

Rich E. Blanchard
Managing Director, RICH Home Loans LLC
NMLS: 492461
1550 Wewatta St., 2nd Floor Denver, CO 80202

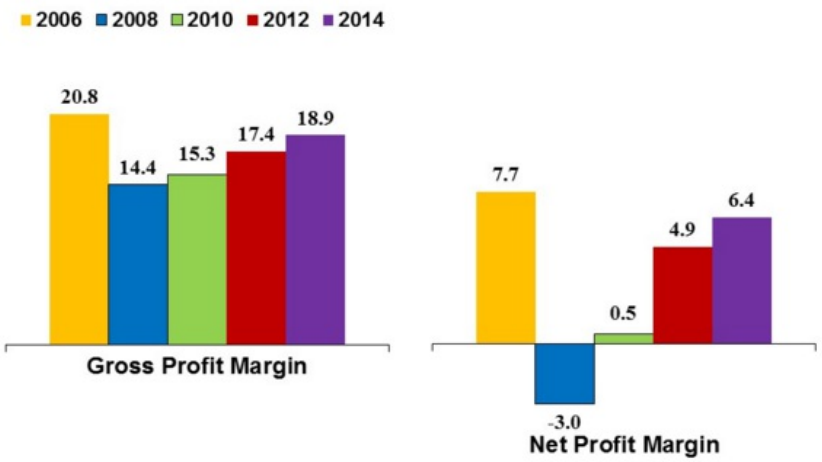
Office: 720.619.9900
Mobile: 303.328.7047
richblanchard@richhomeloans.com
View My Website

Builder Profits Nearing 2006 Levels

The average single family builder achieved revenue of just over $16 million in 2014 and posted an average **net pre-tax profit of $1 million**. The National Association of Home Builders (NAHB) derived those numbers for its newly released *Cost of Doing Business Study* from a nationwide survey of builders about their income statements and balance sheets.

The cost of achieving that revenue, that is the cost of sales, averaged **$13.2 million** per builder or 81.1 percent of revenue. Those costs include land and direct and indirect costs of construction. This results in a gross profit of $3.1 million. Operating expenses including the owner's draw, sales and marketing and general and administrative expenses took another $2 million. The remaining net pre-tax profit represents a 6.4 percent profit margin.

Rose Quint, writing in the NAHB blog, said the numbers show that **builder profit margins continue to increase** as they have since 2010, but remain **below 2006 levels**. That year the average gross profit margin for single-family builders was 20.8 percent. By 2008 it had fallen to 14.4 percent. The net profit margin went from 7.7 percent in 2006 to a negative 3.0 percent in 2008, managed a small 0.5 percent net profit in 2010 then made significant gains in 2012 and 2014.



National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.30%	+0.12	0.00
15YR Fixed	6.92%	+0.09	0.00
30YR FHA	6.89%	+0.07	0.00
30YR Jumbo	7.40%	+0.03	0.00
7/6 SOFR	6.80%	+0.31	0.00
30YR VA	6.90%	+0.07	0.00

Rates as of: 11/10

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.05	-0.39
10 YR Treasury	5.0845	+0.0985
30 YR Treasury	5.4195	+0.0638

Pricing as of: 11/12 11:40AM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 28	192.6	-1.23%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

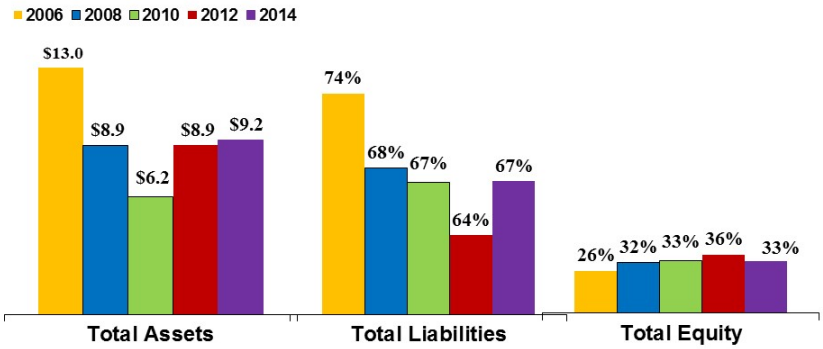
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

On average the balance sheets for builders in 2014 showed total assets of $9.2 million. Liabilities amounted to 67.4 percent of all assets and the average equity was 32.6 percent. This was largely unchanged from 2012 but both years were **substantially better than 2010** when the average of all assets was $6.2 million, about half what had been reported in 2006.

The figure below also shows that builders were **highly leveraged** in 2006: they owed the equivalent of 74% of their assets to someone else. As their balance sheets shrank over the next few years though, their reliance on debt declined as well, bottoming out at 64% in 2012. Relying less on debt to finance their assets meant builders were using more of their own capital to do the job. In 2006, equity accounted for 26% of builders' assets, but by 2012, it had jumped ten points to 36%.



Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

Rich E. Blanchard



© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans