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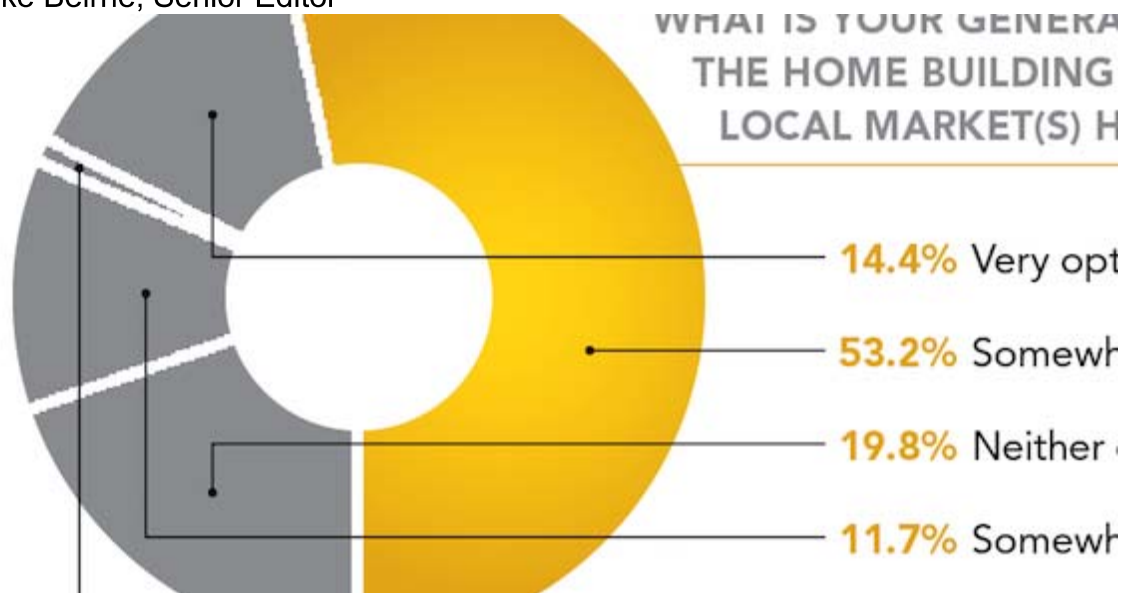
Market Forecast Survey: Builders Gain a Little Confidence for 2016

[Economics](#) ^[1]

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Survey participants express cautious optimism, hoping for continuing improvement in the home building cycle next year

By Mike Beirne, Senior Editor



December 15, 2015

More than a quarter of builders, designers, and architects responding to *Professional Builder's* 2016 Market Forecast survey graded this year as mediocre or poor, an improvement from more than a third that rated 2014 as a bad year for their companies. About 46 percent of builders said that they sold more houses this year versus last year, and 40 percent indicated that they sold "about the same." Less than 14 percent closed on fewer homes than they did in 2014 compared with 22.2 percent from the previous year's poll.

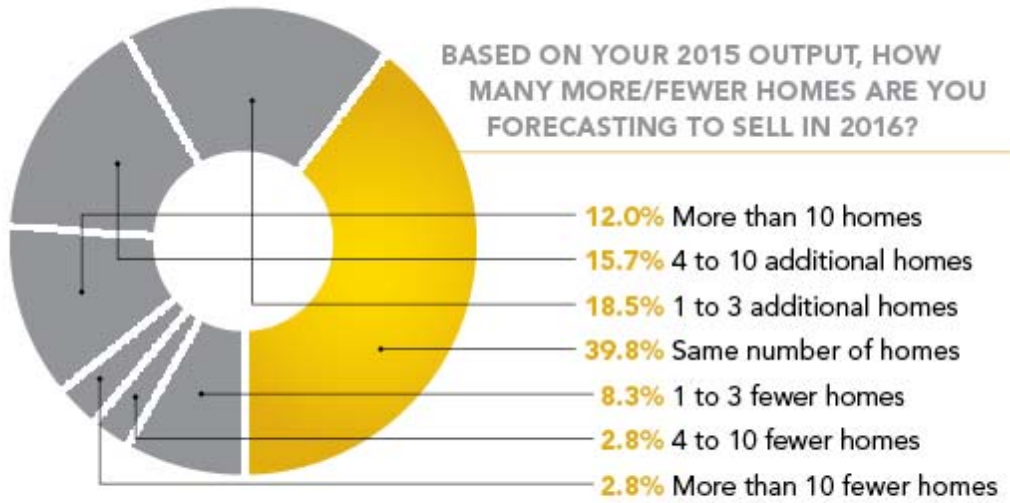
Annual revenue compared with 2014 increased for 51 percent of survey respondents, and more than 60 percent anticipate that their sales dollars will grow in 2016. Most survey participants also see the industry continuing to benefit from the upside of the cycle as 66 percent expect next year will be good or very good for their operations.

For more survey results about 2016 expectations, see the charts that follow.

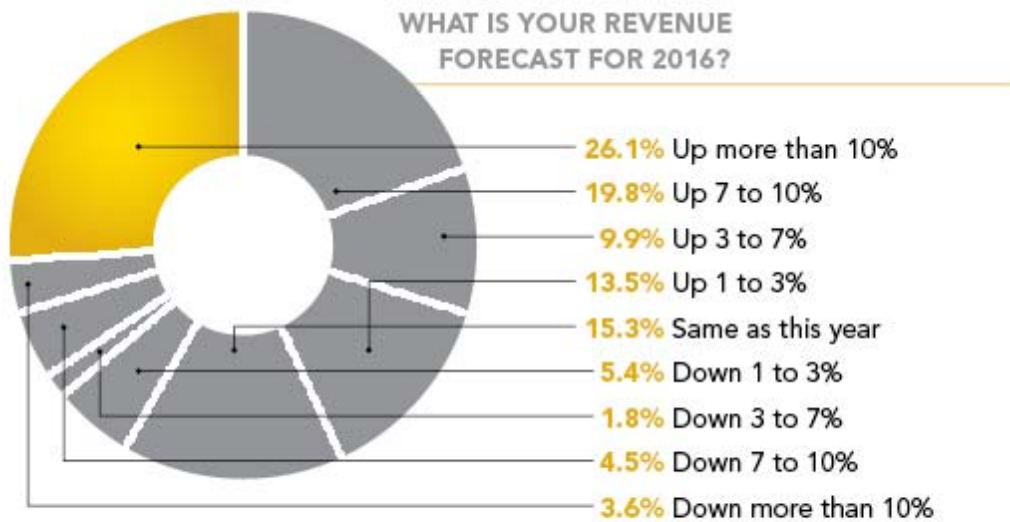
METHODOLOGY & RESPONDENT INFORMATION

This survey was distributed between Oct. 22 and Nov. 13, 2015, to a random sample of *Professional Builder's* print and digital readers. No incentive was offered. By closing date, a total of 114 eligible readers returned completed surveys. Respondent breakdown by discipline: 31.8 percent custom home builder; 20 percent diversified builder/remodeler; 19.1 percent production builder for move-up/move-down buyers; 11.8 percent architect/designer engaged in home building; 5.5 percent production builder for first-time buyers; 4.6 percent luxury production builder; 2.7 percent manufactured, modular, log home, or systems builder; and 4.6 percent other. Approximately 41.3 percent of respondents sold one to five homes in 2015, and 22 percent sold more than 50 homes.

[Download the PDF at the end of this online article](#) to see the base number of survey respondents for each survey question.

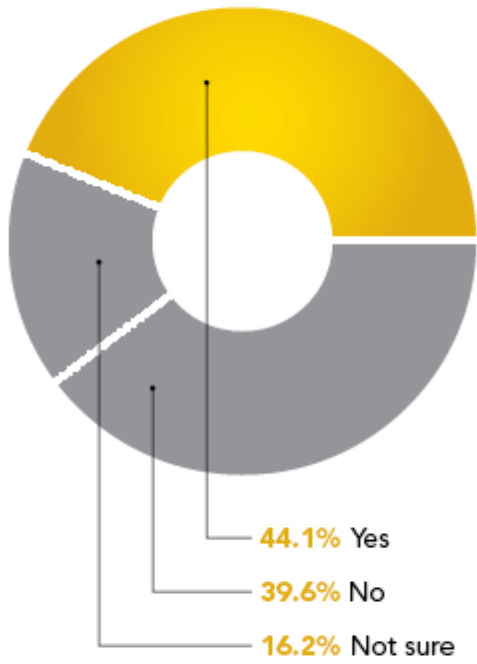


For the third consecutive year, the majority of builders expect the number of houses they sell in 2016 will be the same or better than what they sold this year.

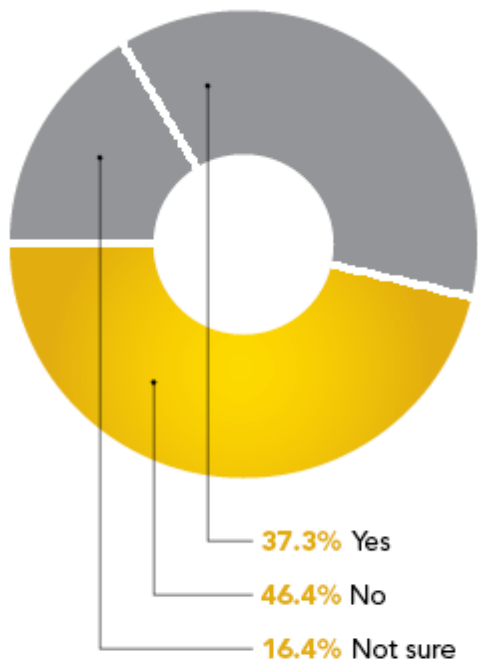


Builders of custom homes and production homes for move-up and move-down buyers, particularly those in California, Florida, Ohio, Pennsylvania, and Texas, were the largest groups expecting next year's revenue to exceed 10 percent.

ARE YOU PLANNING TO PURCHASE LAND IN 2016?

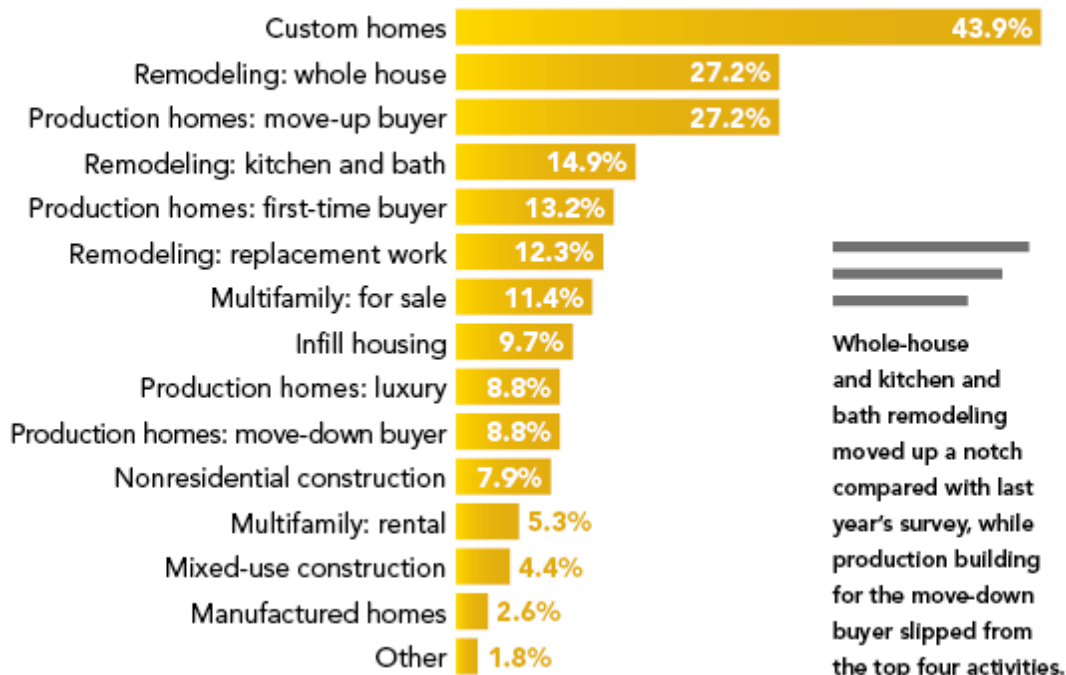


ARE YOU PLANNING TO HIRE ADDITIONAL STAFF MEMBERS IN 2016?

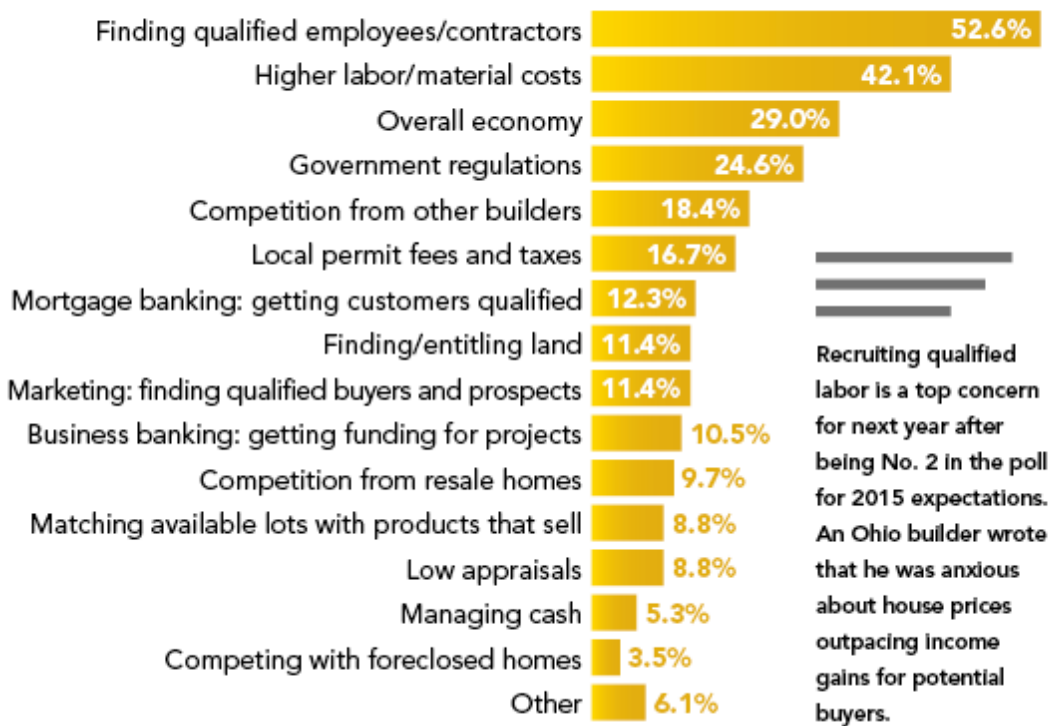


Once again, most builders intend to buy land, but flip-flopped compared with last year as most respondents said they do not have plans for adding staff next year.

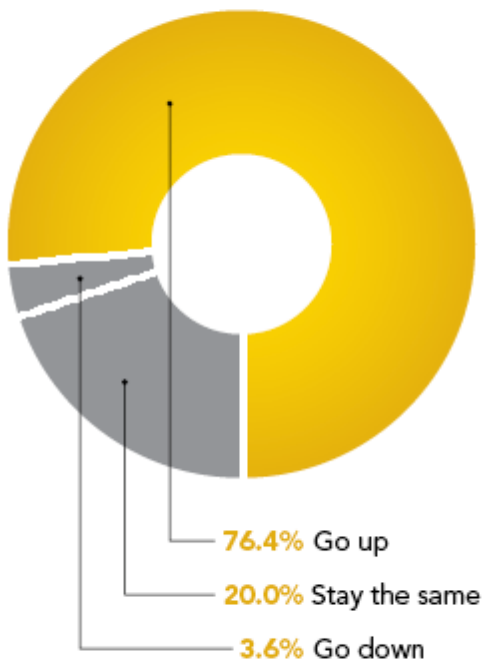
WHICH TYPE OF HOME BUILDING ACTIVITY WILL BE STRONGEST FOR YOUR FIRM IN 2016?



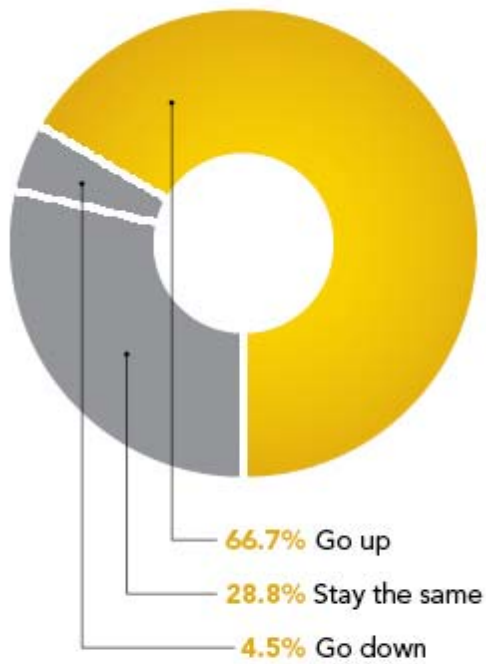
WHAT ARE THE TOP CHALLENGES YOU EXPECT TO FACE IN 2016?



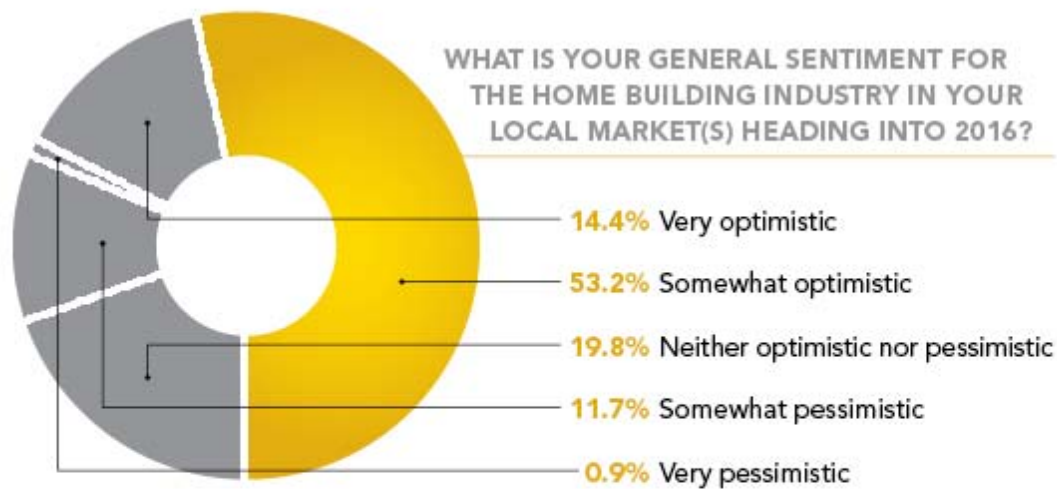
IN 2016 DO YOU ANTICIPATE MATERIAL PRICES TO GO UP, DOWN, OR STAY THE SAME?



IN 2016 DO YOU ANTICIPATE BID PRICES TO GO UP, DOWN, OR STAY THE SAME?

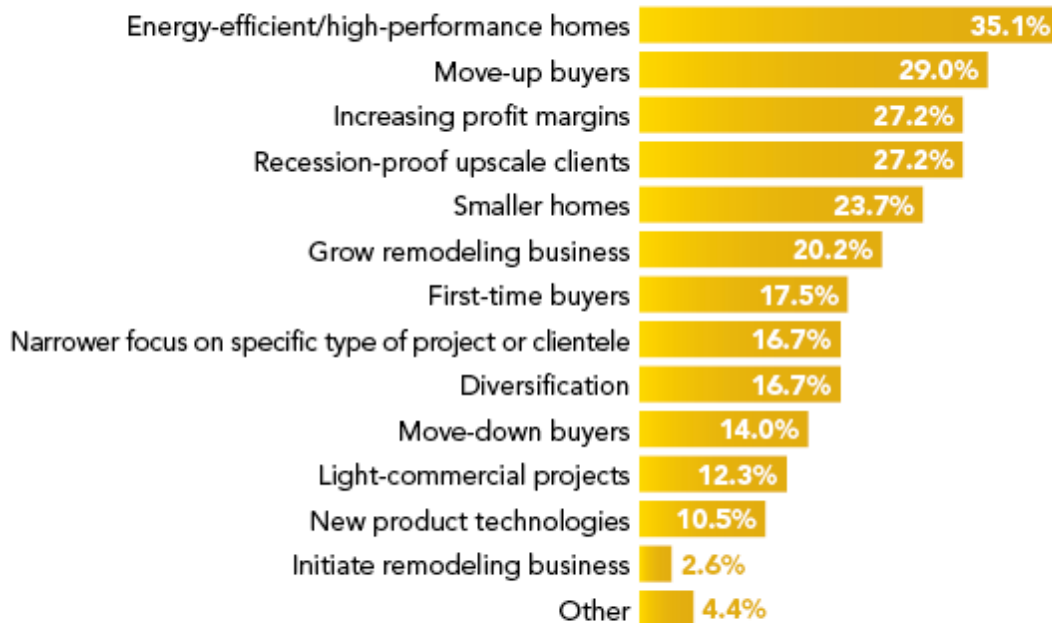


The majority of survey respondents expect the cost of materials and work from their trades to increase next year.



A little over half of builders, remodelers, architects, and designers surveyed expressed cautious optimism about the industry in 2016.

WHAT ARE YOUR TOP OPPORTUNITIES HEADING INTO 2016 FROM A BUSINESS GROWTH PERSPECTIVE?



Smaller homes moved up from No. 9 in the 2015 survey. Most of the builders that indicated smaller houses as their top opportunity also mentioned that infill will be their strongest building activity for next year.

Download PDF:

 [Professional Builder 2016 Market Forecast Survey Results.pdf](#) [3]



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