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For Immediate Release

New Homes Strengthen Economy Year-Round

While the housing industry celebrates New Homes Month in April, home builders want Americans to know just how much of a positive, direct impact residential construction has on the U.S. economy throughout the entire year.

Home building is a key driver of the American economy. By generating economic activity including new income and jobs, purchases of goods and services, and revenue for local governments, housing—which has historically accounted for around 17 percent of the GDP—can put America back to work.

Economists at the National Association of Home Builders estimate that the one-year local impacts of building 100 single-family homes in a typical metro area include \$21.1 million in local income, \$2.2 million in taxes and other local government revenue, and 324 local jobs.

The employment effects extend beyond the home building industry. About half of the jobs are in construction, with the other 50 percent creating employment opportunities in industries ranging from production and sales of home furnishings to service providers such as real estate attorneys and landscapers.

Those 100 new homes also provide the community with additional, annually-recurring impacts of \$3.1 million in local income, \$743,000 in taxes and other revenue for local governments, and 53 local jobs.

The income earned from construction activity is spent and recycled in the local economy, and the new homes that are built become occupied by residents who pay taxes and buy locally produced goods and services. Those tax revenues help pay for a wide range of government services, including local school teachers, police departments and road repairs.

In order to accommodate population growth and necessary replacement of older homes, however, a long-run trend of approximately 1.7 million new homes a year is needed. Yet as of February 2011, the annual projection for housing starts stood at less than 500,000.

The gap between actual home starts and what is required to fulfill America's future housing needs represents more than 3 million jobs. Restoring the health of the housing industry is a crucial first step in stabilizing our country's path to economic recovery.

During New Homes Month, home builders also bring attention to the advantages of newly-built homes, including safety, amenities, energy efficiency and floor plans to fit a wide variety of modern lifestyles. Combined with today's near record-low interest rates and competitive prices, the current market offers new home buyers unprecedented opportunities.