Economic Impact of Real Estate Activity:

Pennsylvania

NAR Research
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Real Estate's Economic Contribution in Pennsylvania

The real estate industry accounted for $118,132 million or 16.6% of the gross state product in 2015.

Source: BEA, NAR

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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

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When a Home is Sold in Pennsylvania

Income generated from real estate related industries is: **$15,957**

Additional expenditures on consumer items such as furniture, appliances, and remodeling are: **$4,572**

Source: BEA, Census, NAHB, NAR

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When a Home is Sold in Pennsylvania

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:

$9,854

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:

$22,163

Source: BEA, Macroeconomic Advisors, NAR

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The Total Economic Impact of a Typical Home Sale in Pennsylvania

Median home price: **$177,300**

Total income derived from a home sale: **$52,546**

Source: BEA, NAR

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