ECONOMIC IMPACT OF
HOME BUILDING IN MINNESOTA

OVERVIEW

Home building generates substantial local economic activity, including new income and jobs for residents, and additional revenue for local governments.

Economic benefits of home building include: the effect of construction activity itself; the ripple impact from income earned from construction activity which is spent in the local economy; and the ongoing impact from new homes occupied by residents who pay taxes and buy locally produced goods and services.

THE HOME BUILDING STATS

7,316 new single-family homes were built in Minnesota in 2010.

The estimated one-year economic impacts of building 7,316 single-family homes in Minnesota include:

- ✓ **$1.3 billion** in income for Minnesota residents
- ✓ **$312.7 million** in taxes and other revenue for state and local governments in the state
- ✓ **19,351 jobs** in Minnesota

Additionally, annually recurring impacts of building 7,316 single-family homes in Minnesota include:

- ✓ **$263.5 million** in income for Minnesota residents
- ✓ **$86.5 million** in taxes and other revenue for the state and local governments in the state
- ✓ **4,270 jobs** in Minnesota

These are ongoing, annual local impacts that result from the new homes being occupied and the occupants paying taxes and otherwise participating in the state economy year after year.

Calculations were made assuming new single-family homes built in the state of Minnesota in 2010 have an average prices of $239,641, are built on a lot with a raw land value of $16,000, requires the builder and developer to pay an average of $11,000 in impact, permit and other fees to local governments, and incurs an average property tax of $2,636 per year.

These numbers were obtained from Arrowhead Builders Association, the Builders Association of the Twin Cities, CB Richard Ellis, the Central Minnesota Builders Association, the Home Builders Association of Mid-Minnesota, the Minnesota Association of REALTORS®, the Rochester Area Builders, Inc., and the U.S. Census Bureau.

Remi Stone ● Executive Vice President
remi@bamn.org ● 651-646-7959 ● www.bamn.org