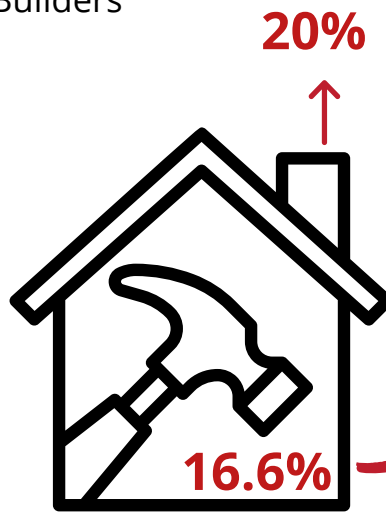
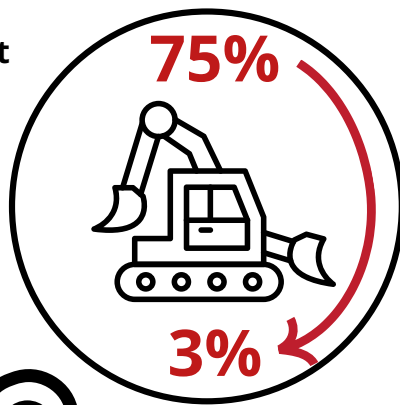


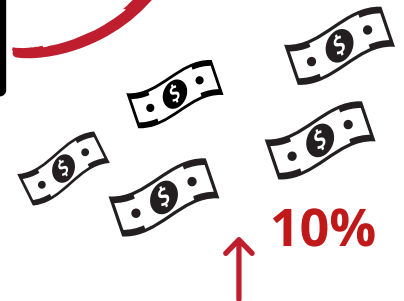
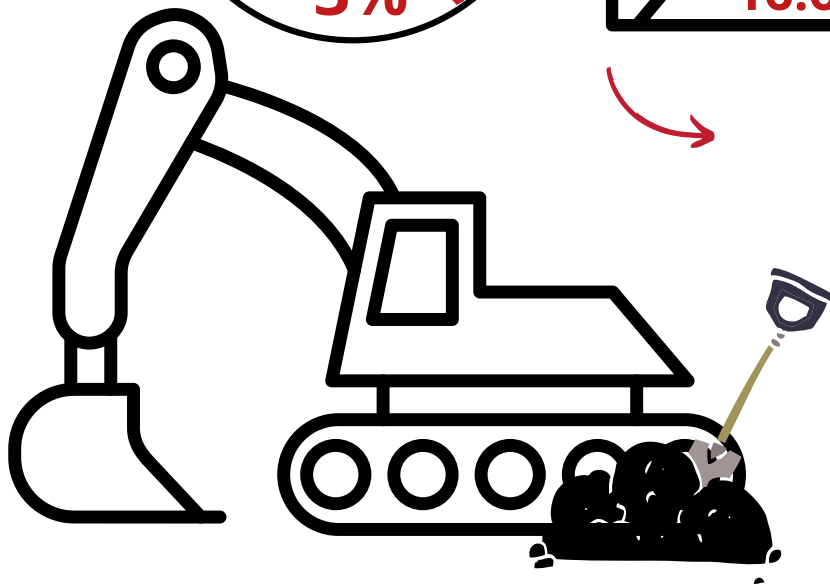
## What Every Home Builder Should Know: Profit Margins

Credit Source: The Association of Professional Builders

75% of home builders operate on a net profit margin of 3% or less.



Building companies typically use a builders markup of around 20% which equates to a builders margin of just 16.6%.



Building companies that use paid advertising to increase demand for their services are able to continually increase their markup until they reach the industry benchmark of 33.3% for new homes resting in a 10%-15% net profit margin.



3% of a building company's total revenue is an ideal target marketing spend in order to successfully generate net profit margins.