



Economic Impacts of Virginia's Housing Industry

Virginia Coalition of Housing and
Economic Development Researchers

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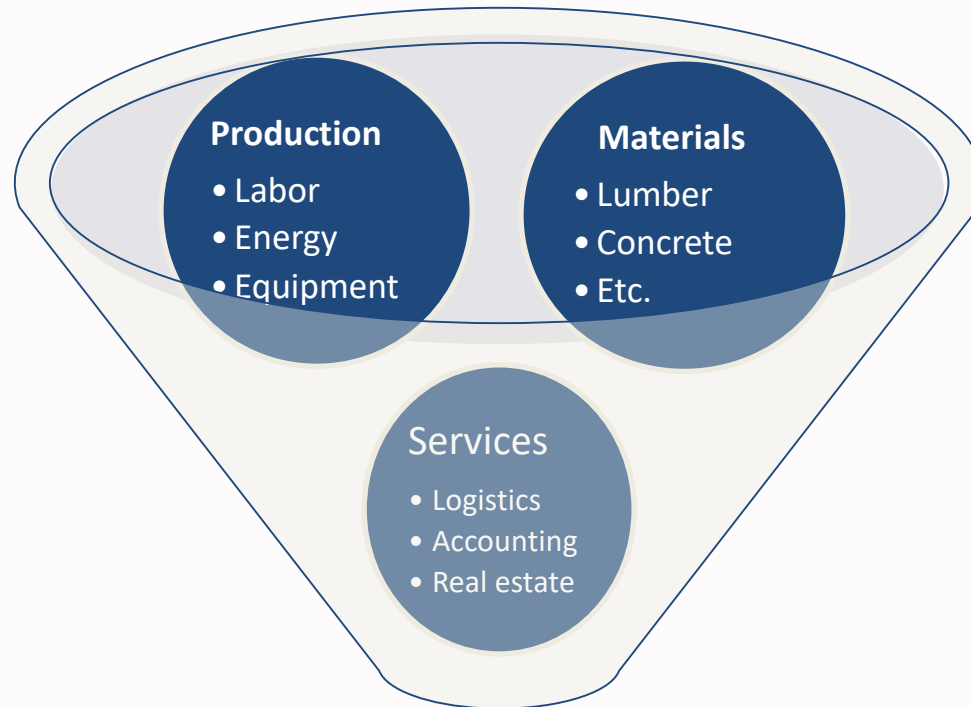
Component 1: Economic Impact Analysis

- “Show how the industry’s strength or weakness affects state and regional economic vitality”
- Assess the impacts of the VA housing industry
 - Single family & multifamily
 - New construction and repair/remodeling
 - Materials, professional services (architects, engineers)
 - RE services (brokers, agents property mgmt, legal)
 - Household services
 - Comparisons with other key industries

Governor McAuliffe's
Virginia Housing Policy



Production Function





Input-Output Models

- Direct effects:
 - The direct activity(s) of the project in question
 - Define the direct effects in terms of output or employment.
- Indirect effects:
 - Capture the impacts on firms that (directly and indirectly) supply the activity defined in the direct effect(s).
- Induced effects:
 - Captures impacts of spending by households receiving income based on direct and indirect effects
- **Indirect & Induced Effects Adjusted to Prevent Double Counting**



Impacts on...

- Output – measure of transactions
- Employment – headcount
- Labor income – wages, salaries, benefits
- Value added – Gross State Product equivalent
 - Proprietor's income
 - Property income
 - Gross operating surplus
 - Taxes on production and imports less subsidies



What's Included

- Construction
 - Single Family New Construction
 - Multi-Family New Construction
 - Manufactured Housing
 - Residential Remodeling, Renovations
- Finance
 - Loan Brokers
 - Lenders: Savings Banks, Thrifts, Others
 - Loan Servicing
 - Freddie Mac
- Real Estate Services
 - Sales Brokerage
 - Residential Property Management
 - Apartment Rental
 - Property Appraisers/Inspectors
- Insurance
 - Property (carriers & brokers)
 - Title



What's Included

- Legal
 - Title/Abstract Services
 - Real Estate Transactions
- Retail
 - Home Centers (DIY only)
 - Home furnishings
 - Appliances
 - Other household goods
- Organizations
 - VHDA
 - HOAs
- Other Services
 - Interior Design
 - Landscaping
 - Pest control
 - Cleaning
 - Waste Mgmt
 - Appliance & Furniture Repair
 - Junk removal
 - Domestic staff



Economic Impacts of the Virginia Housing Industry 2015

Description	Impact
Output (transactions)	\$ 47,814,092,000
Value Added (GSP)	\$ 23,269,525,000
Labor Income (salaries, wages, benefits)	\$ 14,197,085,000
Jobs	314,299
State and Local Taxes	\$ 1,665,701,000



Comparison of Direct Spending, 2015

Industry	Direct Output
Federal Procurement (FY15) (ODU, 2015)	\$ 100.4 billion
Defense Spending (ODU, 2015)	\$ 65.0 billion
Healthcare Services	\$ 44.3 billion
Retail	\$ 36.6 billion
Wholesale	\$ 30.3 billion
Non-Residential Construction	\$ 30.1 billion
Housing (construction, real estate services, household services)	\$ 28.1 billion
Transportation & Warehousing	\$ 24.6 billion
Food & Beverage Product Manufacturing	\$ 16.9 billion
Tobacco	\$ 11.7 billion



Questions and Discussion

www.virginiahousingpolicy.com