



BusinessStats

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STATISTICS BOOK

Building Construction: statistics and facts

9 full reports · Edition October 2026

1.36M

STARTS 2025

\$905.2B

RESIDENTIAL
SPENDING 2025

3.7M

FREDDIE MAC

43.6%

TOP 10 SHARE 2025



ABOUT THIS BOOK

Building Construction: statistics and facts

This page brings together 9 Business Stats reports on Building Construction, grouped into US (8 reports).

Among the figures you will find here: 32 (Sentiment Sep 2026), \$905.2B (Residential Spending 2025), \$428,215 (Construction Cost) and \$509B (Remodeling 2025).

Most recently revised are Challenges facing US home builders statistics & facts and Residential construction in the United States statistics & facts. New and updated reports appear here automatically, the last change was on Oct 18, 2026. Each report lists its sources and lets you download its charts and data.

Also in this topic: Cost to build a house in the US statistics & facts, Home remodeling and improvement spending in the US statistics & facts and Single-family vs multifamily construction in the US statistics & facts.

Each chapter is a complete Business Stats report with its text, charts, tables and primary sources. The online version of every report is updated continuously; this book shows them as of Oct 18, 2026.

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STATISTICS REPORT

US housing starts and completions statistics & facts

Starts steady, completions falling. US housing starts reached 1.36 million in 2025, while builders completed 1.49 million homes and completed 1.49 million. After a record wave of apartment completions in 2024, completions fell 27.1 percent in the year to August 2026. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/us-housing-starts-statistics

1.36M STARTS 2025	939,700 SINGLE-FAMILY STARTS	1.49M COMPLETIONS 2025
1.27M UNDER CONSTRUCTION	-27.1% COMPLETIONS YOY AUG 2026	280,000 AUTHORIZED NOT STARTED

OVERVIEW

US housing starts and completions at a glance

Housing starts and completions measure the beginning and the end of the home building process. A start is counted when excavation for the foundation begins; a completion when all construction work is finished and the home is ready to be occupied. According to the US Census Bureau and the Department of Housing and Urban Development (HUD), builders started 1,355,800 homes in 2025 and completed 1,488,500. Starts were 0.8 percent lower than in 2024, while completions fell 8.5 percent after reaching their highest level since 2007 the year before. For the wider picture of spending, permits and prices, see our [overview of residential construction in the United States](#).

The two measures tell different stories because of the time it takes to build. A single-family home typically takes several months from start to completion, while a large apartment building can take two years or more. The surge in apartment starts in 2021 and 2022 therefore showed up as a record wave of multifamily completions in 2024, just as new starts were falling. In 2026 the pattern has reversed: starts are roughly stable, but completions are dropping sharply as the apartment pipeline empties.



1.36M

Housing starts

2025, total units.

939,700

Single-family starts

2025.

1.49M

Housing completions

2025, minus 8.5 percent.

1.27M

Units under construction

August 2026.

STARTS

Single-family and multifamily starts

Single-family homes make up the bulk of new construction. In 2025, builders started 939,700 single-family homes, 7.2 percent fewer than the 1,012,900 started in 2024, according to the Census Bureau. Single-family starts peaked in this cycle at 1,127,200 in 2021, when low mortgage rates and the move to suburban living set off a boom, and have since moved in a range of about 940,000 to 1,010,000 a year.

US Housing Starts by Type, 2015 to 2025 (thousand units)

Interactive chart online: businessstats.com/us-housing-starts-statistics

Apartment boom and bust: starts in buildings with five or more units peaked at 531,000 in 2022 and fell to 336,200 in 2024, while single-family starts stayed close to one million.

Multifamily starts were far more volatile. Starts of units in buildings with five or more units rose from 376,800 in 2020 to 462,100 in 2021 and a peak of 531,000 in 2022, the highest in decades, as investors raced to build rental apartments for a fast-growing renter population. Higher interest rates, tighter bank lending and softer rents then caused a sharp correction: five-plus starts fell to 458,800 in 2023 and 336,200 in 2024, a drop of 37 percent from the peak. In 2025 they recovered to about 396,600, according to the preliminary data.

YEAR	TOTAL STARTS	SINGLE-FAMILY	5 OR MORE UNITS
2015	1,111,800	714,500	385,800
2016	1,173,800	781,500	380,800



2017	1,203,000	848,900	342,700
2018	1,249,900	875,800	360,300
2019	1,290,000	887,700	388,900
2020	1,379,600	990,500	376,800
2021	1,601,000	1,127,200	462,100
2022	1,552,600	1,005,200	531,000
2023	1,420,000	947,700	458,800
2024	1,367,100	1,012,900	336,200
2025	1,355,800	939,700	396,600 (preliminary)

COMPLETIONS

Housing completions over two decades

Completions follow starts with a delay. Before the financial crisis, builders completed more than 1.9 million homes a year in 2005 and 2006. After the crash, completions fell to a low of 584,900 in 2011, two years after starts hit bottom. They then rose steadily for more than a decade, passing one million in 2016 and reaching 1,448,800 in 2023. In 2024, completions jumped to 1,626,900, the most since 2007, before falling back to 1,488,500 in 2025.

US Housing Completions, 2005 to 2025 (thousand units)

Interactive chart online: businessstats.com/us-housing-starts-statistics

Highest since 2007: completions reached 1.63 million in 2024, more than two and a half times the 2011 low of 584,900.

The 2024 peak was driven almost entirely by apartments. Completions of units in buildings with five or more units reached 591,700 in 2024, compared with 438,300 in 2023 and 359,100 in 2022. Single-family completions, by contrast, barely changed at around one million a year from 2022 to 2025. In 2025, five-plus completions fell to about 471,800 as fewer projects were left in the pipeline.



Multifamily Starts vs Completions, 2019 to 2025 (thousand units, buildings with 5+ units)

Interactive chart online: businessstats.com/us-housing-starts-statistics

Two years apart: multifamily starts peaked in 2022 at 531,000, while completions peaked two years later in 2024 at 591,700.

This timing matters for renters. The wave of new apartments that came onto the market in 2024 and 2025 pushed the rental vacancy rate up to 7.3 percent in the second quarter of 2026 and slowed rent growth in many cities. With fewer projects started in 2023 and 2024, the supply of new apartments is now shrinking, which could tighten rental markets again from 2027. The longer-term balance between housing supply and demand is covered in our report on the [US housing shortage](#).

LATEST

Starts and completions in 2026

The monthly data for 2026 show stable starts and sharply lower completions. In August 2026, housing starts ran at a seasonally adjusted annual rate of 1,275,000, 2.6 percent below July and 1.2 percent below August 2025. Single-family starts rose 7.6 percent in the month to 918,000, 5.2 percent more than a year earlier, while starts in buildings with five or more units dropped 22.5 percent to 344,000. Monthly multifamily figures are volatile because a few large projects can swing the total.

US Housing Starts and Completions by Type, August 2025 vs August 2026 (thousand units, annual rate)

Interactive chart online: businessstats.com/us-housing-starts-statistics

Completions collapse: total completions fell 27.1 percent in a year to an annual rate of 1.13 million in August 2026, while single-family starts rose 5.2 percent.

Completions fell much more steeply. In August 2026 they ran at an annual rate of 1,128,000, 11.9 percent below July and 27.1 percent below the 1,548,000 of August 2025. Single-family completions were down 22.9 percent and five-plus completions 35.7 percent from a year earlier. In the first eight months of 2026, a total of 925,100 homes were started, 1.0 percent fewer than in the same period of 2025, and 865,200 were completed, 12.9 percent fewer.

MEASURE (AUGUST 2026)	ANNUAL RATE	CHANGE VS JULY 2026	CHANGE VS AUGUST 2025
Housing starts, total	1,275,000	minus 2.6 percent	minus 1.2 percent
Starts, single-family	918,000	plus 7.6 percent	plus 5.2 percent
Starts, 5 or more units	344,000	minus 22.5 percent	minus 15.5 percent
Completions, total	1,128,000	minus 11.9 percent	minus 27.1 percent
Completions, single-family	816,000	minus 10.4 percent	minus 22.9 percent
Completions, 5 or more units	302,000	minus 15.9 percent	minus 35.7 percent

PIPELINE

Homes under construction and waiting to start

Between starts and completions lies the pipeline of homes under construction. In August 2026, 1,271,000 homes were under construction, 3.2 percent fewer than a year earlier, of which 589,000 were single-family homes and 666,000 were in buildings with five or more units. The total peaked at around 1.71 million in October 2022, and the number of five-plus units under construction reached a record of about one million in July 2023. Since then, the multifamily pipeline has shrunk by about a third. The differences between the two segments are covered in our report on [single-family vs multifamily construction](#).

A further 280,000 units had been authorized by building permits but not yet started in August 2026, 12.9 percent more than a year earlier. This backlog is a sign that some projects have been delayed, often because financing is expensive or construction costs have risen. Permit trends by state are covered in our report on [US building permits](#).

1.27M

Under construction

August 2026, minus 3.2 percent.

666,000

Multifamily under construction

5+ units, August 2026.

280,000

Authorized not started

August 2026, plus 12.9 percent.

~1.0M

Multifamily peak under construction

July 2023.



REGIONS

Housing starts by region

The South dominates both starts and completions. In 2025, the region accounted for 721,400 starts and 800,700 completions, more than half of the national total in each case. The West followed with 299,800 starts and 350,500 completions, the Midwest with 198,600 and 192,700, and the Northeast with 136,000 and 144,600. In three of the four regions completions exceeded starts in 2025, reflecting the large number of apartment buildings finished during the year.

US Housing Starts and Completions by Region, 2025 (thousand units)

Interactive chart online: businessstats.com/us-housing-starts-statistics

The South builds the most: it accounted for 721,400 starts and 800,700 completions in 2025, more than half of the US total.

In the Midwest, starts were slightly higher than completions, the only region where this was the case. Home building in the Northeast remains limited by high land costs, strict zoning and slower population growth. The concentration of construction in the South follows population movement toward Sun Belt states such as Texas, Florida, North Carolina and Georgia, where land is cheaper and building rules are generally less restrictive. Which companies build these homes is covered in our report on [US homebuilders](#).

HISTORY

Housing starts in historical context

Over the long term, the current level of building is moderate. Housing starts reached 2.07 million in 2005 at the height of the housing bubble and fell 73 percent to 554,000 in 2009, the lowest level in the modern series. The recovery was slow: it took until 2019 for starts to reach 1.29 million and until 2021 for them to exceed 1.6 million. At around 1.36 million in 2024 and 2025, starts are close to their average of the past decade but still well below the levels of the early 2000s, when the population was smaller.

Many economists argue that the long period of underbuilding after 2008 is one of the main causes of the high home prices and rents seen today. Starts were below one million a year from 2008 to 2013, a total of six years, which left a large gap between the number of households and the number of available homes. Rising construction costs, discussed in our report on the [cost to build a house](#), and the challenges reported



by builders, covered in our report on [home builder challenges](#), make it difficult to close this gap quickly.

Housing Starts and Completions: Key Facts

- **Starts 2025:** 1,355,800 total, of which 939,700 single-family.
- **Completions 2025:** 1,488,500, after 1,626,900 in 2024, the most since 2007.
- **Multifamily cycle:** five-plus starts peaked at 531,000 in 2022, completions at 591,700 in 2024.
- **August 2026:** completions down 27.1 percent in a year to an annual rate of 1.13 million.
- **Long-term:** starts peaked at 2.07 million in 2005 and bottomed at 554,000 in 2009.

OUTLOOK

Outlook for starts and completions

Completions are likely to keep falling through 2026, because fewer homes are under construction than a year ago and the apartment pipeline is shrinking. Single-family starts depend mainly on mortgage rates and on how quickly builders can sell their large inventory of finished homes. Multifamily starts have stabilized at a lower level, and the rising number of projects authorized but not started suggests that more construction could begin quickly if financing costs fall. The next Census Bureau release, with data for September 2026, is scheduled for October 20, 2026. How home building fits into the wider industry is covered in our report on the [US construction industry](#).

KEY FACTS

Starts and completions in numbers

2.07M

Record starts

2005.

584,900

Lowest completions

2011.

591,700

Record multifamily completions

2024, 5+ units.

1,275,000

Starts rate

August 2026.



FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How many housing starts were there in 2025?

There were 1,355,800 housing starts in the United States in 2025, according to the Census Bureau and HUD, 0.8 percent fewer than in 2024. Of these, 939,700 were single-family homes.

How many homes were completed in 2025?

Builders completed 1,488,500 homes in 2025, 8.5 percent fewer than the 1,626,900 completed in 2024, which was the highest number since 2007.

What is the difference between a housing start and a completion?

A start is counted when excavation for the foundation begins. A completion is counted when all construction is finished and the home can be occupied. Large apartment buildings can take two years or more between the two.

When did multifamily construction peak?

Starts of units in buildings with five or more units peaked at 531,000 in 2022. Completions of such units peaked two years later, at 591,700 in 2024.

How many homes are under construction?

About 1,271,000 homes were under construction in August 2026, including 589,000 single-family homes and 666,000 units in buildings with five or more units.

What were housing starts in August 2026?

Housing starts ran at a seasonally adjusted annual rate of 1,275,000 in August 2026, 1.2 percent below August 2025. Single-family starts were 918,000.

Which region has the most housing starts?

The South had 721,400 of the 1.36 million housing starts in 2025, followed by the West with 299,800, the Midwest with 198,600 and the Northeast with 136,000.

What was the lowest year for housing starts?

Housing starts fell to 554,000 in 2009, the lowest level in the modern series, after peaking at 2.07 million in 2005.



SOURCES

[US Census Bureau and HUD](#) - New Residential Construction, August 2026.

[US Census Bureau and HUD](#) - New Residential Construction, December 2025.

[US Census Bureau and HUD](#) - New Residential Construction, December 2024.

[US Census Bureau and HUD](#) - New Residential Construction, December 2023.

[US Census Bureau and HUD](#) - New Residential Construction, December 2021.

[US Census Bureau](#) - New Residential Construction, overview and release schedule.

[US Census Bureau](#) - Housing Vacancies and Homeownership, second quarter 2026.



STATISTICS REPORT

US housing shortage statistics & facts

Millions of homes missing. Estimates of the US housing shortage range from 3.7 million to 4.9 million homes. Prices are 4.7 times incomes, and a record 22.7 million renter households are cost-burdened. This report compares the estimates and the data behind them.

Updated Oct 13, 2026 · businessstats.com/us-housing-shortage-statistics

3.7M FREDDIE MAC	4.74M ZILLOW 2024	4.9M BROOKINGS
4.7x PRICE TO INCOME	22.7M BURDENED RENTERS	65.0% HOMEOWNERSHIP

OVERVIEW

The US housing shortage in numbers

The United States does not have enough homes. Every major estimate agrees on that, even if they disagree on the size of the gap. Freddie Mac puts the shortage at 3.7 million units, the research group Up for Growth at 3.78 million, Zillow at 4.7 million and the Brookings Institution at 4.9 million. Older estimates by the National Association of Realtors went as high as 5.5 million. The differences come from different methods: some count missing households, others the number of vacant homes needed for a healthy market, and others compare construction with long-term trends. For the supply side, see our overview of [residential construction in the United States](#).

The consequences are visible across the housing market. Home prices reached 4.7 times household income in 2025, according to the Joint Center for Housing Studies (JCHS) at Harvard University, compared with an average of about 3.2 in the 1990s. A record 22.7 million renter households, almost half of all renters, spent more than 30 percent of their income on housing in 2024. First-time buyers made up only 21 percent of home purchases in the latest National Association of Realtors survey, the lowest share on record, and their median age rose to 40.

3.7M to 4.9M Current shortage estimates Freddie Mac to Brookings.	4.7M Zillow housing deficit 2024.
22.7M Cost-burdened renter households 2024, a record.	21% First-time buyer share Record low, NAR.

ESTIMATES

How big is the housing shortage?

The main estimates of the shortage, and how they are calculated, are summarized below. Freddie Mac estimates that the country was 3.7 million units short in the third quarter of 2024, combining about one million households that would exist if housing were as affordable as in 2000 and about 2.7 million vacant homes needed to reach a healthy vacancy rate. Up for Growth estimated a shortage of 3.78 million units in 2023, down slightly from 3.85 million in 2022, based on the number of homes needed to house all households, including those that cannot form today, with a normal vacancy rate.

Estimates of the US Housing Shortage by Source (million units)

Interactive chart online: businessstats.com/us-housing-shortage-statistics

Millions short: most current estimates put the US housing shortage between 3.7 and 4.9 million homes. Zillow uses a different approach. It counts families that share a home with another family, often because they cannot afford one of their own, and subtracts the number of vacant homes for rent or sale. On this basis, the deficit was 4,743,274 homes in 2024, almost unchanged from 4.70 million in 2023, and the first year in a while that it did not grow. The Brookings Institution estimated a shortage of 4.9 million homes at the end of 2023, based on the stock needed to restore the affordability of 2006 with a 12 percent vacancy rate.

SOURCE	ESTIMATE	DATA YEAR	METHOD IN BRIEF
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Freddie Mac	3.7 million	Q3 2024	missing households plus vacant units needed for a healthy market
Up for Growth	3.78 million	2023	target units for all households plus 5 percent vacancy, minus occupied units
Zillow	4.74 million	2024	families doubling up minus vacant homes for rent or sale
Brookings Institution	4.9 million	Q4 2023	stock needed at 2006 affordability with 12 percent vacancy
NAR and Rosen Consulting	5.5 million	2020	completions compared with the 1968 to 2000 average
Moodys Analytics and partners	about 2 million	2025	neighborhood model for about 350 large cities

Some estimates are even larger. In its Economic Report of the President in April 2026, the White House Council of Economic Advisers argued that the shortfall of single-family homes alone could be 10 million or more, measured against the growth of the single-family stock before 2008. At the other end, the JCHS measures the shortage by how far vacancy rates are below their 1990s levels and estimates a gap of about 400,000 homes for sale and 200,000 rental units in early 2026, after new construction since 2022 closed about 900,000 units of the vacancy gap.

TREND

Is the shortage growing or shrinking?

By the Zillow measure, the shortage grew steadily for several years. The deficit rose from 3.79 million in 2019 to 4.28 million in 2021, 4.54 million in 2022 and 4.70 million in 2023, before levelling off at 4.74 million in 2024. Up for Growth found a small improvement, from 3.89 million in 2021 to 3.78 million in 2023. Freddie Mac revised its estimate down from 3.8 million at the end of 2020 to 3.7 million in 2024.

US Housing Deficit According to Zillow, 2019 to 2024 (million units)

Interactive chart online: businessstats.com/us-housing-shortage-statistics

Levelling off: the Zillow housing deficit grew from 3.79 million in 2019 to 4.74 million in 2024, but barely changed in the last year.



The main reason for the recent stabilization is the surge in construction. Builders completed 1.63 million homes in 2024, the most since 2007, and 1.49 million in 2025, according to the Census Bureau. At the same time, household growth slowed. The JCHS estimates that the number of households grew by about 1.8 million in 2022, 1.6 million in 2023, 1.3 million in 2024 and 1.1 million in 2025, to 132.8 million. In both 2024 and 2025, completions exceeded household growth, allowing the shortage to shrink at the margin. Completions are covered in detail in our report on [US housing starts and completions](#).

US Household Growth vs Housing Completions, 2022 to 2025 (million)

Interactive chart online: businessstats.com/us-housing-shortage-statistics

Supply catching up: completions of 1.63 million in 2024 and 1.49 million in 2025 exceeded household growth of 1.3 and 1.1 million.

This progress may not last. Completions are falling sharply in 2026, down 27.1 percent in August compared with a year earlier, as fewer apartment buildings are in the pipeline. And the slowdown in household growth partly reflects affordability itself: young adults who cannot afford to move out of the homes of their parents do not show up as new households.

METROS

Where the shortage is worst

The shortage is concentrated in large, expensive coastal metros. According to Zillow, the New York metro area had the largest housing deficit in 2024, at 405,956 homes, followed by Los Angeles with 344,533, Boston with 147,028, San Francisco with 132,116 and Washington DC with 130,424. Chicago, San Diego, Seattle, Phoenix and Riverside complete the top ten.

US Metro Areas With the Largest Housing Deficits, 2024 (homes)

Interactive chart online: businessstats.com/us-housing-shortage-statistics

New York and Los Angeles lead: the two largest metros together were short of about 750,000 homes in 2024.

These are also the metros where building is most restricted by zoning, land costs and lengthy approval processes. By contrast, Sun Belt metros such as Dallas, Houston and Phoenix approve far more homes



each year. Up for Growth, which measures underproduction relative to the size of the housing stock, finds the highest shares in California metros such as Oxnard and Ventura, where the shortfall equals about 11 percent of the housing stock. Where new homes are being permitted is covered in our report on [US building permits](#).

AFFORDABILITY

The shortage and affordability

The shortage shows up most clearly in prices. The median price of an existing home sold in the United States was 414,300 dollars in 2025, according to the National Association of Realtors, and 429,100 dollars in August 2026, 1.6 percent more than a year earlier. The JCHS estimates that the monthly payment on a median-priced home was about 3,120 dollars at the end of 2025, compared with about 1,700 dollars in early 2020, and that a household needed an income of more than 120,000 dollars to afford it.

US Home Price to Income Ratio

Interactive chart online: businessstats.com/us-housing-shortage-statistics

Far above the 1990s: homes cost 4.7 times household income in 2025, compared with about 3.2 times in the 1990s.

Renters are under even greater pressure. In 2024, a record 22.7 million renter households, 49 percent of the total, were cost-burdened, spending more than 30 percent of their income on rent and utilities, and 12.1 million spent more than half. The number of cost-burdened renters has risen by 2.3 million since 2019. The supply of cheap rentals has shrunk: the JCHS estimates that the number of homes renting for less than 1,000 dollars a month fell by about 7 million between 2014 and 2024. Among homeowners, 20.7 million households were cost-burdened. The rising cost of living is covered in our data on the [US cost of living](#).

\$414,300

Median existing home price

2025, NAR.

4.7x

Price to income ratio

2025, JCHS.

\$3,120

Monthly payment on median home

End of 2025, JCHS.

12.1M

Severely burdened renters

2024.

MARKET

Homeownership and vacancy

The latest Housing Vacancy Survey from the Census Bureau shows a tight market for owners and a slightly looser one for renters. In the second quarter of 2026, the homeownership rate was 65.0 percent, unchanged from a year earlier, and the homeowner vacancy rate 1.2 percent, close to historic lows. The rental vacancy rate rose to 7.3 percent from 7.0 percent, reflecting the wave of new apartment completions. There were 133.8 million occupied housing units, including 87.0 million owner-occupied and 46.8 million rented, out of a total of 149.5 million housing units.

The annual homeownership rate fell to 65.2 percent in 2025, from 65.6 percent in 2024 and 65.9 percent in 2023, according to the JCHS. Young adults are most affected: first-time buyers are older than ever, with a median age of 40, and sellers stay in their homes longer, a median of 11 years, which reduces the number of homes coming onto the market. Many owners with low mortgage rates are choosing to improve their homes rather than move, as covered in our report on [home remodeling spending](#).

MEASURE	Q2 2025	Q2 2026
Homeownership rate	65.0 percent	65.0 percent
Homeowner vacancy rate	1.1 percent	1.2 percent
Rental vacancy rate	7.0 percent	7.3 percent
Occupied housing units	132.6 million	133.8 million
Owner-occupied	86.2 million	87.0 million
Renter-occupied	46.4 million	46.8 million



CAUSES

Why the US is short of homes

The shortage has several roots. The most important is the long period of underbuilding after the 2008 financial crisis: housing starts fell from 2.07 million in 2005 to 554,000 in 2009 and stayed below one million a year until 2014. Many small builders went out of business, and the construction workforce shrank. Local zoning rules that allow only detached single-family homes on large lots make it hard to build more homes in places where demand is highest. Rising costs for land, materials and labor, covered in our report on the [cost to build a house](#), make many projects unprofitable, especially at the lower end of the market.

Main Causes of the Housing Shortage

- **Underbuilding after 2008:** starts stayed below one million a year from 2008 to 2013.
- **Zoning and land use:** rules that limit density in high-demand areas.
- **Construction costs:** construction now 64.4 percent of the price of a new home.
- **Labor shortages:** 61 percent of builders cite the cost or availability of labor.
- **Lock-in:** owners with low mortgage rates stay put, keeping homes off the market.

OUTLOOK

Outlook for the housing shortage

The shortage is likely to narrow only slowly. Construction is slowing in 2026, builders face high interest rates and rising costs, and the pipeline of new apartments is shrinking. On the demand side, slower population growth and lower immigration could reduce the need for new homes, while pent-up demand from young adults living with their parents could increase it. Policy changes, such as easing zoning rules and speeding up approvals, are widely seen as the most effective way to increase supply over the long term. The challenges facing builders are covered in our report on [home builder challenges](#), and the companies building most new homes in our report on [US homebuilders](#).



KEY FACTS

The housing shortage in numbers

405,956 Deficit in New York metro 2024, Zillow.	7.3% Rental vacancy rate Q2 2026.
65.0% Homeownership rate Q2 2026.	40 Median age of first-time buyers Record high, NAR.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How big is the US housing shortage?

Estimates range from 3.7 million homes according to Freddie Mac to 4.9 million according to the Brookings Institution. Zillow estimated a deficit of 4.74 million homes in 2024.

Why do housing shortage estimates differ?

They use different methods. Some count missing households, some the vacant homes needed for a healthy market and others compare construction with long-term trends, and they cover different years.

Is the housing shortage getting worse?

The Zillow deficit grew from 3.79 million in 2019 to 4.74 million in 2024 but barely changed in the last year, as completions exceeded household growth in 2024 and 2025.

Which cities have the biggest housing shortage?

According to Zillow, New York had the largest deficit in 2024 at 405,956 homes, followed by Los Angeles at 344,533 and Boston at 147,028.



How affordable are homes in the US?

Home prices were 4.7 times median household income in 2025, according to the JCHS, compared with about 3.2 in the 1990s. The median existing home sold for 414,300 dollars in 2025.

How many renters are cost-burdened?

A record 22.7 million renter households, 49 percent of all renters, spent more than 30 percent of their income on housing in 2024, and 12.1 million spent more than half.

What is the homeownership rate in the US?

The homeownership rate was 65.0 percent in the second quarter of 2026, according to the Census Bureau.

What causes the housing shortage?

The main causes are years of underbuilding after 2008, restrictive zoning, high construction and land costs, labor shortages and owners with low mortgage rates staying in their homes.

SOURCES

[Freddie Mac](#) - housing supply still undersupplied.

[Up for Growth](#) - Housing Underproduction in the US 2025.

[Zillow](#) - housing deficit 2024.

[Brookings Institution](#) - measuring the housing supply shortage.

[National Association of Realtors](#) - Housing is Critical Infrastructure, 2021.

[Congressional Research Service](#) - estimates of the housing shortage.

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[US Census Bureau](#) - Housing Vacancies and Homeownership, second quarter 2026.

[US Census Bureau and HUD](#) - New Residential Construction, December 2025.

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[National Association of Realtors](#) - Profile of Home Buyers and Sellers 2025.

STATISTICS REPORT

US homebuilders statistics & facts

Bigger builders, thinner margins. The ten largest US home builders closed 43.6 percent of all new single-family homes in 2025. D.R. Horton and Lennar each delivered more than 80,000 homes, but heavy incentives are squeezing profits. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/us-homebuilders-statistics

43.6% TOP 10 SHARE 2025	87,168 D.R. HORTON CLOSINGS	82,583 LENNAR CLOSINGS
\$32.1B LENNAR HOME REVENUE	\$960K TOLL BROTHERS ASP	12.8% D.R. HORTON SHARE

OVERVIEW

The largest home builders in the United States

Home building in the United States is increasingly dominated by a handful of large public companies. According to NAHB analysis of data from Builder magazine, the ten largest builders accounted for 43.6 percent of all new single-family home closings in 2025, compared with just 8.7 percent in 1989. D.R. Horton and Lennar are by far the largest, each closing more than 80,000 homes a year and together accounting for about a quarter of new single-family sales. Our overview of [residential construction in the United States](#) covers the wider market.

Scale brings advantages in a difficult market. Large builders can buy land and materials more cheaply, raise money at lower cost and, crucially, use their own mortgage companies to offer buyers lower interest rates through rate buydowns. With mortgage rates high, these incentives have helped the big builders keep selling while smaller competitors struggled. But they come at a cost: margins have narrowed across the industry, and several builders cut their delivery forecasts for 2026.

43.6%
Top 10 builders market share

Of new single-family closings, 2025.

87,168
D.R. Horton closings

2025, Builder 100.

\$32.1B
Lennar home sales revenue

Fiscal 2025.

\$960,200
Toll Brothers average price

Fiscal 2025.

RANKING

The top 10 builders by closings

D.R. Horton is the largest home builder in the country. In the Builder 100 ranking for 2025, it closed 87,168 homes, ahead of Lennar with 82,583. The gap to number three is large: PulteGroup closed 29,572 homes, NVR 21,915 and Meritage Homes 15,026. Taylor Morrison, KB Home, Sekisui House U.S., Toll Brothers and Century Communities complete the top ten, each with between 10,000 and 13,000 closings.

Largest US Home Builders by Closings, 2025

 Interactive chart online: businessstats.com/us-homebuilders-statistics

Two giants: D.R. Horton and Lennar each closed more than 80,000 homes in 2025, nearly three times as many as PulteGroup in third place.

RANK	BUILDER	2025 CLOSINGS	2025 REVENUE (MILLION USD)
1	D.R. Horton	87,168	30,877
2	Lennar	82,583	32,097
3	PulteGroup	29,572	16,744
4	NVR	21,915	10,094
5	Meritage Homes	15,026	5,764
6	Taylor Morrison	12,997	7,755
7	KB Home	12,902	6,212

8	Sekisui House U.S.	11,712	6,443
9	Toll Brothers	11,292	10,842
10	Century Communities	10,792	4,118

Positions 11 to 20 in the Builder 100 are held by Ashton Woods with 10,067 closings, Clayton Properties with 9,953, M/I Homes with 8,921, Dream Finders with 8,608, DRB Group with 6,960, Hovnanian with 6,430, David Weekley with 5,944, Stanley Martin with 5,320, Tri Pointe with 4,947 and LGI Homes with 4,788. Several of these, including Sekisui House U.S., Clayton Properties and Stanley Martin, are owned by larger Japanese or US groups. How home building fits into the overall construction industry is shown in our report on the [US construction industry](#).

CONCENTRATION

A more concentrated industry

Thirty years ago, home building was a local business of thousands of small firms. The top ten builders accounted for only 8.7 percent of new single-family closings in 1989. Their share rose to 18.7 percent in 2000 and 28.2 percent in 2006, before the housing crash. After the crisis, large builders with access to capital markets bought land cheaply and took share from smaller firms that had failed or could not get bank loans. The top ten share reached 31.5 percent in 2018, 43.5 percent in 2022 and a record 44.8 percent in 2024.

Market Share of the 10 Largest US Home Builders, 1989 to 2025 (%)

Interactive chart online: businessstats.com/us-homebuilders-statistics

Five times larger: the top ten builders share of new single-family closings rose from 8.7 percent in 1989 to 43.6 percent in 2025.

In 2025, the top ten share slipped slightly to 43.6 percent of the 679,083 new single-family homes closed, the first decline in several years. The top five builders alone accounted for 34.8 percent and the top fifteen for 50.1 percent. D.R. Horton held 12.8 percent of the market, Lennar 12.2 percent, PulteGroup 4.4 percent, NVR 3.2 percent and Meritage 2.2 percent. Measured by all completions, including homes built for rent and custom homes, the top ten share was lower, at 29.5 percent. The growing role of built-for-rent homes is covered in our report on [single-family vs multifamily construction](#), and annual building volumes in our

report on [US housing starts and completions](#).

REVENUE

Revenue and profits

Lennar and D.R. Horton are also the largest builders by revenue. In fiscal 2025, Lennar reported home sales revenue of 32.10 billion dollars and total revenue of 34.19 billion dollars, while D.R. Horton reported home sales revenue of 31.43 billion dollars and total revenue of 34.25 billion dollars, including its rental, financial services and land businesses. PulteGroup followed with 16.74 billion dollars of home sales revenue, then Toll Brothers with 10.84 billion and NVR with 10.09 billion.

Home Sales Revenue of Major US Home Builders, Fiscal 2025 (billion USD)

Interactive chart online: businessstats.com/us-homebuilders-statistics

Lennar and D.R. Horton lead: each earned more than 31 billion dollars from home sales in fiscal 2025, about twice as much as PulteGroup.

Profits have fallen from their peak. D.R. Horton earned net income of 3.59 billion dollars in fiscal 2025, PulteGroup 2.22 billion dollars and Lennar 2.08 billion dollars. Toll Brothers and NVR each earned about 1.35 billion dollars, and Taylor Morrison 782.5 million dollars. Lennar profit fell partly because the company has focused on keeping sales volume high, using large incentives rather than holding prices.

BUILDER	FISCAL YEAR END	HOMES CLOSED	AVERAGE PRICE	NET INCOME	BACKLOG (HOMES)
D.R. Horton	September 2025	84,863	about 370,400 dollars	3.59 billion dollars	10,785
Lennar	November 2025	82,583	391,000 dollars	2.08 billion dollars	13,936
PulteGroup	December 2025	29,572	566,000 dollars	2.22 billion dollars	8,495
NVR	December 2025	21,915	460,600 dollars	1.34 billion dollars	8,448
Toll Brothers	October 2025	11,292	960,200 dollars	1.35 billion dollars	4,647
Taylor Morrison	December 2025	12,997	597,000 dollars	782.5 million dollars	2,819

Meritage Homes	December 2025	15,026	384,000 dollars	453.0 million dollars	1,168
KB Home	November 2025	12,902	481,400 dollars	428.8 million dollars	3,128

The revenue trend of the two largest builders shows how the industry grew after the pandemic. D.R. Horton revenue rose from 17.6 billion dollars in fiscal 2019 to a peak of 36.8 billion dollars in fiscal 2024, before falling to 34.25 billion dollars in fiscal 2025. Lennar revenue grew from 22.26 billion dollars in 2019 to 35.44 billion dollars in 2024 and was 34.19 billion dollars in 2025. D.R. Horton roughly doubled in size in five years, while Lennar grew by about 60 percent.

Total Revenue of D.R. Horton and Lennar, Fiscal 2019 to 2025 (billion USD)

Interactive chart online: businessstats.com/us-homebuilders-statistics

Doubled after the pandemic: D.R. Horton revenue rose from 17.6 billion dollars in 2019 to 36.8 billion dollars in 2024.

PRICES

Average prices and margins

The big builders serve very different parts of the market. Toll Brothers, the leading luxury builder, sold its homes for an average of 960,200 dollars in fiscal 2025, almost three times the average of D.R. Horton, which targets first-time buyers with an average price of about 370,400 dollars. Taylor Morrison averaged 597,000 dollars, PulteGroup 566,000 dollars, KB Home 481,400 dollars and NVR 460,600 dollars, while Lennar and Meritage averaged 391,000 and 384,000 dollars.

Average Selling Price of Major US Home Builders, Fiscal 2025 (thousand USD)

Interactive chart online: businessstats.com/us-homebuilders-statistics

Luxury vs entry level: Toll Brothers average price of 960,200 dollars was almost three times D.R. Horton average of about 370,400 dollars.

Margins tell a similar story. Luxury builders earn the highest gross margins: Toll Brothers reported an adjusted gross margin of 27.3 percent in fiscal 2025, while Taylor Morrison reported 22.5 percent and NVR 21.2 percent. Builders focused on first-time buyers, where incentives are largest, earned less: Meritage reported 19.7 percent, KB Home 18.6 percent and Lennar 17.7 percent. Lennar margin fell further to 15.8 percent in the quarter to August 2026.

Gross Margin of Major US Home Builders, Fiscal 2025 (%)

Interactive chart online: businessstats.com/us-homebuilders-statistics

Luxury earns more: Toll Brothers had an adjusted gross margin of 27.3 percent in fiscal 2025, compared with 17.7 percent at Lennar.

INCENTIVES

Incentives and rate buydowns

To keep homes affordable at high mortgage rates, builders have relied heavily on incentives, especially mortgage rate buydowns, in which the builder pays the lender to lower the buyer interest rate. Lennar said incentives and price adjustments were about 14 percent of the sales price in the last quarter of fiscal 2025 and about 12 percent in the quarter to August 2026. PulteGroup reported incentives of 10.4 percent of the gross sales price in the second quarter of 2026, up from 8.7 percent a year earlier. Across the industry, 66 percent of builders used sales incentives in September 2026, according to NAHB, as covered in our report on [home builder challenges](#).

2026

Builders in 2026

Results for 2026 show a cautious industry. D.R. Horton closed 23,983 homes in the quarter to June 2026, 4 percent more than a year earlier, and expects 83,800 to 84,300 closings for its fiscal year. Lennar delivered 20,840 homes in the quarter to August 2026 and cut its full-year forecast from 82,000 to 83,000 homes to 80,000 to 81,000. PulteGroup closings fell 8 percent in the second quarter of 2026, NVR closings 8 percent, Meritage 11 percent and KB Home 19 percent in its third quarter. Toll Brothers expects 10,500 to 10,600 deliveries for its fiscal year.



BUILDER	LATEST QUARTER	CLOSINGS	CHANGE	GROSS MARGIN
D.R. Horton	Q3 FY2026 (to June 30)	23,983	plus 4 percent	20.7 percent (home sales)
Lennar	Q3 FY2026 (to August 31)	20,840		15.8 percent
PulteGroup	Q2 2026	6,997	minus 8 percent	25.0 percent
NVR	Q2 2026	5,058	minus 8 percent	19.2 percent
Meritage Homes	Q2 2026	3,725	minus 11 percent	18.3 percent
KB Home	Q3 FY2026 (to August 31)	2,732	minus 19 percent	16.5 percent
Toll Brothers	Q3 FY2026 (to July 31)	2,662		25.6 percent (adjusted)

Backlogs, the number of homes sold but not yet closed, give a sense of the business ahead. At the end of their latest quarters, Lennar had a backlog of 16,857 homes worth 6.3 billion dollars, D.R. Horton 15,983 homes worth 6.2 billion dollars, PulteGroup 10,966 homes worth 6.8 billion dollars and NVR 10,998 homes worth 4.99 billion dollars. Toll Brothers had a backlog of 5,312 homes worth 6.24 billion dollars, reflecting its much higher average price. Construction costs, which squeeze margins further, are covered in our report on the [cost to build a house](#).

US Home Builders: Key Facts

- **Largest builder:** D.R. Horton with 87,168 closings in 2025, ahead of Lennar with 82,583.
- **Market share:** top ten builders closed 43.6 percent of new single-family homes in 2025.
- **Revenue:** Lennar 32.10 billion dollars and D.R. Horton 31.43 billion dollars of home sales in fiscal 2025.
- **Luxury:** Toll Brothers average price of 960,200 dollars.
- **Incentives:** Lennar about 12 percent of price, PulteGroup 10.4 percent in 2026.

OUTLOOK

Outlook for home builders

The largest builders are well placed to keep gaining market share. They control large land pipelines, have strong balance sheets and can fund incentives that smaller builders cannot match. At the same time, profits



are likely to stay under pressure as long as mortgage rates remain high and buyers need help to afford a home. Where builders are building, mostly in Texas, Florida and other Sun Belt states, is shown in our report on [US building permits](#), and the scale of the need for new homes in our report on the [US housing shortage](#).

KEY FACTS

US home builders in numbers

8.7%

Top 10 share in 1989

New single-family closings.

44.8%

Record top 10 share

2024.

\$3.59B

D.R. Horton net income

Fiscal 2025.

27.3%

Toll Brothers gross margin

Fiscal 2025, adjusted.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

Who is the largest home builder in the US?

D.R. Horton is the largest US home builder. It closed 87,168 homes in 2025 according to the Builder 100 ranking, ahead of Lennar with 82,583.

What share of new homes do the largest builders build?

The ten largest builders accounted for 43.6 percent of new single-family home closings in 2025, according to NAHB analysis of Builder magazine data, up from 8.7 percent in 1989.

How much revenue does Lennar make?

Lennar reported total revenue of 34.19 billion dollars and home sales revenue of 32.10 billion dollars in its fiscal year to November 2025.



How much revenue does D.R. Horton make?

D.R. Horton reported total revenue of 34.25 billion dollars in its fiscal year to September 2025, including 31.43 billion dollars from home sales.

Which home builder has the highest prices?

Toll Brothers, the leading luxury builder, sold homes for an average of 960,200 dollars in fiscal 2025, the highest among the major builders.

What are builder incentives?

Incentives are discounts and extras such as mortgage rate buydowns, where the builder pays to lower the buyer interest rate. Lennar incentives were about 12 percent of the sales price in mid 2026.

Which builders are in the top 10?

The top ten builders by 2025 closings were D.R. Horton, Lennar, PulteGroup, NVR, Meritage Homes, Taylor Morrison, KB Home, Sekisui House U.S., Toll Brothers and Century Communities.

Are home builder profits falling?

Yes. Margins have narrowed because of incentives and higher costs. Lennar gross margin fell to 17.7 percent in fiscal 2025 and 15.8 percent in the quarter to August 2026.

SOURCES

[D.R. Horton](#) - fourth quarter fiscal 2025 earnings release.

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[Lennar](#) - fourth quarter fiscal 2025 results.

[Lennar](#) - third quarter fiscal 2026 results.

[PulteGroup](#) - fourth quarter 2025 earnings release.

[NVR](#) - fourth quarter 2025 earnings release.

[Toll Brothers](#) - fiscal 2025 results.

[Taylor Morrison](#) - fourth quarter 2025 results.

[Meritage Homes](#) - fourth quarter 2025 results.

[KB Home](#) - fiscal 2025 results.

[Builder magazine](#) - Builder 100 list 2026.



NAHB - top ten builder market share 2025.

STATISTICS REPORT

US building permits statistics & facts

Approvals down, apartments recovering. Local governments issued building permits for 1.43 million new housing units in 2025, 3.1 percent fewer than in 2024. Texas, Florida and California approved a third of them, and multifamily permits are rising again. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/us-building-permits-statistics

1.43M UNITS PERMITTED 2025	911,900 SINGLE-FAMILY	\$379.0B PERMIT VALUE
210,217 TEXAS	54% SOUTH SHARE	+9.4% 5+ UNITS YOY AUG 2026

OVERVIEW

US building permits at a glance

A building permit is the official approval from a local government to build a new home. Because nearly every new home in the United States needs one before construction can begin, permit numbers are one of the earliest signals of where home building is heading. According to the Census Bureau Building Permits Survey, local authorities approved 1,431,616 new housing units in 2025, 3.1 percent fewer than the 1,478,000 approved in 2024. The total construction value of these permits was 378.99 billion dollars. Our overview of [residential construction in the United States](#) puts these figures in context.

Permits are concentrated in a small number of fast-growing states. Texas alone approved 210,217 units in 2025, 15 percent of the national total, followed by Florida with 178,297 units and California with 103,856. Together, the ten states with the most permits accounted for more than half of all new housing approved in the country. At the metro level, Dallas and Houston each approved more than 65,000 units; together they approved more housing than the entire Northeast region.

1.43M
Units authorized

2025, minus 3.1 percent.

911,900
Single-family units

2025.

\$379.0B
Value of permits

2025.

210,217
Units in Texas

2025, the most of any state.

TREND

Building permits since 2005

Permit numbers follow the same long cycle as housing starts. At the height of the housing bubble in 2005, local governments issued permits for 2,155,300 units, of which 1,682,000 were single-family homes. After the crash, permits fell to 583,000 in 2009, a decline of 73 percent. They recovered slowly over the following decade, passing one million in 2014 and reaching a cycle peak of 1,737,000 in 2021, when low interest rates and strong demand drove a building boom.

US Building Permits, Total and Single-Family, 2005 to 2025 (thousand units)

 Interactive chart online: businessstats.com/us-building-permits-statistics

Below the 2021 peak: permits reached 1.74 million in 2021 and fell to 1.43 million in 2025, still about two-thirds of the 2005 record.

Since 2021, permits have declined for four consecutive years: to 1,665,100 in 2022, 1,511,100 in 2023, 1,478,000 in 2024 and 1,431,616 in 2025. Single-family permits peaked at 1,115,400 in 2021 and stood at 911,900 in 2025. Permits for buildings with two or more units, which are mostly apartments, rose 5.6 percent in 2025 to 516,886, according to NAHB analysis of Census data, a sign that multifamily development has started to recover after its sharp downturn in 2023 and 2024.

YEAR	TOTAL PERMITS	SINGLE-FAMILY PERMITS
2005	2,155,300	1,682,000
2009	583,000	441,100

2015	1,182,600	696,000
2019	1,386,000	862,100
2020	1,471,100	979,400
2021	1,737,000	1,115,400
2022	1,665,100	975,600
2023	1,511,100	920,000
2024	1,478,000	981,900
2025	1,431,616	911,900

STATES

Building permits by state

Four states in the South and West dominate permit activity. Texas approved 210,217 housing units in 2025, down from 225,756 in 2024, followed by Florida with 178,297 and California with 103,856. Florida and California were the only states in the top ten to approve more units than in 2024. North Carolina, Georgia and Arizona each approved between 51,000 and 87,000 units. New York and Washington were the only states outside the Sun Belt in the top ten.

US States With the Most Building Permits, 2025 (housing units)

Interactive chart online: businessstats.com/us-building-permits-statistics

Texas leads by far: Texas approved 210,217 housing units in 2025, 15 percent of the US total and more than twice as many as California.

RANK	STATE	2025	2024	CHANGE	SHARE OF US
1	Texas	210,217	225,756	minus 6.9 percent	15 percent
2	Florida	178,297	173,326	plus 2.9 percent	12 percent
3	California	103,856	101,545	plus 2.3 percent	7 percent
4	North Carolina	86,167	95,163	minus 9.5 percent	6 percent



5	Georgia	61,196	68,367	minus 10.5 percent	4 percent
6	Arizona	51,532	59,616	minus 13.6 percent	4 percent
7	South Carolina	45,862	47,072	minus 2.6 percent	3 percent
8	Tennessee	43,374	46,549	minus 6.8 percent	3 percent
9	New York	38,667	44,863	minus 13.8 percent	3 percent
10	Washington	34,913	37,778	minus 7.6 percent	2 percent

The year-on-year changes show how unevenly the slowdown spread across the country. The biggest increases in 2025 came in smaller markets: Connecticut approved 22.7 percent more units than in 2024, Maine 15.7 percent, Kansas 13.6 percent, Oklahoma 13.5 percent and Arkansas 13.2 percent. The biggest declines were in New Jersey, down 20.8 percent, Maryland, down 20.6 percent, Alaska, down 17.8 percent, and Vermont, down 13.6 percent.

States With the Largest Changes in Building Permits, 2025 vs 2024 (%)

Interactive chart online: businessstats.com/us-building-permits-statistics

Winners and losers: permits rose 22.7 percent in Connecticut but fell 20.8 percent in New Jersey and 20.6 percent in Maryland.

The type of housing being approved also differs by state. In some places, apartments make up most of the new supply: in Washington DC, 86.2 percent of all units authorized in 2025 were in buildings with five or more units, in Connecticut 66.5 percent and in New York 65.7 percent. In most Sun Belt states, by contrast, single-family homes dominate, reflecting cheaper land and lower density.

REGIONS

Permits by region

By region, the South approved 771,200 housing units in 2025, 54 percent of the national total, according to the Census Bureau. The West followed with 322,000 units, the Midwest with 210,600 and the Northeast with 127,800. The South also led in single-family permits, with 537,000 of the 911,900 single-family units approved nationwide.

US Building Permits by Region, 2025 (thousand units)

Interactive chart online: businessstats.com/us-building-permits-statistics

More than half in the South: the South approved 771,200 of the 1.43 million housing units permitted in 2025.

REGION	TOTAL PERMITS 2025	SINGLE-FAMILY PERMITS 2025	AUGUST 2026 ANNUAL RATE
South	771,200	537,000	745,000
West	322,000	192,300	313,000
Midwest	210,600	125,300	208,000
Northeast	127,800	57,300	128,000
United States	1,431,600	911,900	1,394,000

METROS

Metro areas with the most permits

Among metro areas, Dallas approved the most new housing in 2025 with 66,179 units, narrowly ahead of Houston with 65,075. New York, the largest metro by population, ranked third with 44,444 units, followed by Phoenix with 39,699, Atlanta with 33,670, Orlando with 27,845 and Austin with 27,322. Five of the top seven metros are in Texas, Florida or Georgia. Real estate trends in these cities are covered in our report on [development prospects for US cities](#). Which builders are most active in these markets is covered in our report on [US homebuilders](#).

US Metro Areas With the Most Building Permits, 2025 (housing units)

Interactive chart online: businessstats.com/us-building-permits-statistics

Texas metros on top: Dallas and Houston each approved more than 65,000 housing units in 2025.



LATEST

Building permits in 2026

In August 2026, building permits were issued at a seasonally adjusted annual rate of 1,394,000, 2.7 percent fewer than in July but 3.5 percent more than in August 2025. Single-family permits ran at 878,000, up 1.3 percent from a year earlier, and permits for buildings with five or more units at 467,000, up 9.4 percent. In the first eight months of 2026, a total of 969,100 units were authorized, almost exactly the same as a year earlier. The gap between permits and actual construction is covered in our report on [US housing starts and completions](#).

US Building Permits by Type, August 2025 vs August 2026 (thousand units, annual rate)

Interactive chart online: businessstats.com/us-building-permits-statistics

Apartments lead the rebound: permits for buildings with five or more units rose 9.4 percent in a year to an annual rate of 467,000.

An increasing number of projects are approved but not started. In August 2026, 280,000 units had been authorized but not yet started, 12.9 percent more than a year earlier. Developers may wait because financing is expensive, costs have risen or demand is uncertain. These problems are covered in more detail in our reports on [home builder challenges](#) and the [cost to build a house](#).

WHY PERMITS MATTER

Why permits matter for the housing shortage

Permits are where housing policy meets construction. Zoning rules, minimum lot sizes, parking requirements and the time it takes to get approval all determine how many homes can be built and where. States such as Texas and Florida approve far more housing than other large states, while many coastal markets with strict rules approve relatively little. Many economists argue that easing local rules is one of the most effective ways to address the [US housing shortage](#).

Permit fees and impact fees also add to costs. In the latest NAHB survey, 57 percent of builders said impact fees and other fees were a significant problem in 2025, and 54 percent cited environmental regulations. Regulation and fees are part of the price of every new home, alongside land, materials and labor. Construction trends for the industry as a whole are covered in our report on the [US construction industry](#).



Building Permits: Key Facts

- **2025 total:** 1,431,616 units authorized, minus 3.1 percent, with a value of 378.99 billion dollars.
- **Top state:** Texas with 210,217 units, 15 percent of the US total.
- **Top metro:** Dallas with 66,179 units, ahead of Houston with 65,075.
- **Biggest increase:** Connecticut, plus 22.7 percent; biggest decline: New Jersey, minus 20.8 percent.
- **August 2026:** permits at an annual rate of 1,394,000, plus 3.5 percent year on year.

KEY FACTS

Building permits in numbers

2.16M

Record permits

2005.

583,000

Lowest permits

2009.

86.2%

Apartment share of permits

Washington DC, 2025.

1,394,000

Permit rate

August 2026.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How many building permits were issued in the US in 2025?

Local governments authorized 1,431,616 new housing units in 2025, according to the Census Bureau, 3.1 percent fewer than in 2024. Their total construction value was 378.99 billion dollars.



Which state issues the most building permits?

Texas approved 210,217 housing units in 2025, 15 percent of the US total, followed by Florida with 178,297 and California with 103,856.

Which metro area has the most building permits?

Dallas approved 66,179 housing units in 2025, the most of any metro area, followed by Houston with 65,075 and New York with 44,444.

What was the record year for building permits?

Building permits peaked at 2,155,300 units in 2005 and fell to 583,000 in 2009. In the recent cycle they peaked at 1,737,000 in 2021.

How many single-family permits were issued in 2025?

Local governments approved 911,900 single-family homes in 2025, down from 981,900 in 2024.

Which states saw the biggest change in permits?

Connecticut had the largest increase in 2025, at 22.7 percent, while New Jersey had the largest decline, at 20.8 percent.

What were building permits in August 2026?

Permits were issued at a seasonally adjusted annual rate of 1,394,000 in August 2026, 3.5 percent more than a year earlier.

Why are building permits important?

Permits are needed before most new homes can be built, so they are an early indicator of future construction. They also reflect local zoning and housing policy.

SOURCES

[US Census Bureau](#) - Building Permits Survey, 2025 annual highlights.

[US Census Bureau](#) - Building Permits Survey.

[US Census Bureau and HUD](#) - New Residential Construction, August 2026.

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[US Census Bureau and HUD](#) - New Residential Construction, December 2022.

[NAHB](#) - analysis of 2025 building permits.



NAHB - builders top challenges for 2026.



STATISTICS REPORT

Single-family vs multifamily construction in the US statistics & facts

Two segments, two cycles. Builders started 939,700 single-family homes and about 396,600 apartments in 2025. The apartment boom peaked in 2022, and multifamily units under construction have fallen by a third since 2023. This report compares the two.

Updated Oct 13, 2026 · businessstats.com/single-family-vs-multifamily-construction

939,700 SF STARTS 2025	396,600 MF STARTS 2025	\$419.6B SF SPENDING
\$114.6B MF SPENDING	666,000 MF UNDER CONSTRUCTION	24.6% MF SHARE 2024 LOW

OVERVIEW

Single-family and multifamily construction compared

New housing in the United States comes in two very different forms. Single-family homes, mostly detached houses built for sale to owner-occupiers, make up about two-thirds of new construction. Multifamily buildings, mostly apartment blocks with five or more units built to rent, make up most of the rest. The two segments respond to different forces: single-family building depends on mortgage rates and buyer demand, while multifamily building depends on rents, investor demand and the cost of construction loans. Our overview of [residential construction in the United States](#) covers the market as a whole.

In 2025, builders started 939,700 single-family homes and about 396,600 units in buildings with five or more units, according to the US Census Bureau and HUD. Spending on new single-family construction was 419.6 billion dollars, nearly four times the 114.6 billion dollars spent on new multifamily buildings. Over the past five years, however, the two segments have followed very different cycles, and in 2026 they are moving in opposite directions again.



939,700

Single-family starts

2025.

396,600

Multifamily starts

5+ units, 2025, preliminary.

\$419.6B

Single-family spending

2025.

\$114.6B

Multifamily spending

2025.

SPENDING

Spending on single-family and multifamily construction

Spending on both types of housing rose sharply after the pandemic, but the timing differed. New single-family construction spending jumped from 309.4 billion dollars in 2020 to 423.9 billion dollars in 2021 and peaked at 453.2 billion dollars in 2022, according to the Census Bureau. It fell to 400.4 billion dollars in 2023 when mortgage rates rose, recovered to 433.3 billion dollars in 2024 and stood at 419.6 billion dollars in 2025. Spending across all types of building is covered in our [US construction industry statistics](#).

US New Single-Family vs Multifamily Construction Spending, 2019 to 2025 (billion USD)

Interactive chart online: businessstats.com/single-family-vs-multifamily-construction

Different cycles: single-family spending peaked in 2022 at 453.2 billion dollars, multifamily a year later in 2023 at 135.8 billion dollars.

Multifamily spending followed with a lag, because apartment buildings take longer to build and money is spent over a longer period. Spending on new multifamily buildings rose from 85.9 billion dollars in 2020 to a peak of 135.8 billion dollars in 2023, then fell to 125.1 billion dollars in 2024 and 114.6 billion dollars in 2025. In August 2026, the latest month available, single-family spending was running at an annual rate of 403.3 billion dollars, 3.5 percent less than a year earlier, while multifamily spending ran at 115.8 billion dollars, almost unchanged.



STARTS

The multifamily cycle

The share of multifamily units in new construction rises and falls with the apartment cycle. In 2015, buildings with five or more units accounted for 34.7 percent of all housing starts. The share fell below 30 percent in the late 2010s, rose to 34.2 percent in 2022 at the peak of the apartment boom, and then dropped to 24.6 percent in 2024, the lowest in the period, before recovering to 29.3 percent in 2025. Detailed annual figures for both types are in our report on [US housing starts and completions](#).

Share of Multifamily Units in US Housing Starts, 2015 to 2025 (%)

Interactive chart online: businessstats.com/single-family-vs-multifamily-construction

Apartment share swings: the five-plus share of starts rose to 34.2 percent in 2022 and fell to 24.6 percent in 2024.

The apartment boom of 2021 and 2022 was driven by strong rent growth, rising household formation among young adults and cheap financing. When the Federal Reserve raised interest rates in 2022 and 2023, construction loans became much more expensive, banks tightened lending and a wave of new supply slowed rent growth. Developers responded by cutting new projects sharply: five-plus starts fell 37 percent from 531,000 in 2022 to 336,200 in 2024.

PIPELINE

Homes under construction by type

The number of homes under construction shows the two cycles most clearly. In October 2022, about 782,000 single-family homes and 910,000 units in buildings with five or more units were under construction. Single-family construction then fell steadily as builders finished homes faster than they started new ones, to 589,000 in August 2026. Multifamily construction kept rising until July 2023, when a record of about 1,001,000 units were under construction, before falling by a third to 666,000 in August 2026.

US Homes Under Construction by Type, 2022 to 2026 (thousand units)

Interactive chart online: businessstats.com/single-family-vs-multifamily-construction



Apartments down a third: multifamily units under construction fell from about one million in July 2023 to 666,000 in August 2026.

POINT IN TIME	SINGLE-FAMILY UNDER CONSTRUCTION	5+ UNITS UNDER CONSTRUCTION	TOTAL
October 2022	782,000	910,000	about 1,710,000
July 2023	679,000	1,001,000	1,697,000
December 2023	671,000	991,000	1,679,000
December 2024	641,000	769,000	1,427,000
August 2025	611,000	686,000	1,317,000
August 2026	589,000	666,000	1,271,000

2026

Single-family and multifamily in 2026

The latest data show the two segments diverging again. In August 2026, compared with a year earlier, single-family permits were up 1.3 percent and single-family starts up 5.2 percent, but single-family completions were down 22.9 percent. In the multifamily segment, permits for buildings with five or more units rose 9.4 percent, while starts fell 15.5 percent and completions 35.7 percent. Rising multifamily permits suggest that developers are preparing new projects, but many are not yet breaking ground.

Change in US Permits, Starts and Completions by Type, August 2026 vs August 2025 (%)

Interactive chart online: businessstats.com/single-family-vs-multifamily-construction

Multifamily completions plunge: completions of units in buildings with five or more units fell 35.7 percent in a year, while multifamily permits rose 9.4 percent.

For renters, the drop in apartment completions matters. The record wave of new apartments that arrived in 2024 and 2025 pushed the rental vacancy rate up to 7.3 percent in the second quarter of 2026, according to the Census Bureau, and slowed rent increases. As fewer units are completed in 2026 and 2027, that cushion is likely to shrink. The longer-term gap between supply and demand is covered in our report on the [US housing shortage](#).



SIZE

How big are new homes?

The two types of housing differ greatly in size. According to the Census Bureau Characteristics of New Housing, the median single-family home completed in 2025 had 2,142 square feet of floor area, and the median home sold had 2,194 square feet. The median new multifamily unit built for rent had 1,000 square feet, and the median unit built for sale, such as a condominium, 1,170 square feet. A new single-family home is therefore roughly twice the size of a new apartment.

Median Floor Area of New US Homes by Type, 2025 (square feet)

Interactive chart online: businessstats.com/single-family-vs-multifamily-construction

Twice the space: the median new single-family home completed in 2025 had 2,142 square feet, compared with 1,000 square feet for a new rental apartment.

Single-family homes have been getting slightly smaller as builders try to keep prices affordable. NAHB analysis of Census data shows that the average size of single-family homes started in 2025 was 2,404 square feet, and median lot sizes have levelled off at around 8,500 square feet. Builders cite land and construction costs as the main reason, as covered in our report on the [cost to build a house](#).

BUILD TO RENT

Built-for-rent homes and custom homes

The line between single-family and multifamily is blurring. A growing number of single-family homes are now built specifically to be rented rather than sold. According to the Joint Center for Housing Studies (JCHS) at Harvard University, about 106,000 built-for-rent single-family homes were completed in 2025, 11 percent of all single-family completions. These communities of rental houses appeal to families who want space but cannot afford to buy, and to investors looking for steady rental income.

At the other end of the market, 131,000 single-family homes were started in 2025 as custom homes built by contractors on land owned by the future occupant, with a median contract price of 404,000 dollars, according to the Census Bureau. Most single-family homes, however, are built for sale by home building companies, which increasingly dominate the market, as covered in our report on [US homebuilders](#).

**106,000****Built-for-rent homes completed**

2025, 11 percent of single-family.

131,000**Custom homes started**

2025.

\$404,000**Median custom home contract price**

2025.

7.3%**Rental vacancy rate**

Second quarter of 2026.

COMPARISON**Single-family vs multifamily: key differences**

MEASURE	SINGLE-FAMILY	MULTIFAMILY (5+ UNITS)
Starts 2025	939,700	396,600 (preliminary)
Completions 2025	1,004,800	471,800 (preliminary)
Spending 2025	419.6 billion dollars	114.6 billion dollars
Under construction, August 2026	589,000	666,000
Permits, August 2026, change vs year earlier	plus 1.3 percent	plus 9.4 percent
Median size 2025	2,142 square feet (completed)	1,000 square feet (built for rent)
Peak of recent cycle (starts)	1,127,200 in 2021	531,000 in 2022

Both segments face the same cost pressures, from higher material prices and tariffs to a shortage of skilled labor. For single-family builders, the main challenge is that many buyers are priced out at current mortgage rates. For multifamily developers, it is the cost of financing and uncertainty about future rents. These issues are covered in our report on [home builder challenges](#), and permit trends by state in our report on [US building permits](#).

Single-Family vs Multifamily: Key Facts



- **Starts 2025:** 939,700 single-family homes and about 396,600 units in buildings with five or more units.
- **Spending 2025:** 419.6 billion dollars single-family, 114.6 billion dollars multifamily.
- **Apartment cycle:** five-plus share of starts fell from 34.2 percent in 2022 to 24.6 percent in 2024.
- **Under construction:** multifamily down a third from about one million units in July 2023.
- **Size:** new single-family homes about twice the size of new rental apartments.

KEY FACTS

Single-family and multifamily in numbers

2,142 sq ft

Median new single-family home

Completed 2025.

1,000 sq ft

Median new rental apartment

2025.

-35.7%

Multifamily completions

August 2026 vs a year earlier.

+9.4%

Multifamily permits

August 2026 vs a year earlier.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How many single-family homes were started in 2025?

Builders started 939,700 single-family homes in 2025, according to the Census Bureau and HUD, 7.2 percent fewer than in 2024.

How many apartments were started in 2025?

About 396,600 units in buildings with five or more units were started in 2025, according to preliminary data, up from 336,200 in 2024.



What share of new homes are apartments?

Units in buildings with five or more units made up 29.3 percent of housing starts in 2025, after a low of 24.6 percent in 2024 and a high of 34.2 percent in 2022.

How much is spent on single-family vs multifamily construction?

In 2025, 419.6 billion dollars was spent on new single-family construction and 114.6 billion dollars on new multifamily construction, according to the Census Bureau.

How many apartments are under construction?

About 666,000 units in buildings with five or more units were under construction in August 2026, down from a record of about one million in July 2023.

How big is a new single-family home?

The median single-family home completed in 2025 had 2,142 square feet of floor area. The median new rental apartment had 1,000 square feet.

What are built-for-rent homes?

Built-for-rent homes are single-family houses built specifically to be rented. About 106,000 were completed in 2025, 11 percent of all single-family completions, according to the JCHS.

Why did multifamily construction fall?

Higher interest rates made construction loans more expensive, banks tightened lending and a wave of new supply slowed rent growth, so developers cut new projects after 2022.

SOURCES

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[US Census Bureau](#) - Monthly Construction Spending, August 2026.

[US Census Bureau and HUD](#) - New Residential Construction, August 2026.

[US Census Bureau and HUD](#) - New Residential Construction, July 2023.

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[US Census Bureau](#) - Characteristics of New Housing 2025.

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STATISTICS REPORT

Home remodeling and improvement spending in the US statistics & facts

Half a trillion dollars a year. US homeowners spent about 509 billion dollars on home remodeling, improvements and repairs in 2025, and spending on owner improvements has grown 153 percent in ten years. Growth is slowing in 2026, but an ageing housing stock keeps demand high. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/home-remodeling-spending-us

\$509B REMODELING 2025	\$518B PROJECTED Q4 2026	+153% 10-YEAR GROWTH
41% SHARE OF RESIDENTIAL	\$376B OWNER IMPROVEMENTS	42 yrs MEDIAN HOME AGE

OVERVIEW

Home remodeling in the US at a glance

Americans spend almost as much improving the homes they already own as builders spend on new single-family houses. According to the Joint Center for Housing Studies (JCHS) at Harvard University, homeowners spent about 509 billion dollars on improvements and repairs in 2025, and the JCHS projects spending of around 518 billion dollars by the end of 2026. Remodeling has become one of the most stable parts of the housing market, supported by an ageing housing stock and by owners who prefer to renovate rather than sell and give up a low mortgage rate. For the full market, see our overview of [residential construction in the United States](#).

The growth over the past decade has been remarkable. The JCHS estimates that spending on owner improvements grew 153 percent over ten years, far faster than spending on new single-family homes, which grew 90 percent, or new multifamily buildings, up 84 percent. Improvements now account for 41 percent of residential construction spending, up from 34 percent in 2015. Growth is slowing in 2026, however, as high borrowing costs and weaker home sales weigh on large projects.

\$509B
Homeowner remodeling spending

2025, JCHS.

\$518B
Projected spending

End of 2026, JCHS.

+153%
Growth in owner improvements

Over ten years, JCHS.

41%
Share of residential spending

Improvements, 2025.

TREND

Remodeling spending over time

Remodeling spending boomed during the pandemic, when people spent more time at home and had more money to spend on it. The JCHS estimates that homeowner improvement and repair spending jumped 26.6 percent to about 515 billion dollars in 2022. It eased to about 510 billion dollars in 2023 and an estimated 503 billion dollars in 2024 as interest rates rose and home sales slowed, before recovering to about 509 billion dollars in 2025.

US Homeowner Improvement and Repair Spending, 2022 to 2026 (billion USD)

 Interactive chart online: businessstats.com/home-remodeling-spending-us

Steady at over 500 billion dollars: homeowner remodeling spending has stayed between about 503 and 518 billion dollars a year since 2022.

The latest JCHS projection, published in July 2026, expects spending of about 517 billion dollars in the four quarters to mid 2026, rising to about 519 billion dollars by mid 2027. Annual growth is expected to slow from 2.1 percent in the third quarter of 2026 to just 0.5 percent by mid 2027. The JCHS updates its Leading Indicator of Remodeling Activity every quarter; the next release is scheduled for October 22, 2026.

PERIOD	HOMEOWNER REMODELING SPENDING	NOTE
2022	about 515 billion dollars	plus 26.6 percent
2023	about 510 billion dollars	minus 1.0 percent
2024	about 503 billion dollars	estimate, January 2025 release

2025	about 509 billion dollars	April 2026 release
Q2 2026 (four quarters)	about 517 billion dollars	projection, July 2026
Q4 2026	about 518 billion dollars	projection, plus 1.6 percent
Q2 2027 (four quarters)	about 519 billion dollars	projection, July 2026

CONSTRUCTION

Improvements in the construction spending data

The Census Bureau construction spending data offer a second view. Private residential construction in the Census data covers new single-family homes, new multifamily buildings and improvements to existing homes. Because the Census Bureau does not publish improvements as a separate line in its monthly tables, the improvement figure is calculated as the difference between total private residential spending and new construction. On this basis, improvements were about 371.2 billion dollars in 2024 and 370.9 billion dollars in 2025, almost unchanged.

US Residential Improvement Spending, Census Data (billion USD)

Interactive chart online: businessstats.com/home-remodeling-spending-us

Slowing in 2026: improvement spending in the Census data ran about 7.4 percent below a year earlier in August 2026.

The monthly data show a slowdown in 2026. In August 2026, residential improvements were running at an estimated annual rate of about 363.2 billion dollars, about 7.4 percent less than the 392.3 billion dollars of August 2025. The Census and JCHS figures differ because they use different sources and definitions: the JCHS figure includes repairs and covers owner-occupied homes, while the Census figure covers improvements to all private residential buildings. The difference between new single-family and multifamily construction is covered in our report on [single-family vs multifamily construction](#).



GROWTH

Remodeling vs new construction

Over the past decade, spending on improvements has grown much faster than spending on new homes. According to the JCHS, owner improvement spending rose 153 percent over ten years, compared with 90 percent for new single-family construction and 84 percent for new multifamily construction. In 2025, owner improvement spending of about 376 billion dollars was not far behind the 419 billion dollars spent on new single-family homes.

Growth in US Residential Construction Spending by Segment, Ten Years to 2025 (%)

Interactive chart online: businessstats.com/home-remodeling-spending-us

Remodeling outgrew new building: owner improvement spending rose 153 percent in ten years, compared with 90 percent for new single-family homes.

Several forces explain this shift. Many homeowners refinanced at very low mortgage rates in 2020 and 2021 and are reluctant to sell and buy a new home at much higher rates, so they improve their current home instead. The typical homeowner now stays longer: according to the National Association of Realtors, sellers had lived in their home for a median of 11 years, a record. And the cost of new homes, covered in our report on the [cost to build a house](#), makes renovation an attractive alternative.

Owner Improvement Spending vs New Single-Family Construction, 2025 (billion USD)

Interactive chart online: businessstats.com/home-remodeling-spending-us

Almost as large: owners spent about 376 billion dollars on improvements in 2025, compared with 419 billion dollars on new single-family construction.

DRIVERS

What drives remodeling demand

An ageing housing stock is the most important long-term driver. According to NAHB analysis of American Community Survey data, the median owner-occupied home in the United States was 42 years old in 2024, up from 31 years in 2005, and about 47 percent of owner-occupied homes were built before 1980. Older



homes need new roofs, windows, heating systems and kitchens, and many need upgrades for energy efficiency or to make them suitable for older residents who want to stay in their homes.

Rising costs of owning a home also play a role. The JCHS estimates that homeowner insurance premiums rose 72 percent between 2019 and 2025, to an average of 201 dollars a month, and property taxes 31 percent. Construction input prices rose about 40 percent between January 2020 and 2025, and lot values 52 percent between 2020 and 2024. These increases make remodeling more expensive too, but they make moving to a newly built home even more costly. Living costs more broadly are covered in our data on the [US cost of living](#) and the [US inflation rate](#).

Rising Housing Costs in the US, Cumulative Increase (%)

Interactive chart online: businessstats.com/home-remodeling-spending-us

Insurance up most: homeowner insurance premiums rose 72 percent between 2019 and 2025, and lot values 52 percent between 2020 and 2024.

Remodeling: Key Drivers

- **Ageing homes:** the median owner-occupied home is 42 years old.
- **Lock-in effect:** owners with low mortgage rates improve rather than move.
- **Longer stays:** sellers had lived in their home a median of 11 years, a record.
- **Rising costs:** insurance up 72 percent and property taxes up 31 percent since 2019.
- **Slowdown:** JCHS expects growth to slow to 0.5 percent by mid 2027.

OUTLOOK

Outlook for remodeling

The remodeling market is expected to keep growing, but slowly. The JCHS projects only modest gains through mid 2027, as high interest rates make it expensive to finance large projects with home equity loans and as weaker home sales reduce the number of renovations that typically follow a purchase. Higher prices for lumber and other materials, covered in our data on [US tariffs](#), add to the cost of projects. On the other hand, the age of the housing stock and the large amount of equity built up by homeowners provide a solid base for demand. With the country short of millions of homes, as shown in our report on the [US housing](#)



shortage, keeping existing homes in good condition is also an important part of housing supply.

For contractors, remodeling offers steadier work than new construction, which swings more strongly with interest rates. Many of the specialty trades that build new homes, such as roofers, electricians and plumbers, earn a large share of their income from renovations. Their availability, and the labor shortages reported by builders, are covered in our report on home builder challenges.

KEY FACTS

Remodeling in numbers

\$515B

Remodeling spending 2022

Plus 26.6 percent.

\$376B

Owner improvements

2025, JCHS.

42 years

Median age of owner homes

2024.

+72%

Homeowner insurance premiums

2019 to 2025.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How much do Americans spend on home remodeling?

Homeowners spent about 509 billion dollars on improvements and repairs in 2025, according to the Joint Center for Housing Studies at Harvard University.

Is remodeling spending growing?

Yes, but slowly. The JCHS projects spending of about 518 billion dollars by the end of 2026 and about 519 billion dollars by mid 2027, with growth slowing to 0.5 percent.



How fast has remodeling grown compared with new construction?

Owner improvement spending grew 153 percent over ten years, compared with 90 percent for new single-family construction and 84 percent for new multifamily construction.

What share of residential construction is remodeling?

Improvements accounted for about 41 percent of residential construction spending in 2025, up from 34 percent in 2015, according to the JCHS.

Why are more people remodeling instead of moving?

Many owners have low mortgage rates they do not want to give up, homes are getting older and new homes are expensive, so improving an existing home is often the better option.

How old is the average US home?

The median owner-occupied home was 42 years old in 2024, up from 31 years in 2005, according to NAHB analysis of American Community Survey data.

What was remodeling spending in 2022?

Homeowner improvement and repair spending rose 26.6 percent to about 515 billion dollars in 2022, during the pandemic remodeling boom.

Are home improvement costs rising?

Yes. Construction input prices rose about 40 percent between January 2020 and 2025, and prices of residential construction inputs were 7.8 percent higher in August 2026 than a year earlier.

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STATISTICS REPORT

Challenges facing US home builders statistics & facts

Confidence at a one-year low. US home builder sentiment fell to 32 in September 2026, and 84 percent of builders said high interest rates were a significant problem in 2025. Nearly four in ten builders are cutting prices. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/home-builder-challenges-us

32 SENTIMENT SEP 2026	84% CITE INTEREST RATES	81% BUYERS WAITING
38% CUTTING PRICES	66% USING INCENTIVES	42% LOT SUPPLY POOR

OVERVIEW

The biggest challenges facing US home builders

US home builders are going through a difficult period. The NAHB/Wells Fargo Housing Market Index, the standard measure of builder confidence, fell to 32 in September 2026, far below the level of 50 that separates good from poor conditions and its lowest reading in a year. In the latest survey of top problems by the National Association of Home Builders (NAHB), 84 percent of builders said high interest rates were a significant problem in 2025, and 81 percent said buyers were holding back because they expected prices or rates to fall. Our overview of [residential construction in the United States](#) shows what this means for the market.

The problems go beyond interest rates. Builders also struggle with the cost and availability of land, a shortage of skilled workers, rising material prices driven partly by tariffs, impact fees and regulation. To keep homes moving, 38 percent of builders cut prices in September 2026 and 66 percent offered sales incentives. This report sets out the data behind each of these challenges.



32

Builder sentiment index

September 2026, below 50.

84%

Cite high interest rates

Problem in 2025, NAHB.

38%

Builders cutting prices

September 2026.

66%

Builders using incentives

September 2026.

TOP PROBLEMS

What builders say are their biggest problems

Every January, NAHB asks builders which problems they faced in the past year. In the survey published in February 2026, the most widely cited problem in 2025 was high interest rates, named by 84 percent of builders. Almost as many, 81 percent, said buyers were delaying purchases because they expected prices or interest rates to fall. Concerns about the economy and jobs were cited by 65 percent, the cost or availability of developed lots by 63 percent, and negative media reports making buyers cautious by 62 percent.

Top Problems Reported by US Home Builders in 2025 (% of builders)

Interactive chart online: businessstats.com/home-builder-challenges-us

Interest rates top the list: 84 percent of builders said high interest rates were a significant problem in 2025.

Cost pressures follow closely behind. 61 percent of builders said the cost or availability of labor was a significant problem, 59 percent named inflation, 57 percent impact fees and other fees, and 54 percent environmental regulations. Uncertainty about policy in Washington was cited by 58 percent, a reflection of shifting trade and immigration policy during the year.

Builders are a little more optimistic about 2026. The share expecting high interest rates to be a significant problem in 2026 fell to 65 percent, and the share expecting inflation to be a problem to 46 percent. Even so, interest rates remain the most widely expected problem, and the survey was taken before mortgage rates and costs rose again in the summer of 2026.



Problems in 2025 vs Expected in 2026 (% of builders)

Interactive chart online: businessstats.com/home-builder-challenges-us

Hopes of relief: the share of builders expecting high interest rates to be a problem fell from 84 percent in 2025 to 65 percent for 2026.

SENTIMENT

Home builder confidence in 2026

The NAHB/Wells Fargo Housing Market Index measures how builders rate current sales, expected sales over the next six months and the traffic of prospective buyers. A reading above 50 means more builders see conditions as good than poor. The index stayed below 50 in every month of 2025, ending the year at 39, down from 46 in December 2024. In 2026, it fell further, to 35 in August and 32 in September, the lowest since September 2025.

NAHB/Wells Fargo Housing Market Index, Selected Months

Interactive chart online: businessstats.com/home-builder-challenges-us

Sliding confidence: the builder sentiment index fell from 46 in December 2024 to 32 in September 2026.

All three parts of the index were weak in September 2026. Builders rated current sales conditions at 35, sales expectations for the next six months at 37 and the traffic of prospective buyers at just 23, the lowest of the three. NAHB said the decline reflected higher interest rates and rising costs. Low buyer traffic is a particular concern, because it suggests that many households are not even looking at new homes.

Components of the Housing Market Index, September 2026

Interactive chart online: businessstats.com/home-builder-challenges-us

Buyer traffic weakest: the buyer traffic component stood at 23 in September 2026, compared with 35 for current sales.

Conditions vary by region. On a three-month average, builder sentiment was highest in the Midwest at 44 and the Northeast at 39, and lowest in the South at 31 and the West at 28. The South and West, where most



new homes are built, have the largest inventories of unsold new homes and the strongest competition between builders, which explains the weaker readings there.

Builder Sentiment by Region, September 2026 (three-month average)

Interactive chart online: businessstats.com/home-builder-challenges-us

West weakest: builder sentiment averaged 28 in the West and 31 in the South, compared with 44 in the Midwest.

PRICE CUTS

Price cuts and incentives

To keep selling, builders are cutting prices and offering incentives. In September 2026, 38 percent of builders reported cutting prices, up from 35 percent in August, with an average price reduction of 6 percent. The share had been 31 percent in December 2024 and 40 percent in December 2025. 66 percent of builders used some form of sales incentive in September 2026, such as mortgage rate buydowns, paying closing costs or free upgrades, compared with 67 percent at the end of 2025.

Share of US Builders Cutting Prices, Selected Months (%)

Interactive chart online: businessstats.com/home-builder-challenges-us

Four in ten cutting prices: 38 percent of builders reduced prices in September 2026, up from 31 percent in December 2024.

Large public builders rely heavily on incentives. Lennar said incentives and price adjustments were about 12 percent of the sales price in its quarter to August 2026, and PulteGroup reported incentives of 10.4 percent of the gross sales price in the second quarter of 2026. These incentives keep sales going but reduce margins, as covered in our report on [US homebuilders](#). With 483,000 new homes for sale in August 2026, equal to 8.5 months of supply, builders have little choice.

Price Cuts and Incentives: Key Facts

- **Price cuts:** 38 percent of builders in September 2026, average cut 6 percent.

- **Incentives:** 66 percent of builders in September 2026.
- **Lennar:** incentives about 12 percent of the sales price.
- **PulteGroup:** incentives 10.4 percent of gross sales price, Q2 2026.
- **Inventory:** 483,000 new homes for sale, 8.5 months of supply.

COSTS

Land, labor and materials

Builders face rising costs on every front. Land is the first hurdle: in September 2026, 42 percent of builders rated the availability of lots as poor, and in January 2026, 62 percent said lot availability was a significant challenge, according to the JCHS. Lot values rose 52 percent between 2020 and 2024. Labor is the second: 61 percent of builders named the cost or availability of labor as a significant problem in 2025, and average hourly earnings in construction rose 4.2 percent in the year to August 2026.

Materials are the third. Prices of inputs to residential construction rose 7.8 percent in the year to August 2026, with softwood lumber up 13.0 percent, according to NAHB analysis of Bureau of Labor Statistics data. Tariffs have added to the pressure: duties on Canadian lumber rose to 35 percent, plus a 10 percent Section 232 tariff, and steel and aluminum face tariffs of 50 percent. Builders estimated in 2025 that tariffs added about 10,900 dollars to the cost of a typical home. The full cost breakdown is in our report on the [cost to build a house](#), and trade policy in our data on [US tariffs](#).

CHALLENGE	INDICATOR	VALUE
Interest rates	Builders citing as significant problem, 2025	84 percent
Buyer hesitation	Buyers expecting prices or rates to fall, 2025	81 percent
Land	Builders rating lot availability poor, September 2026	42 percent
Labor	Builders citing labor cost or availability, 2025	61 percent
Materials	Residential input prices, year to August 2026	plus 7.8 percent
Tariffs	Estimated cost per home, 2025	10,900 dollars
Fees	Builders citing impact and other fees, 2025	57 percent
Regulation	Builders citing environmental rules, 2025	54 percent



IMPACT

What the challenges mean for the market

These challenges are already visible in construction data. Single-family construction spending was 3.5 percent lower in August 2026 than a year earlier, and housing completions fell 27.1 percent. At the same time, the number of homes authorized by permits but not yet started rose 12.9 percent to 280,000, a sign that builders and developers are delaying projects. Trends in starts and completions are covered in our report on [US housing starts and completions](#), and permits in our report on [US building permits](#).

For the country as a whole, the difficulties facing builders make it harder to close the gap between housing supply and demand. Every home that is not built because land is too expensive, financing too costly or regulation too slow adds to the [US housing shortage](#). Policy changes that lower costs, such as faster approvals, lower fees and fewer restrictions on smaller homes, would help builders deliver more homes at prices buyers can afford.

OUTLOOK

Outlook for builders

The near-term outlook depends mostly on interest rates. A sustained fall in mortgage rates would bring buyers back quickly and allow builders to reduce incentives. Without it, builders are likely to keep cutting prices, building [smaller single-family homes](#) and slowing new projects. Costs are unlikely to ease while tariffs on key materials remain in place and the shortage of skilled workers persists. The next reading of the Housing Market Index, for October 2026, will show whether builder confidence has stabilized.

KEY FACTS

Builder challenges in numbers

46

Builder sentiment

December 2024.

23

Buyer traffic index

September 2026.



42%

Rate lot supply poor

September 2026.

6%

Average price cut

September 2026.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

What are the biggest problems for US home builders?

In the latest NAHB survey, 84 percent of builders named high interest rates as a significant problem in 2025, followed by buyers waiting for lower prices or rates at 81 percent and economic concerns at 65 percent.

What is the NAHB Housing Market Index?

It is a monthly index of builder confidence based on current sales, expected sales and buyer traffic. Values above 50 mean more builders see conditions as good than poor. It stood at 32 in September 2026.

How many builders are cutting prices?

38 percent of builders cut prices in September 2026, with an average reduction of 6 percent, according to NAHB.

How many builders offer incentives?

66 percent of builders used sales incentives such as mortgage rate buydowns in September 2026.

Is there a shortage of lots for building homes?

Yes. In September 2026, 42 percent of builders rated the availability of lots as poor, and 63 percent said the cost or availability of developed lots was a significant problem in 2025.

Is there a labor shortage in home building?

61 percent of builders said the cost or availability of labor was a significant problem in 2025.

How do tariffs affect home builders?

Tariffs have raised the cost of lumber, steel and other materials. Builders estimated in 2025 that tariffs added about 10,900 dollars to the cost of a typical home.



Which region has the weakest builder sentiment?

The West had the weakest builder sentiment in September 2026, with a three-month average of 28, followed by the South at 31.

SOURCES

[NAHB](#) - Housing Market Index, September 2026.

[NAHB](#) - builders top challenges for 2026.

[NAHB](#) - Housing Market Index, December 2025.

[NAHB](#) - Housing Market Index, December 2024.

[NAHB](#) - residential construction input prices, August 2026.

[NAHB](#) - how tariffs impact the home building industry.

[Harvard Joint Center for Housing Studies](#) - annual housing report 2026.

[Lennar](#) - third quarter fiscal 2026 results.

[PulteGroup](#) - second quarter 2026 results.

[US Census Bureau](#) - New Residential Sales, August 2026.



STATISTICS REPORT

Cost to build a house in the US statistics & facts

Construction costs at a record share. The cost to build a house now accounts for 64.4 percent of the price of a new home, about 428,000 dollars on average, the highest share since 1998. Material prices are rising again in 2026, pushed up by tariffs and energy costs. This report breaks down the numbers.

Updated Oct 13, 2026 · businessstats.com/cost-to-build-a-house-us

\$428,215 CONSTRUCTION COST	64.4% SHARE OF PRICE	\$665,298 AVERAGE PRICE (NAHB)
13.7% LOT SHARE	~\$162 COST PER SQ FT	+7.8% INPUT PRICES YOY

OVERVIEW

Cost to build a house in the US at a glance

Building a new home in the United States has never been more expensive. According to the latest Cost of Constructing a Home survey by the National Association of Home Builders (NAHB), the average new single-family home sold for 665,298 dollars, of which 428,215 dollars, or 64.4 percent, went on construction costs. That is the highest share since NAHB began the survey in 1998. The finished lot accounted for 91,057 dollars, or 13.7 percent, and builder profit for 72,971 dollars, or 11.0 percent. For the wider market, see our overview of [residential construction in the United States](#).

The NAHB survey covers homes built by its members, which tend to be larger than average: the typical home in the survey had 2,647 square feet of finished area on a lot of 20,907 square feet. Construction costs therefore worked out at about 162 dollars per square foot, up from 153 dollars in the previous survey for 2022. Since then, costs have kept rising: prices of inputs to residential construction were 7.8 percent higher in August 2026 than a year earlier, according to NAHB analysis of Bureau of Labor Statistics data.



\$428,215

Construction cost

Average per home, NAHB 2024.

64.4%

Share of sales price

Highest since 1998.

~\$162

Construction cost per sq ft

2024, up from 153 dollars.

+7.8%

Residential input prices

Year to August 2026.

BREAKDOWN

Where the money goes

Construction is by far the largest cost in a new home, but not the only one. In the NAHB survey, the finished lot made up 13.7 percent of the average sales price, the lowest share on record, partly because builders have shifted to smaller lots. Builder profit accounted for 11.0 percent, general overhead for 5.7 percent, sales commissions for 2.8 percent, financing costs for 1.5 percent and marketing for 0.8 percent.

Breakdown of the Average New Home Sales Price, 2024 (% of price)

Interactive chart online: businessstats.com/cost-to-build-a-house-us

Two-thirds construction: construction costs made up 64.4 percent of the average new home price, the lot 13.7 percent and builder profit 11.0 percent.

COMPONENT	AVERAGE AMOUNT	SHARE OF PRICE
Construction cost	428,215 dollars	64.4 percent
Finished lot	91,057 dollars	13.7 percent
Builder profit	72,971 dollars	11.0 percent
General overhead	38,248 dollars	5.7 percent
Sales commission	18,955 dollars	2.8 percent
Financing	10,220 dollars	1.5 percent
Marketing	5,633 dollars	0.8 percent



Total sales price	665,298 dollars	100 percent
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Compared with the previous survey for 2022, construction costs rose from 392,241 dollars, or 60.8 percent of the price, to 428,215 dollars, or 64.4 percent. The lot share fell from 17.8 percent to 13.7 percent, while the profit share rose slightly from 10.1 to 11.0 percent and overhead from 5.1 to 5.7 percent. The average sales price increased from 644,750 dollars to 665,298 dollars, about 3 percent, less than the roughly 9 percent rise in construction costs.

Main Components of the New Home Price, 2022 vs 2024 (% of sales price)

Interactive chart online: businessstats.com/cost-to-build-a-house-us

Construction up, land down: the construction share rose from 60.8 to 64.4 percent of the price between the 2022 and 2024 surveys, while the lot share fell from 17.8 to 13.7 percent.

STAGES

Cost to build a house by stage

Within construction costs, the most expensive stage is the interior. Interior finishes, including cabinets, countertops, flooring, appliances and painting, averaged 103,391 dollars, or 24.1 percent of construction costs. Major system rough-ins, meaning plumbing, electrical and heating and air conditioning, cost 82,319 dollars, or 19.2 percent. Framing, including the roof, came to 70,982 dollars, 16.6 percent, followed by exterior finishes at 57,510 dollars and foundations at 44,748 dollars.

Construction Cost of a New Home by Stage, 2024 (USD)

Interactive chart online: businessstats.com/cost-to-build-a-house-us

Interiors cost most: interior finishes averaged 103,391 dollars per home, almost a quarter of all construction costs.

The shares have shifted since 2022. Framing fell from 20.5 percent to 16.6 percent of construction costs as lumber prices came down from their pandemic highs, while major systems rose from 17.9 to 19.2 percent and exterior finishes from 11.8 to 13.4 percent. Interior finishes stayed roughly unchanged at about 24 percent. Site work, final steps such as landscaping and driveways, and other costs together accounted for

the remaining 16.2 percent.

Share of Construction Cost by Stage, 2022 vs 2024 (%)

Interactive chart online: businessstats.com/cost-to-build-a-house-us

Framing cheaper, systems dearer: framing fell from 20.5 to 16.6 percent of construction costs between 2022 and 2024, while major systems rose to 19.2 percent.

STAGE	2024 COST	2024 SHARE	2022 SHARE
Interior finishes	103,391 dollars	24.1 percent	24.0 percent
Major system rough-ins	82,319 dollars	19.2 percent	17.9 percent
Framing	70,982 dollars	16.6 percent	20.5 percent
Exterior finishes	57,510 dollars	13.4 percent	11.8 percent
Foundations	44,748 dollars	10.5 percent	11.0 percent
Site work	32,719 dollars	7.6 percent	7.4 percent
Final steps	27,710 dollars	6.5 percent	5.9 percent
Other	8,835 dollars	2.1 percent	1.5 percent

ITEMS

The most expensive single items

Looking at individual items rather than stages, framing including the roof is the largest single cost at 49,763 dollars, or 11.6 percent of construction costs. Excavation and foundation work, including concrete, retaining walls and backfill, cost 43,002 dollars, or 10.0 percent. The three main building systems each cost about 27,000 dollars: electrical work 27,383 dollars, plumbing 27,180 dollars and heating, ventilation and air conditioning 26,938 dollars.

Most Expensive Construction Items in a New Home, 2024 (USD)

Interactive chart online: businessstats.com/cost-to-build-a-house-us



Framing and foundations first: framing including the roof cost 49,763 dollars and excavation and foundation work 43,002 dollars per home.

INPUT PRICES

Rising material prices in 2026

Material prices are rising again after a calmer 2023 and 2024. According to NAHB analysis of producer price index data from the Bureau of Labor Statistics, prices of inputs to residential construction rose 7.8 percent in the year to August 2026 and 1.1 percent in August alone. Building materials excluding energy rose 5.1 percent, services 7.8 percent and energy inputs 46.2 percent. Softwood lumber prices were up 13.0 percent and plywood 12.5 percent. General inflation is covered in our data on the [US inflation rate](#).

Change in Prices of Residential Construction Inputs, August 2026 vs August 2025 (%)

Interactive chart online: businessstats.com/cost-to-build-a-house-us

Energy and lumber surge: energy inputs rose 46.2 percent and softwood lumber 13.0 percent in the year to August 2026.

Over a longer period, the increase is even larger. The Joint Center for Housing Studies (JCHS) at Harvard University estimates that residential construction input prices were about 40 percent higher in 2025 than at the start of 2020, with steel mill products up 84 percent and gypsum products up 47 percent. Lot values rose 52 percent between 2020 and 2024. NAHB puts the increase in building material costs since December 2020 at about 40 percent.

TARIFFS

The impact of tariffs

Tariffs have added a new layer of costs since 2025. According to NAHB, builders used about 194 billion dollars of goods in new homes in 2025, of which about 14 billion dollars, or 7 percent, were imported. Duties on Canadian softwood lumber were raised from 14.5 percent to 35 percent, with an additional 10 percent tariff under Section 232, steel and aluminum face tariffs of 50 percent and kitchen cabinets and vanities 25 percent. In an April 2025 survey, builders estimated that tariffs added an average of 10,900 dollars to the cost of a typical home, and suppliers had raised prices by an average of 6.3 percent because



of tariffs. More on trade policy is in our data on [US tariffs](#).

Tariffs on Home Building Materials

- **Canadian lumber:** duties raised from 14.5 to 35 percent, plus a 10 percent Section 232 tariff.
- **Steel and aluminum:** 50 percent tariff.
- **Cabinets and vanities:** 25 percent tariff.
- **Imports:** about 14 billion dollars of the 194 billion dollars of goods used in new homes in 2025.
- **Cost per home:** about 10,900 dollars according to builders surveyed in April 2025.

PRICES

What buyers pay

The NAHB survey reflects the larger homes built by its members. Across all new homes sold in the United States, the median sales price was 417,400 dollars in 2025 and the average 523,800 dollars, according to the Census Bureau. In August 2026, the median price of new homes sold fell to 393,700 dollars, 5.8 percent less than a year earlier, as builders cut prices and offered incentives. For buyers who build on their own land, the median contract price of a custom single-family home started in 2025 was 404,000 dollars, not including the land.

Builders have tried to offset higher costs by building smaller homes on smaller lots. The median single-family home completed in 2025 had 2,142 square feet, and median lot sizes have levelled off at around 8,500 square feet, according to NAHB analysis of Census data. These trends are covered in our report on [single-family vs multifamily construction](#), while the pressure on builder margins is covered in our reports on [US homebuilders](#) and [home builder challenges](#).

\$417,400

Median new home price

2025, Census.

\$393,700

Median new home price

August 2026, minus 5.8 percent.



\$404,000

Median custom home contract

2025, excluding land.

\$10,900

Tariff cost per home

Builder estimate, April 2025.

OUTLOOK

Outlook for construction costs

Construction costs are unlikely to fall soon. Tariffs on lumber, steel and other materials, higher energy prices and a shortage of skilled workers all point to further increases in 2026 and 2027. Wages in construction rose 4.2 percent in the year to August 2026, according to the Bureau of Labor Statistics. Builders can absorb some of the increase by building smaller homes, standardizing designs and using their purchasing power, but much of it is likely to be passed on to buyers. High costs also limit how quickly new construction can close the [US housing shortage](#), and they push more owners toward improving existing homes, as covered in our report on [home remodeling spending](#).

KEY FACTS

Construction costs in numbers

\$665,298

Average new home price

NAHB 2024 survey.

\$103,391

Interior finishes

Largest stage.

\$49,763

Framing including roof

Largest single item.

+40%

Building material costs

Since December 2020, NAHB.



FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How much does it cost to build a house in the US?

According to the NAHB, construction costs averaged 428,215 dollars per home in its latest survey, out of an average sales price of 665,298 dollars. Costs vary widely by size, location and finish.

What is the cost per square foot to build a house?

Construction costs in the NAHB survey worked out at about 162 dollars per square foot for an average home of 2,647 square feet, up from 153 dollars in the previous survey.

What share of a new home price is construction?

Construction costs made up 64.4 percent of the average new home price, the highest share since NAHB began the survey in 1998. The lot made up 13.7 percent.

What is the most expensive part of building a house?

Interior finishes, such as cabinets, countertops, flooring and appliances, are the most expensive stage at 103,391 dollars on average, or 24.1 percent of construction costs.

How much profit do home builders make per house?

Builder profit averaged 72,971 dollars per home, or 11.0 percent of the sales price, in the NAHB survey.

Are construction costs rising in 2026?

Yes. Prices of inputs to residential construction rose 7.8 percent in the year to August 2026, with softwood lumber up 13.0 percent and energy inputs up 46.2 percent.

How do tariffs affect the cost of building a home?

Builders estimated in April 2025 that tariffs added about 10,900 dollars to the cost of a typical home. Canadian lumber duties rose to 35 percent and steel and aluminum tariffs to 50 percent.

How much does a new home cost in the US?

The median price of a new home sold in the US was 417,400 dollars in 2025 and 393,700 dollars in August 2026, according to the Census Bureau.



SOURCES

[NAHB](#) - Cost of Constructing a Home 2024.

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[NAHB](#) - how tariffs impact the home building industry.

[NAHB](#) - tariff impact survey, April 2025.

[Harvard Joint Center for Housing Studies](#) - annual housing report 2026.

[US Census Bureau](#) - Characteristics of New Housing 2025.

[US Census Bureau](#) - New Residential Sales, August 2026.



STATISTICS REPORT

Residential construction in the United States statistics & facts

A 900 billion dollar industry under pressure. Private residential construction spending reached 905.2 billion dollars in 2025, and builders started 1.36 million homes. But high mortgage rates and rising costs are weighing on sales and sentiment, while the country remains millions of homes short. This report sets out the data.

Updated Oct 13, 2026 · businessstats.com/us-residential-construction-statistics

\$905.2B RESIDENTIAL SPENDING 2025	1.36M HOUSING STARTS 2025	1.43M BUILDING PERMITS 2025
1.49M COMPLETIONS 2025	\$417,400 MEDIAN NEW HOME PRICE	32 BUILDER SENTIMENT SEP 2026

OVERVIEW

US residential construction at a glance

Residential construction is the largest single part of the US construction industry. According to the US Census Bureau, private residential construction spending reached 905.2 billion dollars in 2025, more than 40 percent of all construction put in place in the country. In August 2026 it was running at a seasonally adjusted annual rate of 882.3 billion dollars, 4.8 percent less than a year earlier. Builders started 1.36 million new homes in 2025 and completed 1.49 million, while local governments authorized 1.43 million new units through building permits.

The sector is in a slow patch. High mortgage rates, record construction costs and stretched affordability have pushed builder sentiment to its weakest level in a year, and the boom in apartment construction that followed the pandemic has run its course. At the same time, the United States is still short of millions of homes, according to every major estimate. This report brings together the key statistics on spending, housing starts, permits, completions, new home sales, builders, costs, remodeling and the housing shortage, and links to our detailed reports on each topic. For the wider industry, including commercial and



public work, see our report on the [US construction industry](#).

\$905.2B

Private residential spending

2025, Census Bureau.

1.36M

Housing starts

2025, total units.

1.49M

Homes completed

2025, all units.

\$417,400

Median price of a new home

2025, single-family.

SPENDING

Residential construction spending

Spending on private residential construction grew rapidly after the pandemic. The Census Bureau put it at 544.4 billion dollars in 2019 and 628.9 billion dollars in 2020. As low mortgage rates and a rush for more space set off a building boom, spending jumped to 793.7 billion dollars in 2021 and 917.9 billion dollars in 2022. It dipped to 866.9 billion dollars in 2023 when interest rates rose, recovered to 929.5 billion dollars in 2024 and eased to 905.2 billion dollars in 2025, according to the preliminary annual estimate.

US Private Residential Construction Spending, 2019 to 2025 (billion USD)

Interactive chart online: businessstats.com/us-residential-construction-statistics

Up two-thirds since 2019: private residential construction spending rose from 544.4 billion dollars in 2019 to 905.2 billion dollars in 2025.

These figures are in current dollars, so part of the increase reflects higher costs rather than more building. Construction input prices have risen sharply since 2020, and the Joint Center for Housing Studies (JCHS) at Harvard University estimates that residential input prices are about 40 percent higher than at the start of 2020. In real terms, the volume of residential building has grown much less than the dollar figures suggest, as discussed in our report on the [cost to build a house in the US](#).

Residential spending is made up of three parts: new single-family homes, new multifamily buildings and improvements to existing homes. In 2025, new single-family construction accounted for 419.6 billion dollars, or 46 percent of the total, improvements for an estimated 370.9 billion dollars, or 41 percent, and

new multifamily buildings for 114.6 billion dollars, or 13 percent. The improvements figure is calculated as the residual, since the Census Bureau does not publish it as a separate line in its monthly tables.

US Private Residential Construction Spending by Segment, 2025 (billion USD)

Interactive chart online: businessstats.com/us-residential-construction-statistics

Single-family homes lead: new single-family construction made up 46 percent of residential spending in 2025, improvements 41 percent and multifamily 13 percent.

How spending on the two types of new housing has developed since 2019 is covered in detail in our report on [single-family vs multifamily construction](#).

LATEST DATA

Where residential spending stands in 2026

The most recent data point to a modest slowdown. In August 2026, private residential construction was running at a seasonally adjusted annual rate of 882.3 billion dollars, up from 872.7 billion dollars in July but 4.8 percent below August 2025. New single-family construction was running at 403.3 billion dollars a year, 3.5 percent less than a year earlier, and new multifamily construction at 115.8 billion dollars, nearly unchanged. Improvements, again calculated as the residual, fell the most, by about 7.4 percent to roughly 363.2 billion dollars.

US Residential Construction Spending by Segment, August 2026 vs August 2025 (billion USD, annual rate)

Interactive chart online: businessstats.com/us-residential-construction-statistics

Improvements and single-family down: single-family spending fell 3.5 percent in a year and improvements about 7.4 percent, while multifamily was nearly flat.

In the first eight months of 2026, private residential construction totalled 594.1 billion dollars, 4.1 percent less than in the same period of 2025. Residential work accounted for about 40 percent of all construction spending in August 2026, which ran at an annual rate of 2,203.1 billion dollars. The rest was private nonresidential construction, led by data centers, and public construction such as highways and schools. Residential investment also matters for the wider economy, as covered in our data on [US GDP](#).



Residential Share of US Construction Spending, August 2026 (billion USD, annual rate)

Interactive chart online: businessstats.com/us-residential-construction-statistics

Two dollars in five: private residential construction made up about 40 percent of the 2.2 trillion dollars of US construction spending in August 2026.

HOUSING STARTS

Housing starts over two decades

Housing starts, the number of new homes on which construction begins, are the most closely watched measure of home building. According to the Census Bureau and the Department of Housing and Urban Development (HUD), builders started 2.07 million homes in 2005, the peak of the housing bubble. After the crash, starts collapsed to 554,000 in 2009, the lowest level in the modern series. It took more than a decade to recover: starts passed 1.2 million in 2017, reached 1.6 million in 2021 and have since settled at around 1.36 million a year. Our report on [US housing starts and completions](#) has the full detail.

US Housing Starts, 2005 to 2025 (thousand units)

Interactive chart online: businessstats.com/us-residential-construction-statistics

Still well below the bubble peak: housing starts reached 2.07 million in 2005, fell to 554,000 in 2009 and stood at 1.36 million in 2025.

The mix of homes being built has changed over time. In 2025, single-family homes made up 939,700 of the 1.36 million starts, or 69 percent. Buildings with five or more units accounted for most of the rest.

Multifamily starts peaked at 531,000 in 2022, during the post-pandemic apartment boom, before dropping to 336,200 in 2024 as financing costs rose and rents levelled off. They recovered to about 396,600 in 2025, according to the preliminary figures.

PIPELINE

Permits, starts and completions in 2025

The construction pipeline runs from permits, which authorize a project, to starts and finally completions. In 2025, the Census Bureau counted 1.43 million units authorized by building permits, 3.1 percent fewer than

in 2024. Starts fell slightly, by 0.8 percent, to 1.36 million. Completions dropped more sharply, by 8.5 percent to 1.49 million, after 2024 had brought the most completions since 2007 as the large wave of apartment buildings started in 2021 and 2022 was finished. Permit trends by state and metro are covered in our report on [US building permits](#).

US Building Permits, Housing Starts and Completions, 2024 and 2025 (thousand units)

Interactive chart online: businessstats.com/us-residential-construction-statistics

All three measures fell in 2025: permits dropped 3.1 percent, starts 0.8 percent and completions 8.5 percent.

The latest monthly data show the same cooling trend. In August 2026, permits were issued at a seasonally adjusted annual rate of 1,394,000, starts ran at 1,275,000 and completions at 1,128,000, 27.1 percent fewer than a year earlier. About 1.27 million homes were under construction, 3.2 percent fewer than a year before, and 280,000 had been authorized but not yet started. In the first eight months of 2026, starts were 1.0 percent below the same period of 2025 and completions 12.9 percent lower.

Behind these totals the two main types of housing are moving in different directions. Of the 1.27 million units under construction in August 2026, 589,000 were single-family homes and 666,000 were in buildings with five or more units. The multifamily figure is about a third below its peak of roughly one million units in July 2023, when the post-pandemic apartment wave was at its height. Of the 280,000 units authorized but not yet started, 148,000 were single-family homes and 128,000 were in larger buildings, a sign that some developers are holding back projects until financing conditions improve.

MEASURE	2024	2025	CHANGE	AUGUST 2026 (ANNUAL RATE)
Building permits	1,478,000	1,431,600	minus 3.1 percent	1,394,000
Housing starts	1,367,100	1,355,800	minus 0.8 percent	1,275,000
Housing completions	1,626,900	1,488,500	minus 8.5 percent	1,128,000
Units under construction				1,271,000
Authorized but not started				280,000



REGIONS

Where homes are being built

Home building is heavily concentrated in the South. In 2025, the South accounted for 721,400 of the 1.36 million housing starts, or 53 percent, according to the Census Bureau. The West followed with 299,800 starts, the Midwest with 198,600 and the Northeast with 136,000. The South also issued 54 percent of all building permits. Texas and Florida alone accounted for more than a quarter of all units authorized in 2025, with 210,217 and 178,297 permits respectively.

US Housing Starts by Region, 2025 (thousand units)

Interactive chart online: businessstats.com/us-residential-construction-statistics

More than half in the South: the South accounted for 721,400 of the 1.36 million US housing starts in 2025.

The geographic pattern reflects population growth, cheaper land and lighter regulation in Sun Belt states, as well as the high cost of building in coastal cities. Dallas and Houston were the metro areas with the most permits in 2025, followed by New York, Phoenix and Atlanta. More on regional real estate trends is in our report on [real estate development prospects in US cities](#).

NEW HOMES

New home sales, prices and sizes

Sales of newly built homes have held up better than sales of existing homes, partly because builders have offered mortgage rate buydowns and other incentives. In August 2026, new homes sold at a seasonally adjusted annual rate of 684,000, according to the Census Bureau. The median sales price was 393,700 dollars, 5.8 percent less than a year earlier, and there were 483,000 new homes for sale, equal to 8.5 months of supply at the current sales pace, a high level by historical standards.

For 2025 as a whole, the median sales price of a new single-family home was 417,400 dollars and the average 523,800 dollars. The Census Bureau counted 1,005,000 single-family homes completed in 2025, with a median size of 2,142 square feet, while the median new multifamily unit built for rent had 1,000 square feet. The differences between the two types of housing are covered in our report on [single-family vs multifamily construction](#).



Two other segments are worth noting. Builders started 131,000 custom single-family homes on owners land in 2025, with a median contract price of 404,000 dollars, according to the Census Bureau. Built-for-rent single-family homes, constructed specifically to be rented out rather than sold, made up about 106,000 completions in 2025, or 11 percent of all single-family homes completed, according to the JCHS. Both segments show that the line between owning and renting is becoming less clear in new construction.

684,000

New home sales

August 2026, annual rate.

\$393,700

Median new home price

August 2026, minus 5.8 percent.

8.5 months

Supply of new homes

August 2026.

2,142 sq ft

Median new home size

Single-family completed, 2025.

JOBS

Jobs in residential construction

Residential construction is also a major employer. According to the Bureau of Labor Statistics, residential building contractors, the companies that build homes, employed 923,700 people in August 2026. Most of the actual work on homes is done by specialty trade contractors such as framers, roofers, electricians and plumbers, who together employed 5.28 million people across all types of construction. A shortage of skilled workers is one of the most persistent problems for home builders: in the latest NAHB survey, 61 percent of builders said the cost or availability of labor was a significant problem in 2025.

Wages have risen accordingly. Average hourly earnings for all construction employees reached 41.66 dollars in August 2026, up 4.2 percent from a year earlier. Because labor makes up a large share of the cost of building a home, rising wages feed directly into new home prices, alongside higher prices for lumber, steel and other materials.



BUILDERS

The home building industry

Large public companies build a growing share of new homes. According to NAHB analysis of Builder magazine data, the ten largest builders accounted for 43.6 percent of new single-family home closings in 2025, compared with 18.7 percent in 2000. D.R. Horton and Lennar, the two biggest, each closed more than 80,000 homes and together accounted for about a quarter of all new single-family sales. Company-level data on revenue, closings, prices and margins are in our report on [US homebuilders](#).

Builders are under pressure. The NAHB/Wells Fargo Housing Market Index, which measures builder confidence, fell to 32 in September 2026, well below the level of 50 that separates positive from negative sentiment. 38 percent of builders reported cutting prices, and 66 percent were using sales incentives. High interest rates, buyers waiting for prices or rates to fall and the cost of lots and labor were the most common problems builders reported, as detailed in our report on [home builder challenges](#).

US Home Building: Key Facts

- **Top builders:** the ten largest builders closed 43.6 percent of new single-family homes in 2025.
- **Sentiment:** builder confidence index at 32 in September 2026, below the neutral level of 50.
- **Price cuts:** 38 percent of builders cut prices in September 2026.
- **Incentives:** 66 percent of builders used sales incentives.
- **Input costs:** prices of inputs to residential construction up 7.8 percent in the year to August 2026.

COSTS

The cost of building a home

Construction now takes up a larger share of the price of a new home than ever before. In its latest Cost of Constructing a Home survey, the National Association of Home Builders (NAHB) found that construction costs averaged 428,215 dollars, or 64.4 percent of the average sales price of 665,298 dollars, the highest share since the survey began in 1998. The finished lot accounted for 13.7 percent, a record low, and builder profit for 11.0 percent. Prices of inputs to residential construction rose 7.8 percent in the year to August 2026, with softwood lumber up 13.0 percent, partly because of higher tariffs, as covered in our data on [US](#)



[tariffs](#). The full breakdown is in our report on the [cost to build a house](#).

REMODELING

Remodeling and improvements

Improving existing homes has become almost as important as building new ones. The JCHS estimates that homeowners spent about 509 billion dollars on improvements and repairs in 2025 and projects spending of around 518 billion dollars by the end of 2026. With the US housing stock ageing, the median owner-occupied home is now more than 40 years old, and many owners choose to renovate rather than move and give up a low mortgage rate. See our report on [home remodeling spending](#) for the data.

SHORTAGE

The housing shortage

Despite more than a decade of rising construction, the United States does not have enough homes. Estimates vary widely depending on the method: Freddie Mac puts the shortage at 3.7 million units, Up for Growth at 3.78 million and Zillow at 4.7 million. Household growth slowed to about 1.1 million in 2025, according to the JCHS, while 1.49 million homes were completed, so the gap is narrowing slowly. Affordability remains a major problem, with home prices at 4.7 times household income in 2025 and a record 22.7 million renter households spending more than 30 percent of their income on housing. Our report on the [US housing shortage](#) compares all major estimates. Living costs more broadly are covered in our data on the [US cost of living](#).

The latest Housing Vacancy Survey from the Census Bureau shows how tight the market still is. In the second quarter of 2026, the homeownership rate stood at 65.0 percent, the homeowner vacancy rate at 1.2 percent and the rental vacancy rate at 7.3 percent. There were 133.8 million occupied housing units, 1.2 million more than a year earlier, of which 87.0 million were owner-occupied and 46.8 million rented. The low homeowner vacancy rate means that few homes are sitting empty and available for sale, which keeps prices high even as sales slow.

3.7M to 4.7M

Housing shortage estimates

Freddie Mac to Zillow.

4.7x

Home price to income ratio

2025, JCHS.



22.7M

Cost-burdened renter households

2024, a record.

65.0%

Homeownership rate

Second quarter of 2026.

OUTLOOK

Outlook for residential construction

The outlook depends above all on mortgage rates. Builder sentiment fell in September 2026 as rates and costs rose again, and single-family spending and starts have slipped below last year. Multifamily construction has stabilized after its sharp correction, but the number of apartments under construction is still about a third below its 2023 peak, which will keep completions low in 2026 and 2027. Construction costs are rising again, with input prices up 7.8 percent in a year, as covered in our data on the [US inflation rate](#).

On the positive side, demand for housing remains strong. Household formation continues, the population is growing in the South and West, and the shortage of homes means that builders who can deliver affordable products will find buyers. Lower interest rates would quickly revive sales, while lasting tariffs on lumber, steel and other materials and a shortage of skilled workers would keep costs high. With remodeling spending near record levels, residential construction in the United States is likely to remain a business of close to 900 billion dollars a year.

For builders, the coming years will be shaped by a balance between strong long-term demand and difficult short-term conditions. The large inventory of 483,000 new homes for sale gives buyers bargaining power and is likely to keep incentives high. Builders who control land and can build smaller, more affordable homes are best placed, which is one reason the share of the largest companies keeps rising. For buyers and renters, the slowdown in completions in 2026 means that relief from high housing costs will come only gradually.

What to Watch

- **Mortgage rates:** the main driver of home sales and single-family starts.



- **Builder sentiment:** index at 32 in September 2026, any move back toward 50 would signal recovery.
- **Multifamily pipeline:** units under construction about a third below the 2023 peak.
- **Costs:** tariffs on lumber, steel and other materials.
- **Shortage:** whether completions keep pace with household formation.

KEY FACTS

US residential construction in numbers

2.07M

Record housing starts

2005.

554,000

Lowest housing starts

2009.

1.43M

Building permits

2025.

\$882.3B

Residential spending rate

August 2026.

FAQ

Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

How much is spent on residential construction in the US?

Private residential construction spending was 905.2 billion dollars in 2025, according to the Census Bureau, and was running at an annual rate of 882.3 billion dollars in August 2026.

How many houses were built in the US in 2025?

Builders started 1,355,800 homes and completed 1,488,500 in 2025, according to the Census Bureau and HUD. Of the starts, 939,700 were single-family homes.



What was the peak year for US housing starts?

Housing starts peaked at 2.07 million in 2005, at the height of the housing bubble, and fell to a low of 554,000 in 2009.

Which region builds the most homes?

The South accounted for 721,400 of the 1.36 million housing starts in 2025, or 53 percent. Texas and Florida issued the most building permits.

What is the median price of a new home in the US?

The median sales price of a new single-family home was 417,400 dollars in 2025 and 393,700 dollars in August 2026.

How much of the price of a new home is construction cost?

According to NAHB, construction costs averaged 428,215 dollars, or 64.4 percent of the average sales price of 665,298 dollars, the highest share since 1998.

How many homes are under construction?

About 1.27 million homes were under construction in August 2026, 3.2 percent fewer than a year earlier.

How big is the US housing shortage?

Estimates range from 3.7 million homes according to Freddie Mac to 4.7 million according to Zillow, depending on the method used.

Who are the largest home builders in the US?

D.R. Horton and Lennar are the largest US home builders, each closing more than 80,000 homes in 2025. The ten largest builders accounted for 43.6 percent of new single-family closings.

SOURCES

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