

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

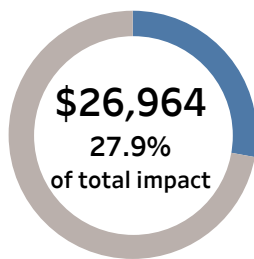
in Virginia

The real estate industry accounted for \$101.2 billion or 18.3% of the gross state product in 2019.

TOTAL ECONOMIC IMPACT

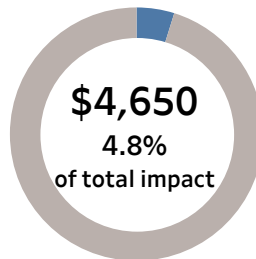
\$96,722

Income generated from
real estate industries



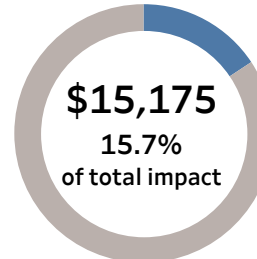
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Expenditures related
to home purchase



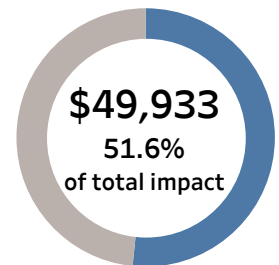
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Multiplier of housing
related expenditures



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New home construction



Real Estate Industries: We assume that commissions, fees and moving expenses, or income to real estate industries, associated directly with the purchase are about 9% of the median home price.

Expenditures related to home purchase: Furniture and remodeling expenses are about \$4,650 based on the NAHB figure.

http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=257993&channelID=311&_ga=2.174727074.1093549992.1499375907-912917446.1499375907

Multiplier effect: The multiplier effect accounts for the fact that income earned in other sectors of the economy as a result of a home sale is then re-circulated into the economy.

New construction: Additional home sales induce added home production. Typically, one new home is constructed for every six existing home sales. Thus, for every existing homes sale, 1/6 of a new home's value is added to the economy.

Sources: BEA, U.S. Census, NAHB, Macroeconomic Advisors, NAR

