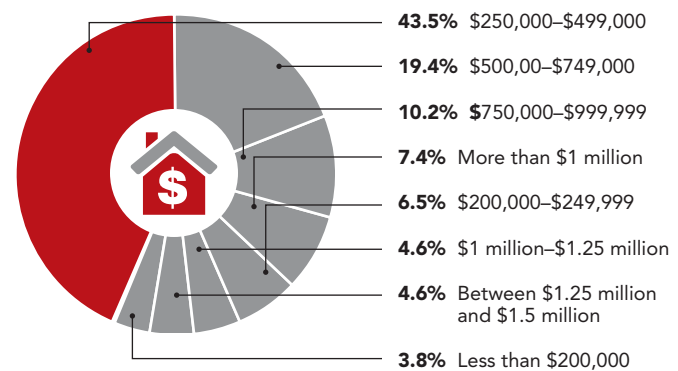
During 2017, the cost of labor and materials continued to rise, but builders and architects in *Professional Builder's* recent House/Buyer survey also cited cost increases for plenty of other items. Code changes and compliance with government regulations have always been mentioned as cost drivers in previous years, but those reasons appeared more often in this year's poll.

A large California builder that targets first-time buyers wrote that the state's 2016 energy code enhancements—2-by-6 wall frames, whole-house fans, and insulated attic walls—increased costs. A Texas custom home builder noted that hurricane repairs have strained the availability of labor, and a Wisconsin custom home builder reported that “everything has become special-ordered or back-ordered by four to eight weeks, which is killing construction schedules.” Lumber and cement were most often mentioned as the building materials that have become more expensive and, in one instance, the cost of water as well.

Other drivers, cited through open text comments, include: client expectations, particularly for detailed finishes that require greater skill on the part of the installer; building better quality, more complex houses; and building green houses. More information about cost, house size, and buyer profiles is in the charts that follow.

**METHODOLOGY AND RESPONDENT INFORMATION:** This survey was distributed between Nov. 10, 2017, and Dec. 4, 2017, to a random sample of *Professional Builder* print and digital readers and to members of Builder Partnerships. No incentive was offered. By closing date, a total of 110 eligible readers had returned surveys. Respondent breakdown by discipline: 44.9% custom home builder; 17.4% production builder for move-up/move-down buyer; 14.7% diversified builder/remodeler; 10.1% architect/designer engaged in home building; 4.6% production builder for first-time buyer; 3.7% luxury production builder; 0.9% multifamily builder; 0.9% manufactured, modular, log home, or systems builder, and 2.8% other. Approximately 33% sold one to five homes in 2016, and 12.8% sold more than 100 units.

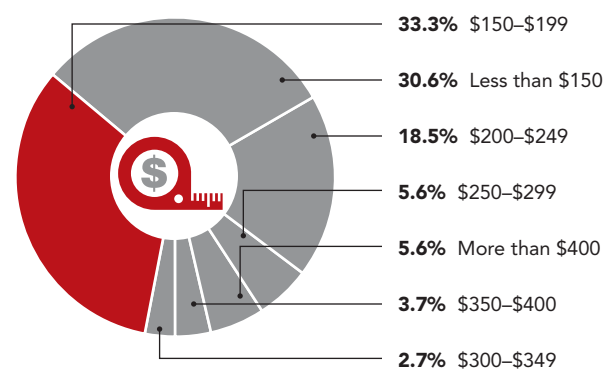
WHAT IS THE AVERAGE PRICE RANGE FOR THE TYPICAL HOMES YOU BUILD—OR DESIGN, IF YOU ARE AN ARCHITECT OR DESIGNER?



BASE: 108; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Eighty percent of builders targeting first-time buyers priced their homes on the low side of the \$250,000 to \$499,000 price range; 77 percent of production home builders priced homes in this price range for move-up/move down buyers; and 36.4 percent of architects/designers priced projects in this range.

EXCLUDING THE COST OF LAND, WHAT IS THE COST PER SQUARE FOOT OF YOUR AVERAGE HOME?

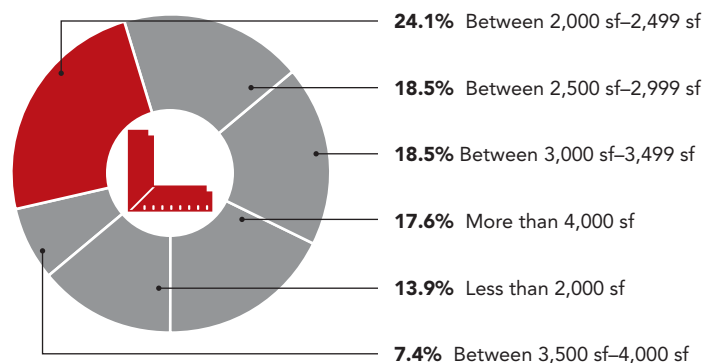


BASE: 108; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Almost three-quarters of builders and architects again this year indicated that their cost per square foot has risen over the past three years, with 40.5 percent stating that that figure increased by 10 percent or more. The rising costs of labor and materials were most often cited as factors, as well as complying with new code requirements and other government regulations. As for the 4.7 percent of respondents who saw their costs decline, the reasons cited include: more efficient design layout when starting kitchens and baths, using new materials and techniques, implementing a new purchase order system, and better negotiations with subcontractors and suppliers.

[EXCLUSIVE RESEARCH]

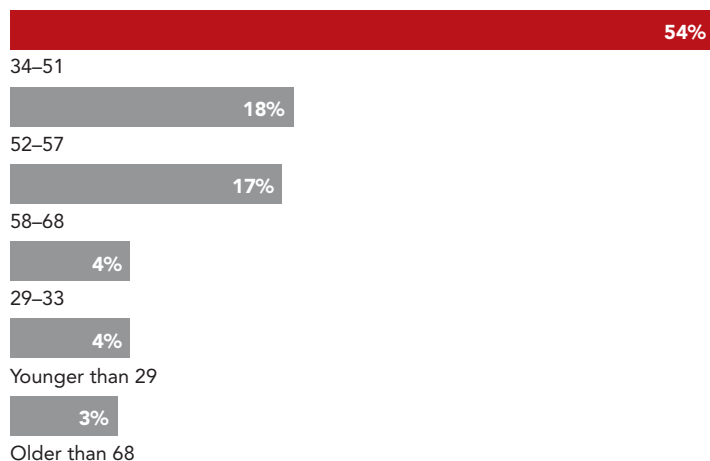
**ON AVERAGE, WHAT IS THE SQUARE FOOTAGE OF THE HOMES THAT YOUR COMPANY BUILT/DESIGNED?**



BASE: 108; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

More than half of survey participants noted that the average square footage of their projects has stayed about the same during the past three years, compared with two-thirds in last year's poll. Luxury builders and production home builders for first-time buyers, primarily in Arkansas, Louisiana, Oklahoma, and Texas, and on the West Coast, made up the majority of the 27 percent of respondents who said their houses are 1 percent to 9 percent bigger.

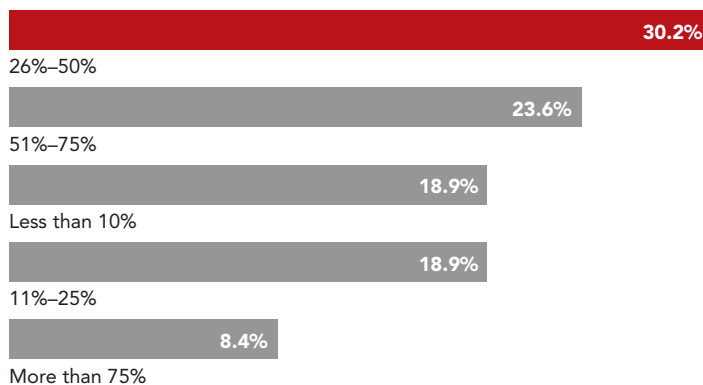
**RANK, FROM 1 TO 6, THE AGE RANGE OF YOUR TYPICAL NEW-HOME CLIENTS, WITH 1 BEING THE PREDOMINANT GROUP**



BASE: 110; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Gen X is the leading buyer group, significantly outpacing younger and older Baby Boomers. More than 80 percent of survey respondents stated that the age range of their No. 1 customer has not changed during the past three years. Just 7.6 percent of new-home builders and architects indicated that their leading client base today is younger.

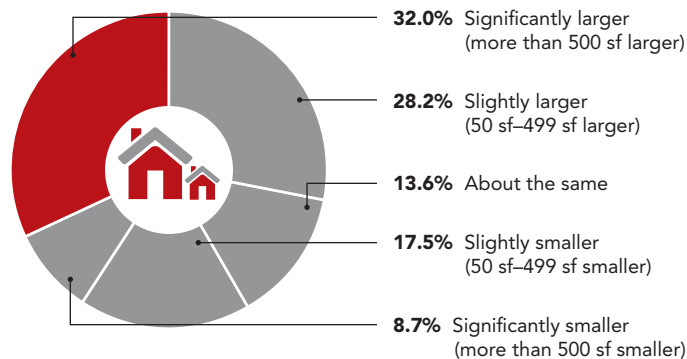
**APPROXIMATELY WHAT PERCENTAGE OF YOUR CLIENTS HAVE CHILDREN, ELDERLY PARENTS, OR OTHER FAMILY MEMBERS LIVING AT HOME?**



BASE: 106; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Almost a third of survey participants said most of their clients have children and/or extended family living with them. As with last year's poll, almost 20 percent of respondents have seen more activity from single/childless buyers. Same-sex couples compose about half of the clients for a North Carolina custom home builder. Other builders and architects noted that single women made up about 10 to 20 percent of their client base, and a Colorado modular/systems builder said that more women than men were showing interest in vintage trailers and tiny homes. An entry-level production home builder in Iowa reported that men and women, primarily Gen X, were about equally split among his single-buyer clients, which made up 15 percent of his business.

**ARE THE HOMES YOU BUILD/DESIGN FOR CLIENTS WHO ARE NOT FIRST-TIME BUYERS SMALLER OR LARGER THAN THEIR CURRENT HOME?**

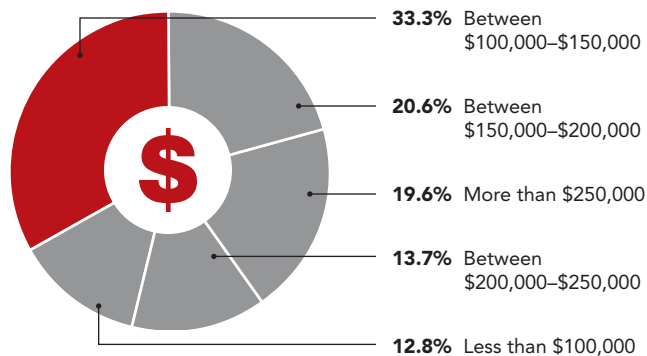


BASE: 103; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Custom and luxury production home builder clients are generating the bulk of demand for bigger move-up homes.

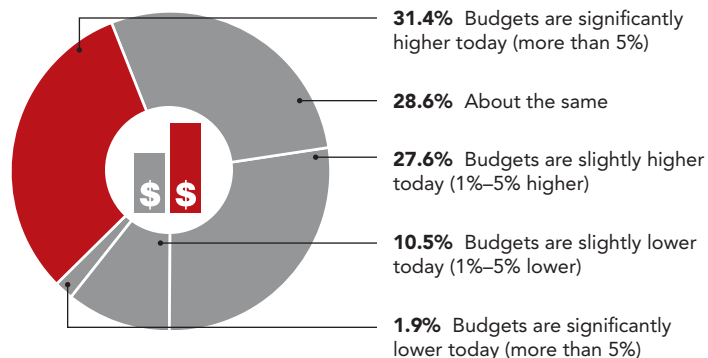
ICONS: TOP LEFT, STOVAN HAYTOV / STOCK.ADOBE.COM; BOTTOM RIGHT, HAPPY ART / STOCK.ADOBE.COM

**ON AVERAGE, WHAT IS YOUR CLIENTS' ANNUAL HOUSEHOLD INCOME?**



BASE: 102; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

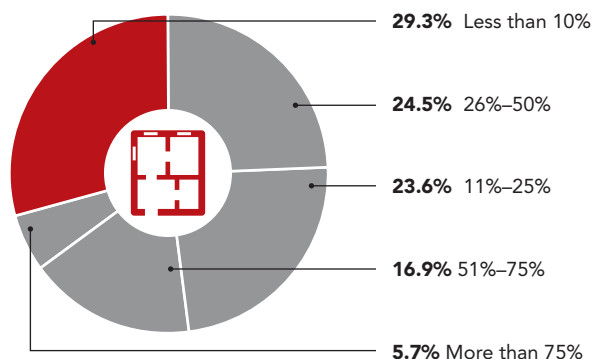
**HOW DO CLIENT BUDGETS TODAY COMPARE WITH THOSE OF THREE YEARS AGO?**



BASE: 105; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

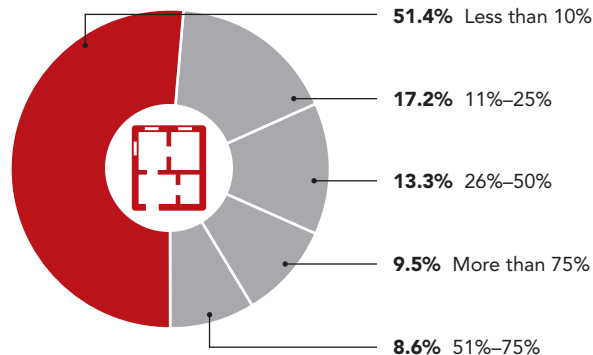
The customers for most new-home builders and architects in the survey have annual income between \$100,000 and \$200,000. Almost a third reported they are working with client budgets that are significantly bigger today, compared with less than a quarter of builders and architects who said the same in the 2017 survey. Starter-home buyers, typically clients with less than \$100,000 in annual income, fell to the last spot.

**WHAT PERCENTAGE OF CLIENTS ARE LOOKING FOR A HOME WHERE THEY CAN AGE IN PLACE AND ALSO PROVIDE LIVING SPACE FOR ELDERLY RELATIVES OR BOOMERANG KIDS?**



BASE: 106; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

**WHAT PERCENTAGE OF CLIENTS PREFER FLEXIBLE SPACE THAT CAN BE FINISHED LATER INTO FULLY FURNISHED ROOMS WITH A SPECIFIC PURPOSE?**



BASE: 105; PROFESSIONAL BUILDER 2018 HOUSE/BUYER SURVEY

Less than a quarter of survey participants indicated that the majority of their buyers were seeking multigenerational floor plans or intending to buy what perhaps could be their final new home. Most clients also had a specific purpose in mind for all of the spaces in their house.