

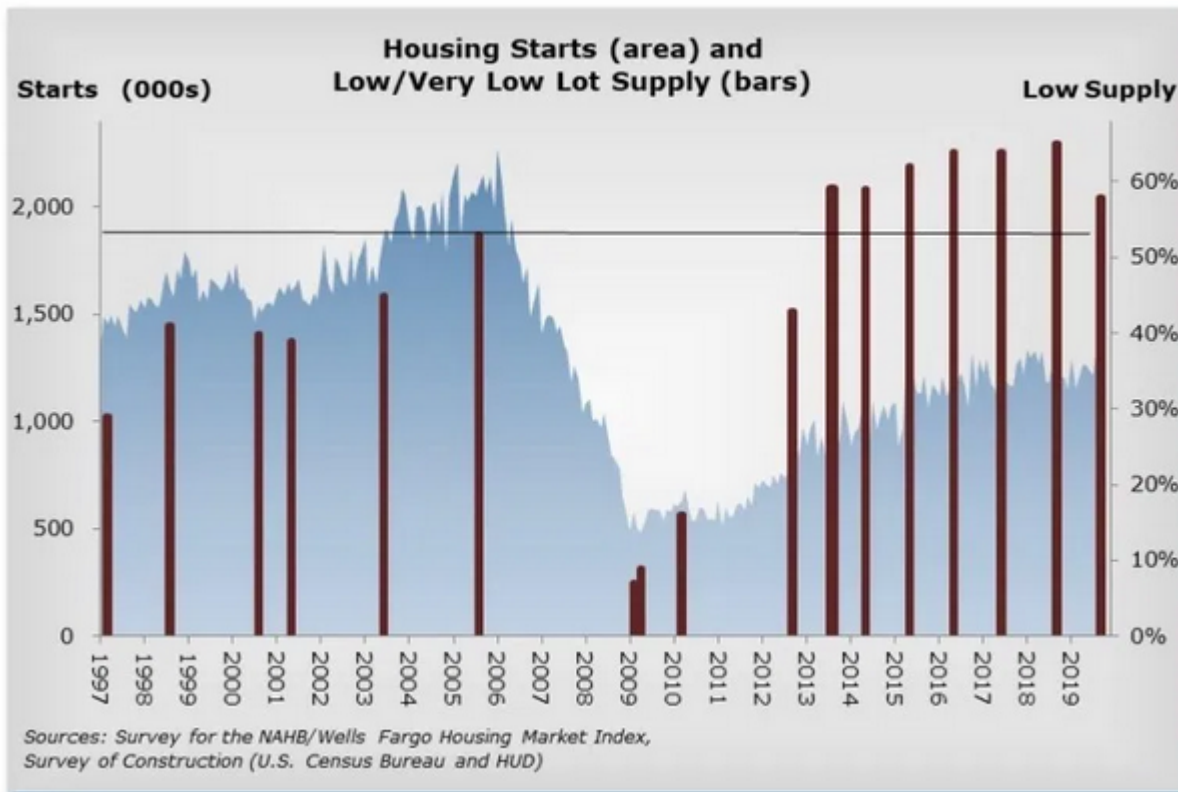
# NAHB Reports “Still Not A Lot of Lots”

The National Association of Homebuilders’ Economist, Paul Emrath is reporting that although lot supplies have eased slightly in 2019, there still are not a lot of lots for homebuilders.

The shortage of buildable lots that has been hindering the housing recovery eased somewhat in 2019, but remains elevated by historical standards, according to a recent survey conducted by NAHB.

The survey of single-family builders revealed that 58% said the supply of lots was low (40%) or very low (18%). This is down somewhat from the all-time peak of 65% in September of 2018, but higher than at any time prior to 2013. (NAHB has been asking the same lot supply questions periodically since 1997.)

The lot supply problem is particularly severe in relation to housing starts, which still have only partially recovered from the last downturn. After averaging 1.5 million from 1960-2007 and hitting a peak of 2 million in 2005, starts have recovered only to about 1.2 million a year.



By comparison, even during the boom period in August of 2005, the share of builders characterizing lot supply as low or very low was 53% – 5 percentage points below the latest number.

A shortage of buildable lots, especially in the most desirable locations, tends to increase lot prices and reduce lot sizes. Census data show that the [median size](#) of new home lots remains near a record low, while the [median price](#) of new home lots is at a record high.

The shortage and high price of lots, in turn, contribute to the ongoing problem we are seeing with a general [lack of affordable housing](#) in the United States.

NAHB Senior Economist Paul Emrath provides more analysis in this [Eye on Housing blog post](#).