

Housing after the Fall: Reassessing the Future of the American Dream

Future Concentration in Home Building

David Crowe, Ph.D.

Chief Economist

National Association of Home Builders

202 266 8383

dcrowe@nahb.com

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INTRODUCTION

New home producers span a large and diverse set of firms. Home building companies stretch across the size spectrum from single proprietors with no employees to large, national publicly-held companies with corporate headquarters and hundreds of employees and diverse services. Regardless of size of the firm, most construction is still conducted by subcontractors specializing in particular elements of a home, e.g., framing, plumbing, electrical, cabinetry, etc. Product, location choice, selection and management of the subcontractors and assembly of the components of the final product comprise the critical elements of a residential building firm.

The variation in size of the primary contractor stems from many unique characteristics of producing homes. While production occurs in every state and virtually every county, the production requires elements that are unique to each location. It is the very beginning, site choice, and the very end, consumer preferences, of the process that varies the greatest across space and carries the largest unknowns in the process of going from raw land to an occupied home.

There is a national market for most products in a home that also competes with demand other than new residential construction. Raw materials, finished goods and professional services serve new residential construction but also serve commercial and non-residential construction as well as remodeling and individual consumer demand. Residential construction labor is somewhat specialized and remains primarily local but is mobile and trainable as demand changes. The most recent cycle showed a much slower loss of residential construction labor than the starts or residential fixed investment data suggest as the labor moved to close substitutes without changing classification.

However, land, both relative location and the process of preparing it for production, is unique across markets. At the other end of the production process, the consumer is usually local and comes with characteristics and demands that are not necessarily uniform across markets. Hence, the two most uncertain elements of home building are at the very beginning and the very end.

Do these unique characteristics of goods production lead to concentration or de-concentration of production? Why has home building been such a fractured production process thus far and does the most recent stress in the market provide a turning point from history? This paper addresses these questions by looking at the complexion of the residential construction industry now, the trends over the last decade and the likely changes in the future.

CURRENT AND PAST

As Ambrose contends, large publicly-held home builders gained share over smaller and private companies over the boom period of early and mid-2000s because of their greater access to debt and capital. Further, these larger companies are likely to capture more share as financing for smaller builders becomes more inaccessible while publicly-held companies will not see the same restrictions. However, this section presents more detailed data to suggest that this was not because of market dominance through better access to debt but rather a combination of mergers and acquisitions up to the early 2000s and an expansion into smaller markets.

BASE OF COMPARISON

The base for comparison of market shares is governed by data availability and purpose. The numerator of a market share ratio is usually sales of the company or sector studied, but the denominator can be US Census Bureau data on single family permits, starts, homes built for sale, completions, homes for sale or homes sold. For national comparisons, all these options are available but not for metropolitan comparisons (at least not on a consistent basis from the Census Bureau). The closest universe in timing and consistent concept to sales by large, national home builders is single family homes built for sale. The remainder of single family starts is divided into those built for rent or built on the owner's land and controlled by the home owner or by a contractor.

The trend in starts built by the owner (either acting as their own general contractor or hiring a general contractor) fluctuates across cycles but not to the extent that the for sale category experiences. Figure 1 overlays single family starts with the percentage for sale. Figure 2 shows the absolute number of homes built by the owner. Two trends are apparent. First, homes built speculatively (for sale) constitute a smaller share of all starts when volume falls and a greater share when volume rises. Second, while homes built by the owner experience some variation across housing cycles, the fluctuations are muted and the 35 year average rotates around 350,000 units a year. These starts and 'sales' are almost exclusively the domain of small home building companies.

This research uses sales data for publicly-held and large private home building firms. If shares are based on homes built for sale, the share is larger because the base is smaller, i.e. it does not include homes not built for sale. The share distribution trends are similar regardless of base except for the most recent year (Figure 3). The divergence in the paths of the two share measures for the top 60 builder in Figure 3 is a combination of a smaller relative drop in homes built on owner's lot and a sharp decline in permits. The

added dynamics of using permits instead of sales is important when permits are the only option for comparison at the metropolitan level.

TOP10

The greatest gain in concentration resides within the top ten home building companies, which are all publicly-held and have been the same companies across at least the current decade. Over the last 19 years, the top ten building companies grew their sales share from 8.8 percent in 1989 (using a base of homes for sale) to a high of 23.8 percent in 2006, a 15 percentage point increase (See Figure 4 and Table 1). The next largest gain in share over the same period were companies in 11th to 20th place, which increased share 1.7 percentage points from 4 percent to 5.7 percent. The share of the market among the 21st to 60th largest company was virtually unchanged over that same period. From 1998 to 2006, the share of the market sold by the 60th to 100th largest firms did not change significantly. Hence, observing moves in the top ten firms tells the bulk of the story about share shifts.

MERGERS AND ACQUISITIONS

Between 1993 and 2005, the top ten publicly-held home building companies increased their market share by 14.4 percentage points by selling 225,577 more homes (from 63,777 to 289,354). However, over that same period, these ten companies acquired or merged with companies that were selling, at an annual rate at time of acquisition, 90,178 homes (Table 2). Almost half of the share gain (6.6 percentage points) between 1993 and 2005 was due to acquisition or merger. Figure 5 shows the share trend if the sales from the acquired companies are subtracted from the aggregate company totals.

Prime merger years were 1998 and 2002, but activity has dropped significantly since then. Anecdotal information also suggests that the primary motivation behind acquisitions was land inventory of the acquired company. In 2005, the top ten companies owned or had options on 6.8 years supply of lots. If the buying and marketing power of the larger company enhances the acquired company, then the share gain of the larger companies would be even larger than the minimum estimate of most recent year sales by the acquired.

METRO CONCENTRATIONS

Publicly-traded companies compete against each other in the larger metropolitan areas. For example In 2007, the top ten firms sold 100 percent of the Tucson market, 72 percent of the San Antonio market, 59 percent of the Phoenix market, but only 18 percent of the Atlanta market. The concentration in larger metropolitan areas, however, is not the source of increased market share. Between 2003 and 2006, the

top ten companies (all publicly-held) increased their share of the for-sale US market from 19.7 percent to 23.8 percent (or from 15.1 percent to 21.4 percent based on the level of total permits). Places that fed that change include Phoenix, where the top ten public companies' share grew from 32.3 percent to 45.8 percent and Riverside/San Bernardino where the share grew from 26.5 percent to 43.2 percent. However, when combined with the top 25 metropolitan area (according to 2007 total housing permits), the share of the top ten public builders fell from 27.2 percent to 25.2 percent (Table 3). The slide in share continued through 2007 when the top ten public builders sold 22.1 percent of the permits, a 5.1 percentage point drop from 2003 to 2007. The shift in share was more pronounced in the ten largest metro areas where the top ten public builders' share fell from 29 percent in 2003 to 24.8 percent in 2006 and then to 22.1 percent in 2007.

Faster growing metropolitan areas were not the source of growth for the top ten companies even though they were the faster growing share of the market over the period 1989 to 2006. In fact, the share change is negatively correlated to the growth in total permits between 2003 and 2005 and similarly in most other two year pairs over the period 2003 to 2007. An example is shown in Figure 6.

Large, private but local firms remain a substantial component of production in most large metropolitan areas, particularly the fastest growing. In Houston, the second, third and fourth largest home builders are private, constituting 9.4 percent of the market and are in only one other market. In Atlanta, the second, third, fifth and sixth largest builders are private, constitute 7.1 percent of the market, and are in only that market or one other.

If the analysis is focused on the top ten builders, public and private, in the top 50 markets, the concentration increases significantly, but the trend is still down in 2007. In 2005, the top ten builders sold 58 percent of the homes permitted and that share was larger (34 percent) for large, private local builders versus publicly-held builders (24 percent). In 2007, the top ten builders' share fell to 35 percent and all of that fall was borne by the private, local builders (Table 4). Private builders sold 11 percent of homes permitted and publicly-held companies held their share at 24 percent. Most of those private companies built in no more than two metropolitan areas. Private companies with little geographic diversity lost the greatest share in large metropolitan areas, but the publicly-held companies' shares also slipped gradually over the boom, with a peak in 2006.

LAND DEVELOPMENT

Land is changed from raw, vacant un-zoned property to individual, permitted, buildable lots in a process that requires local approvals, hearings and conditions that can take months to years. The producer can be the ultimate home building company, a closely held affiliate, another business partner or a completely independent company. Large and small companies depend upon a variety of these methods in order to produce lots for construction. Potential combinations by size of the home building company and lot development agreements are shown in Table 5.

Small home builders often build on the home owner's land. This arrangement addresses several barriers to small firms. The home building company does not have to hold lot inventory, does not have to determine the future market by searching for the next development area and gauging likely demand in the future. Individual owner-controlled building lots have usually been approved for building and often do not come with significant demands for providing infrastructure. They can be part of a larger development sold by a separate developer to owners, which still leaves the home building company free of financing demands and the uncertain approval process. Since 1974, the share of starts built on owner's lot has averaged 32 percent of single family starts.

Small and larger home building companies also develop their own land. If the development is larger than a single home building company can absorb, one larger home builder acts as developer for other, usually smaller home building companies. Larger tracts of land requiring significant infrastructure and process time may be too large for a single home building company to absorb and sell so selling developed lots to smaller, sometimes specialized home building companies in specific market segments can speed development before markets change. Large, publicly-held home builders who develop their own land usually do not sell lots to competitors.

Very large local and regional home builders have turned to another means of feeding their production process by purchasing land options from independent land developers. In 2004 and 2005, the ten largest companies began moving even more aggressively to options rather than owning the land (Table 6). As the options have expired, the share of lots owned has increased although the absolute number has fallen significantly as the ten largest builders purge their inventory.

Obtaining options on a stream of future building lots carries several advantages. The developer can be a local company or can access local services knowledgeable about the permitting process and sometimes unique requirements or market sensitivities of the prevailing land owners and elected officials. The developer bears the increasing risks and uncertainty of time needed to obtain the necessary approvals and

the potential that the market changes during that period. Financing becomes the domain of the developer and leaves the home building company free of encumbrances other than the option fee. The land developer absorbs the risk if the market turns down ahead of the availability of ready lots. All three types of builders can take advantage of this method of providing, but the large, public builders moved quickly into this method after the early 90s downturn.

Changes in concentration of production do not appear to be as significant if viewed with greater disaggregation. In particular, the largest publicly-held company's growth appears to be the result of acquisitions and mergers, which may also have led to more dispersion in their individual markets since concentration in the largest metropolitan areas does not appear significant. However, these findings do not provide a strong indicator of how access to financing may or may not have played a part in the changes. Broader access would position companies better to merge or acquire other companies and expand to smaller markets. But, it would appear that being large, either private or publicly-held, did not prevent the smaller companies from taking share away in the two year period from 2005 to 2007.

FINANCING

Most home builders obtain production financing, that is, acquisition, development and construction or AD&C financing, from financial institutions. NAHB's quarterly survey shows that 93 percent of the builders responding used banks or thrifts for acquisition debt, 100 percent used banks and thrifts for development debt and 98 percent used banks and thrifts for single family construction loans. The firms that used another source for debt were larger with annual revenues of at least \$1 million (Table 7). The history on this question shows little change in sources, with the exception of an outlier in first quarter of 2008, which may be the product of a low response rate rather than a true one-time shift.

What has changed over the decade has been the percentage of companies seeking AD&C credit (Table 8). In January 2009, less than three-in-ten builders sought acquisition or development financing as new projects were put on hold. A larger share, but less than half share of builders, sought construction financing. There was a greater tendency for larger firms to seek credit over the smaller firms. As evidence of the dramatic change, the share of builders seeking credit was around nine-in-ten in early 2005.

Availability had a lot to do with the change. In January 2009, between 84 and 90 percent of builders surveyed reported that availability of A&D loans was worse (than last half of 2008) (Table 9). The shift from relative availability began to shift in 2006 but got much worse since that time. Size of firm does not appear to make a difference (Table 10)

CONCLUSIONS

Large, publicly-held home building companies have captured greater share of the market by acquiring or merging with smaller companies and by branching out into smaller markets. There is a relatively stable share of homes built by smaller firms on owner's land that would appear safe from any attempt to take that share. Publicly-held companies' access to capital may have provided them with an advantage in accomplishing the shift but it is not clear that the success outpaced other builders in the markets where they compete with smaller firms. Future share gain will come from either taking it directly from competitors in the markets the large companies already serve or further expansion into smaller markets. The latter seems in conflict with the business model of economies of scale by spreading operations into relatively small markets. The former has yet to occur and will hinge on the question of financing advantage.

However, the current and past conditions are not sufficiently telling to judge what financing access and terms may come next for large, publicly-held builders versus smaller, local and private builders. The samples in the NAHB surveys are large enough (350 to 400) to be reliable indicators of the industry but not of the publicly-held companies. While the current financial upheaval is making it very difficult for small and large private builders to access credit from financial institutions, large publicly-held companies are also experiencing very high costs.

The more important issue will revolve around land acquisition and development. That is the riskiest component of home building. Because approval processes take longer and longer, land purchases have to anticipate demand at even greater time distances. Development requirements continue to increase and the development process even after approvals will take more time and potentially more risk as local communities require greater environmental protections and more elaborate infrastructure contributions. These trends will increase the uncertainty of development as well as the investor's demand for higher return.

The more likely trend will be large developer companies with access to investor groups and private capital will develop lots for all sizes of builders and sell or offer options to companies. Smaller builders will continue to develop smaller developments because they know their market and they know the idiosyncrasies of the approval process in their area. Very small building companies will build on scattered lots or on an owner's lot. The larger companies, both private and public, will have to depend upon a specialized component of the industry to accumulate the capital and prepare building lots as needed for consumer demand.

The policy concern from such an evolution involves the loss of competition because of the concentration and control of the land development decisions and process. Financing of residential land development could become restricted to only large firms with deep pocket investors. Smaller developers and small builders with traditional financing access through financial institutions could be left without access to capital. In any particular housing market, the amount of land available for residential development and within a reasonable distance to labor markets is limited and the potential for monopolization rises if the access to capital for smaller firms is limited or non-existent.

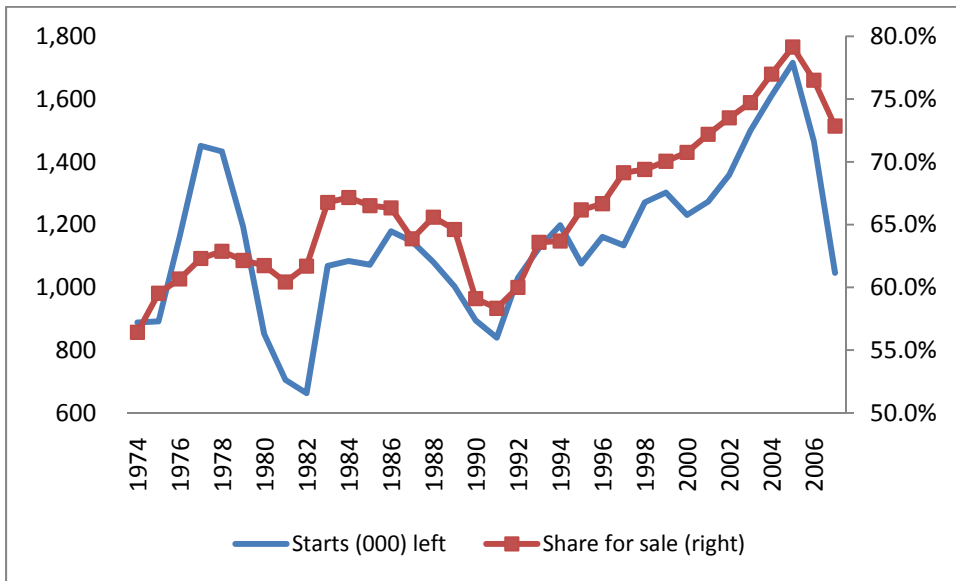


Figure 1 Single Family Starts vs Share Built for Sale

Source: US Census Bureau and NAHB

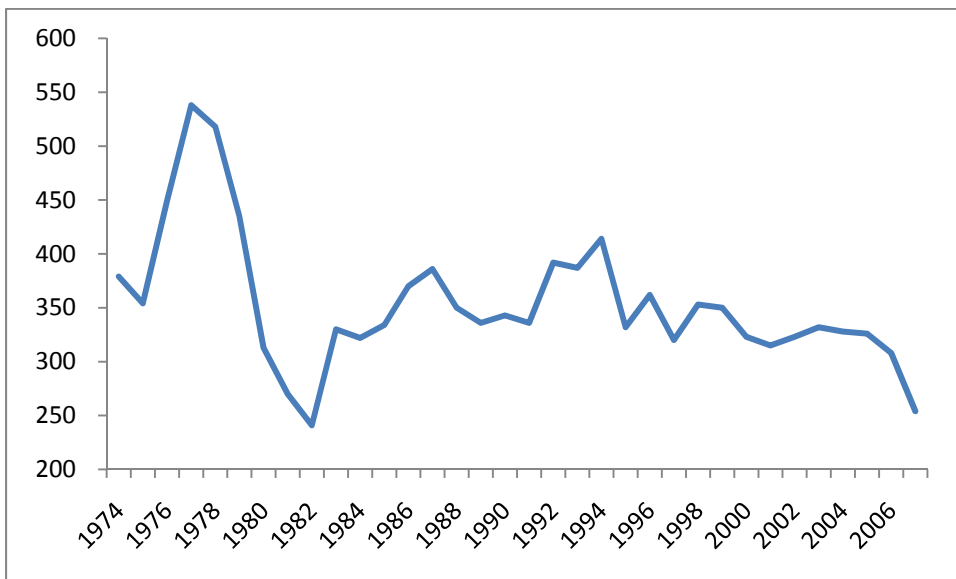


Figure 2 Single Family Starts Built on Owner's Lot

Source: US Census Bureau and NAHB

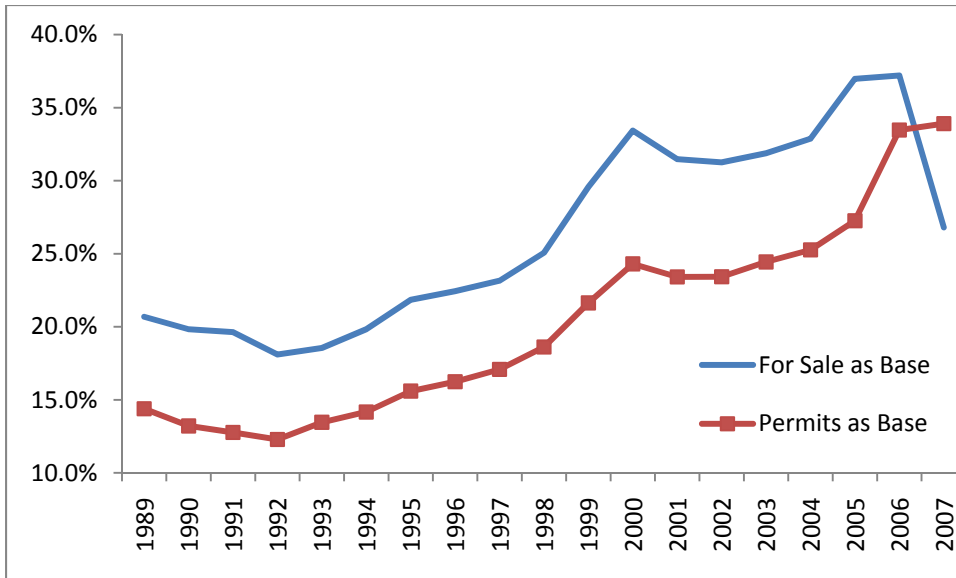


Figure 3 Share Sold by Top 60 Builders

Source: US Census Bureau and NAHB

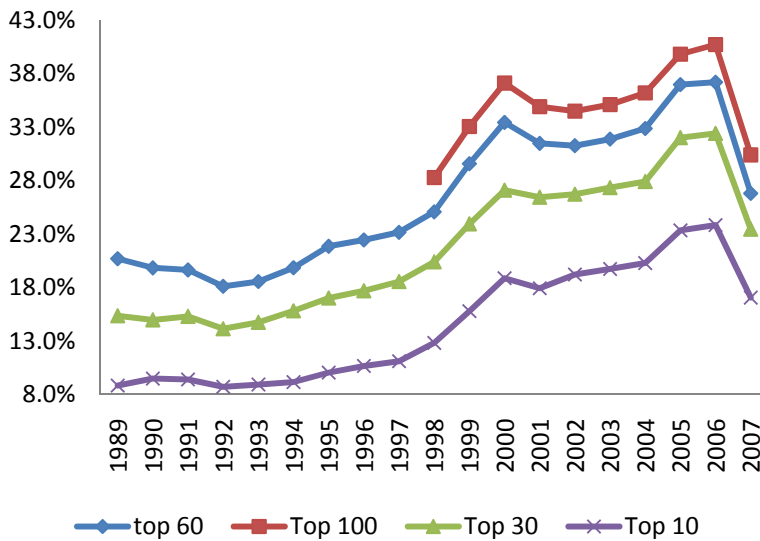


Figure 4 Sales Shares for Largest Companies

Source: Builder Magazine and NAHB

Table 1 - Shares of Sales by Size Rank of Builder Company

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1-10	8.8%	9.5%	9.4%	8.7%	8.9%	9.1%	10.0%	10.6%	11.1%	12.8%	15.8%	18.9%	17.9%	19.2%	19.7%	20.3%	23.3%	23.8%	17.0%
11-20	4.0%	3.2%	3.6%	3.4%	3.8%	4.4%	4.5%	4.6%	4.7%	4.7%	4.8%	4.8%	5.3%	4.7%	4.7%	4.8%	5.8%	5.7%	4.3%
21-30	2.5%	2.3%	2.3%	2.1%	2.1%	2.3%	2.5%	2.5%	2.8%	2.9%	3.4%	3.4%	3.2%	2.8%	2.9%	2.8%	2.9%	2.9%	2.1%
31-40	2.1%	1.9%	1.7%	1.6%	1.5%	1.6%	1.9%	1.9%	2.0%	2.0%	2.4%	2.6%	2.2%	1.9%	2.0%	2.0%	2.3%	2.1%	1.5%
41-50	1.8%	1.6%	1.4%	1.3%	1.2%	1.3%	1.6%	1.6%	1.5%	1.5%	1.8%	2.1%	1.6%	1.4%	1.4%	1.6%	1.5%	1.5%	1.0%
51-60	1.5%	1.4%	1.3%	1.1%	1.1%	1.2%	1.4%	1.3%	1.2%	1.2%	1.4%	1.6%	1.2%	1.2%	1.2%	1.4%	1.2%	1.2%	0.9%
Total 1-30	15.3%	15.0%	15.3%	14.1%	14.7%	15.8%	17.0%	17.7%	18.5%	20.4%	23.9%	27.1%	26.4%	26.7%	27.3%	27.9%	32.0%	32.4%	23.4%
Total 1-60	20.7%	19.8%	19.6%	18.1%	18.5%	19.8%	21.8%	22.4%	23.2%	25.1%	29.6%	33.4%	31.5%	31.3%	31.9%	32.9%	37.0%	37.2%	26.8%
61-70										1.1%	1.2%	1.3%	1.0%	1.0%	1.0%	1.1%	0.8%	1.1%	1.1%
71-80										0.8%	0.9%	0.9%	0.9%	0.8%	0.9%	0.9%	0.8%	0.9%	1.0%
81-90										0.7%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.6%	0.8%	0.7%
91-100										0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.6%	0.7%	0.7%	0.7%
Total 61-100										3.2%	3.5%	3.7%	3.4%	3.2%	3.2%	3.3%	2.8%	3.5%	3.6%
Total 1-100										28.3%	33.1%	37.1%	34.9%	34.5%	35.1%	36.2%	39.8%	40.7%	30.4%

Builder Magazine

Table 2: Total Closings and Percentage of Growth from Mergers and Acquisitions

Rank) Con	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change 1993-2004	Thru Acquisition/M erger	Share Acq/Mgr
(1) D.R. Ho	1,668	2,418	2,600	3,709	5,593	15,168	19,041	18,942	22,772	31,584	37,662	44,005	42,337	19,084	45.1%
(2) Pulte Ho	9,798	11,142	12,456	14,673	15,322	20,359	19,569	19,799	22,915	28,903	32,693	38,612	28,814	11,146	38.7%
(3) Lennar C	4,634	4,965	4,680	5,968	8,943	10,777	12,589	22,560	23,899	27,393	32,180	36,204	31,570	17,596	55.7%
(4) Centex C	11,685	13,208	11,790	13,283	11,981	13,759	18,832	26,627	26,060	24,524	29,858	32,896	21,211	3,312	15.6%
(5) KB Hom	5,982	7,072	7,886	10,249	11,443	15,213	22,460	22,847	21,486	21,778	23,407	26,937	20,955	13,240	63.2%
(6) Beazer H	2,496	4,007	4,760	5,929	5,710	6,471	7,804	8,088	9,582	14,720	15,353	16,417	13,921	10,153	72.9%
(7) The Ryla	8,319	9,121	8,950	8,388	8,377	8,994	10,193	11,418	12,686	13,145	14,724	15,101	6,782	1,347	19.9%
(8) Hovnami	3,671	4,352	4,244	4,134	3,717	4,138	3,768	4,367	6,700	9,514	11,531	14,586	10,915	11,547	105.8%
(9) M.D.C. I	3,344	4,200	4,570	4,974	5,223	6,293	7,221	7,484	8,174	8,900	11,211	13,876	10,532	2,162	20.5%
(10) NVR	4,248	4,715	4,857	5,695	6,107	7,622	9,316	10,055	10,372	11,368	12,050	12,749	8,501	591	7.0%
Total Closi	55,845	65,200	66,793	77,002	82,416	108,794	130,793	152,187	164,646	191,829	220,669	251,383	195,538	90,178	46.1%

Source: Builder Magazine, Mergent Online, and NAHB Economics

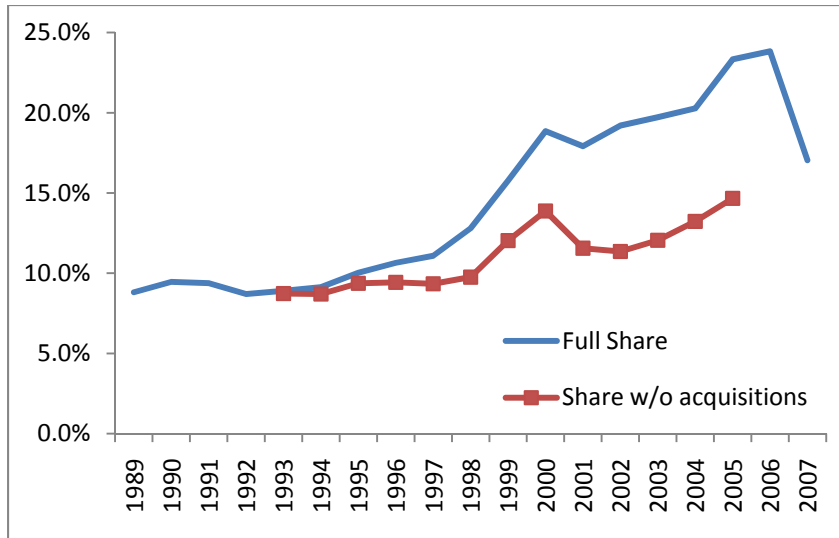


Figure 5 Market Shares of Top 10 with and without Acquisitions and Mergers

Source: Builder Magazine and NAHB

Table 3	Top 10 Public Builders' Share in Metropolitan Areas				
	2003	2004	2005	2006	2007
Top 10 metros	29.0%	25.9%	24.0%	24.8%	22.1%
Top 25 metros	27.2%	24.8%	23.3%	25.5%	23.2%
Top 50 Metros	26.1%	23.6%	21.6%	24.3%	22.7%

Source: Builder Magazine and NAHB

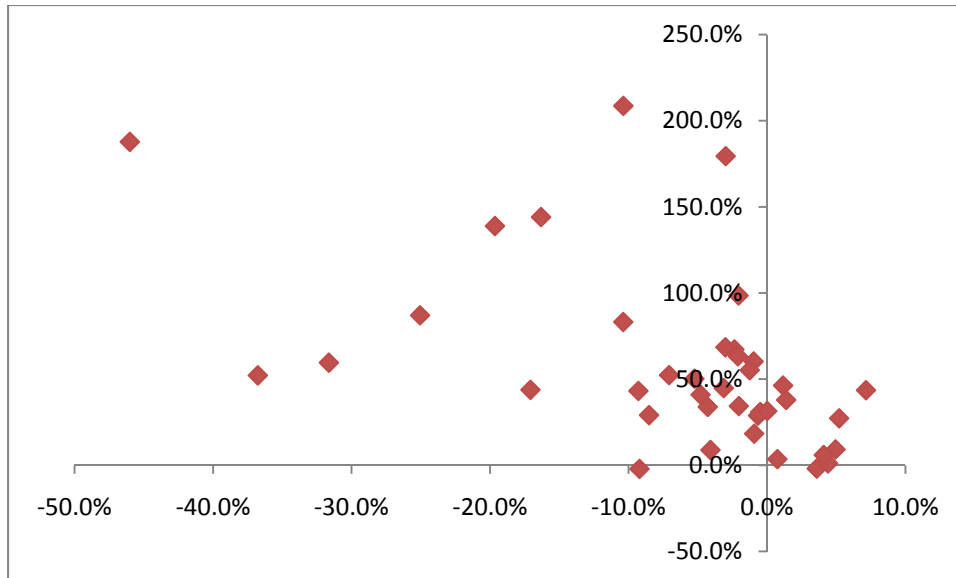


Figure 6 Percentage Change in Permits (Y) vs Share Shift of Top 10 (X) Across Top 50 Metropolitan Areas

Source: Builder Magazine 2003 & 2005 and NAHB

Table 4: Market Share for Large Public and Private Builders in Top 50 Markets

Shares of Top 10 Public and Private Companies in Each Market				
	2005		2007	
Permits in top 50 Markets	1,117,339		730,583	
Share Sold by Top 10 Companies	57.8%		34.8%	
Share Sold by Public Company	24%		24%	
Share Sold by Private Company	34%		11%	

Source: Builder Magazine and NAHB

Table 5: Land Development Variations

Type of Developer	Type of Builder		
	Small	Large Private	Public
On Owners' lot Builder	X		
Building on all lots		X	X
Building on some lots	X	X	
Sells to one builder		X	X
Sells to many builders	X	X	X

Source: NAHB

Table 6 LOT INVENTORY - Top 10 Builders

	Total	Owned	Optioned	Owned Share	Optioned Share	Jt Venture	Years Supply
2007	976,896	595,907	312,607	61%	32%	7%	4.6
2006	1,497,799	733,922	659,032	49%	44%	7%	5.1
2005	1,981,488	752,965	1,109,633	38%	56%	6%	6.8
2004	1,659,661	630,671	1,028,990	38%	62%		6.6
2003	1,241,000	521,220	719,780	42%	58%		4.7

Source: Builder Magazine and NAHB

Table 7: Primary Source of Debt

Jan-09	Total	2007 Revenue				
		Less than \$500,000	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10 million +
Land Acquisition						
Commercial Bank	89	100	100	86	94	88
Thrift Institution's, Savings Bank, Savings Assoc., FSB, S&L Corp.)	4			5		8
Other	8			10	6	4
Land Development						
Commercial Bank	95	100	100	100	100	83
Thrift Institution's, Savings Bank, Savings Assoc., FSB, S&L Corp.)	5					17
Single-Family Construction						
Commercial Bank	89	71	88	85	92	95
Thrift Institution's, Savings Bank, Savings Assoc., FSB, S&L Corp.)	9	29	13	8	8	5
Mortgage Company	1			3		
Other	2			5		

Table 7 continued: Primary Source of Debt

	Jan. '09	1st Qtr. '08	1st Qtr. '07	1st Qtr. '06	1st Qtr. '05	1st Qtr. '04	1st Qtr. '03	1st Qtr. '02
Land Acquisition								
Commercial Bank	89%	67%	84%	84%	88%	83%	82%	87
Thrift Institution (S&L, Savings Bank, Savings Assoc., FSB,S&L)	4		4	4	3	6	6	14
Mortgage Company			4				3	
Other	8	33	8	8	10	11	10	
Land Development								
Commercial Bank	95	80	83	83	88	89	88	81
Thrift Institution (S&L, Savings Bank, Savings Assoc., FSB,S&L)	5	13	7	9	3	10	7	17
Mortgage Company							3	
Finance Company				2				2
Other		7	10	7	9	2	3	
Single-family Construction								
Commercial Bank	89	86	82	91	89	85	81	85
Thrift Institution (S&L, Savings Bank, Savings Assoc., FSB,S&L)	9	9	11	5	5	13	13	10
Mortgage Company	1					2	1	
Finance Company		5		2				2
Other	2		4	2	6		5	4
Source: NAHB 3rd Quarter 2008 Survey								

Table 8 Share of Builders Seeking New Loans

	Total Jan '09	2007 Revenue					Previous Surveys			
		Less than \$500,000	\$500,000 to \$999,999	\$1,000,00 0 to \$4,999,99	\$5,000,00 0 to \$9,999,99	\$10 million or more	1st Qtr. '08	1st Qtr. '07	1st Qtr. '06	1st Qtr. '05
Land Acquisition	27	11	15	22	40	35	61	58	89	91
Land Development	28	19	7	20	46	35	62	58	92	87
Single-Family Construction	42	19	28	38	66	58	68	69	95	92
Source: NAHB										

Table 9: Availability of New Loans Compared to Last Six Months

	Historical Data							
	Jan '09	1st Qtr. '08	1st Qtr. '07	1st Qtr. '06	1st Qtr. '05	1st Qtr. '04	1st Qtr. '03	1st Qtr. '02
Land Acquisition								
Better	1%	0%	0%	10%	16%	15	6	10
About the Same	15	36	67	80	81	82	82	80
Worse	84	64	33	10	3	2	12	9
Land Development								
Better	1%	0	5	8	11	10	5	9
About the Same	9	37	74	81	84	88	77	69
Worse	90	63	21	11	5	0	7	14
Single-Family Construction								
Better	1%	0	15	5	16	13	13	11
About the Same	27	46	70	88	84	87	83	82
Worse	72	54	15	7	0	0	4	8
Source: NAHB								

Table 10: Availability of New Loans Compared to Last Six Months

	Jan '09	2007 Revenue					May '08	2007 Revenue				
		Less than \$500,000	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10 million or more		Less than \$500,000	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10 million or more
		Land Acquisition										
Better	1			5			0		6			
About the Same	15		25	14	20	13	17	22	22	17	18	14
Worse	84	100	75	82	80	88	83	78	72	83	82	86
Land Development												
Better	1			5			0		6			
About the Same	9	14		5	16	9	16	21	18	14	21	13
Worse	90	86	100	89	84	91	84	79	76	86	79	87
Single-family Construction												
Better	1						2	6	6	1		1
About the Same	27	25	25	26	24	32	29	44	28	22	27	33
Worse	72	75	75	74	76	68	70	50	67	77	73	66
Multifamily Construction												
Better							2	25				2
About the Same	15			40			20	25	17	17	29	18
Worse	85	100		60	100	100	78	50	83	83	71	80

Source: NAHB