

This article appeared in the following media:

*Collinsville Herald
Granite City Press-Record
Monroe County Clarion
St. Clair County Journal
November 11, 2009*

*St. Louis Post-Dispatch New Home Folio
St. Charles Journal
Wentzville Journal
November 8, 2009*

BUILDING YOUR NEXT HOME

HEAVY HITTERS

Study Shows Economic Ripple Effects of Home Building Substantial



SEAN FLOWER
President, Home
Builders Association
of St. Louis & Eastern
Missouri

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

A study conducted by National Association of Home Builders (NAHB) Senior Economist, Dr. Elliot Eisenberg, proves the economic

ripple effect of housing in our area to be substantial. The study uses a model that shows the effect of construction activity itself, the ripple impact that occurs when income earned from construction activity is spent and recycles in the local economy, and the ongoing impact that results from new homes becoming occupied by residents who pay taxes and buy locally produced goods and services.

Two studies were released – one detailing the impact of home building in

St. Louis County and one detailing the impact in St. Charles County.

Here is a summary of results:

Impact of Home Building in St. Louis County

- The estimated one-year metro area impact of building 446 single family homes in St. Louis County include:
 - \$94.2 million in local income,
 - \$7 million in taxes and other revenue for local governments, and
 - 1,511 local jobs.
- Additionally, the annually recurring impact of building 446 single family homes in St. Louis County includes:
- \$13.9 million in local income,
 - \$3 million in taxes and other revenue for local governments, and
 - 251 local jobs.

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

Also, the study showed that employment due to new single family residential construction ranks 22nd among

biggest local employers, accounting for more local full-time jobs than U.S. Steel or Monsanto.

Impact of Home Building in St. Charles County

The estimated one-year metro impact of building 1,220 single family homes in St. Charles County includes:

- \$243.2 million in local income,
- \$19.9 million in taxes and other revenue for local governments, and
- 3,912 local jobs.

In addition, the annually recurring impact of building 1,220 single family homes in St. Charles County includes:

- \$35.8 in local income,
- \$8 million in taxes and other revenue for local governments, and
- 647 local jobs.

The study also showed that employment due to new single family residential construction ranks second only to Citigroup among local employers and employs more people than MasterCard Worldwide or Ameristar Casino.

The study can be viewed in its entirety at www.stihba.com.