

Economic Impact of Real Estate Activity: Michigan

By NAR Research
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Real Estate's Economic Contribution in Michigan

The Real Estate Industry accounted for \$62,394 million or 14.4% 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 Michigan

Income Generated from real estate related industries is:

\$10,800

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

\$4,494

When a Home is Sold in Michigan

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:

\$7,341

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:

\$15,000

The Total Economic Impact of a Typical Home Sale in Michigan

Median Priced Home:

\$120,000

Total Income Derived from a Sale of a Home:

\$37,635