

# Economic Impact of Real Estate Activity: the District of Columbia



NAR Research  
December 2016

# Real Estate's Economic Contribution in the District of Columbia

The real estate industry accounted for \$13,192 million or 10.8% of the gross state product in 2015.

Source: BEA, NAR



# 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 the District of Columbia

Income generated from real estate related industries is:

**\$46,710**

Additional expenditures on consumer items such as furniture, appliances, and remodeling are:

**\$4,572**

Source: BEA, Census, NAHB, NAR



# When a Home is Sold in the District of Columbia

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

**\$24,616**

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

Source: BEA, Macroeconomic Advisors, NAR



**\$64,875**

# The Total Economic Impact of a Typical Home Sale in the District of Columbia

Median home price:

**\$519,000**

Total income derived from a home sale:

**\$140,773**

Source: BEA, NAR



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