

# Economic Impact of Real Estate Activity: Michigan



NAR Research  
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# Real Estate's Economic Contribution in Michigan

The real estate industry accounted for \$72,582 million or 15.5% 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 Michigan

Income generated from  
real estate related  
industries is:

**\$12,861**

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 Michigan

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:

**\$8,368**

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:



**\$17,863**

Source: BEA, Macroeconomic Advisors, NAR

# The Total Economic Impact of a Typical Home Sale in Michigan

Median home price:

**\$142,900**

Total income derived  
from a home sale:

**\$43,664**

Source: BEA, NAR



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