# THE ECONOMIC IMPACT
## OF A TYPICAL HOME SALE

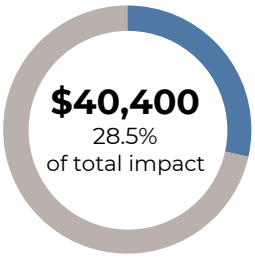
**in Colorado**

The real estate industry accounted for **$84.4** billion or **21.6%** of the gross state product in 2020.

**TOTAL ECONOMIC IMPACT**

**$141,600**

**Income generated from real estate industries**

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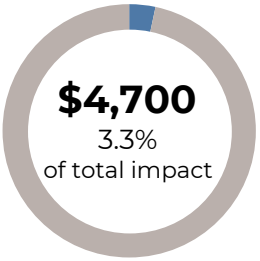
**Expenditures related to home purchase**

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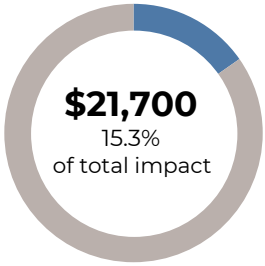
**Multiplier of housing related expenditures**

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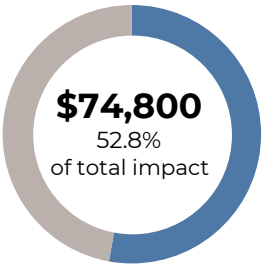
**New home construction**




**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 about $4,700 based on the NAHB figure. http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=257993&channelID=311&_ga=2.174727074.1093549992.1499375907-912917446.1499375907
**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 homes sale, 1/6 of a new home's value is added to the economy.

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

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