THE ECONOMIC IMPACT
OF A TYPICAL HOME SALE

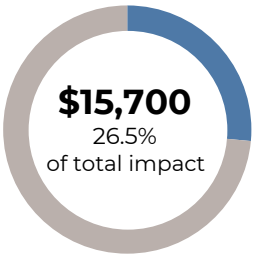
in West Virginia

The real estate industry accounted for **$11.7** billion or **15.8%** of the gross state product in 2020.

TOTAL ECONOMIC IMPACT

$59,200

Income generated from real estate industries



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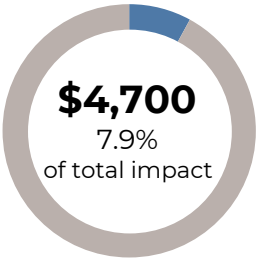
Expenditures related to home purchase



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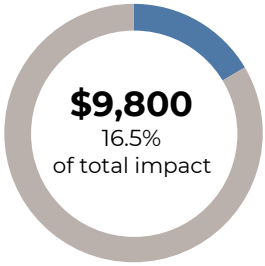
Multiplier of housing related expenditures



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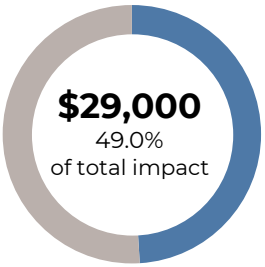
New home construction



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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