

Economic Impact of Real Estate Activity: California

By NAR Research
August 2015

Real Estate's Economic Contribution in California

The Real Estate Industry accounted for \$424,039 million or 19.2% of the Gross State Product in 2012.

Economic Contributions are derived from ...

- Home construction
- Real estate brokerage
- Mortgage lending
- Title insurance
- Rental and Leasing
- Home appraisal
- Moving truck service
- Other related activities

When a Home is Sold in California

Income Generated from real estate related industries is:

\$36,477

Additional expenditure on consumer items such as on furniture, appliances, and remodeling is:

\$4,494

When a Home is Sold in California

It generates economic multiplier impact. There is a greater spending at restaurants, sports games, and charity events. The size of this “multiplier” effect is estimated to be:

\$19,666

Additional home sales induce additional home production. Typically one new home is constructed for every 8 existing home sales. Therefore, for each existing home sale, 1/8 of new home value is added to the economy which is estimate in the state to be:

\$50,663

The Total Economic Impact of a Typical Home Sale in California

Median Priced Home:

\$405,300

Total Income Derived from a Sale of a Home:

\$111,300