

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

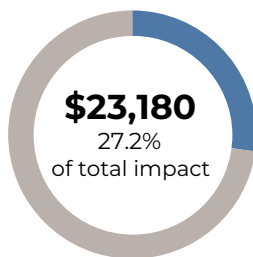
in Michigan

The real estate industry accounted for **\$115.2** billion or **17.5%** of the gross state product in 2023.

TOTAL ECONOMIC IMPACT

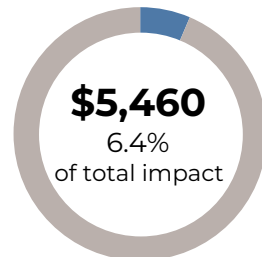
\$85,300

Income generated from
real estate industries



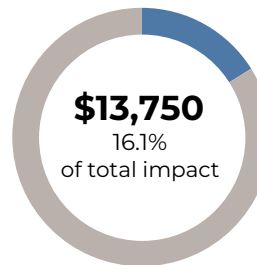
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Expenditures related
to home purchase



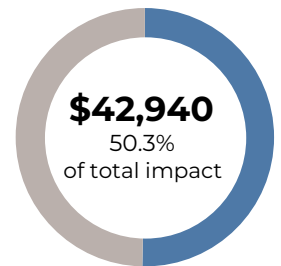
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Multiplier of housing
related expenditures



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New home
construction



Real Estate Industries: We assume that commissions, fees and moving expenses, or income to real estate industries, associated directly with the purchase are about 9% of the median home price.

Expenditures related to home purchase: Furniture and remodeling expenses are estimated to be about \$5,460 in 2023, based on the NAHB figure.

https://eyeonhousing.org/2022/06/how-a-home-purchase-boosts-consumer-spending-2/?_ga=2.230040799.2124019150.1680586014-1983402015.1678288982

Multiplier effect: The multiplier effect accounts for the fact that income earned in other sectors of the economy as a result of a home sale is then re-circulated into the economy.

New construction: Additional home sales induce added home production. Typically, one new home is constructed for every six existing home sales. Thus, for every existing home sale, 1/6 of a new home's value is added to the economy.

Sources: BEA, U.S. Census, NAHB, Macroeconomic Advisors, NAR