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## **Home Building Industry Contributes 188,000 Jobs; \$16 billion in Wages to Washington's Economy**

**Olympia, WA** Washington homebuilders are responsible for over 188,000 jobs and \$16.1 billion in family income, according to a study commissioned by the Building Industry Association of Washington (BIAW). The economic report details the impact of 46,968 single family homes built in Washington State in 2019.

"New homes not only provide families with safe and comfortable places to live, but home construction also generates considerable economic activity to support our communities," stated BIAW Executive Vice-President Greg Lane. "The economic benefit of residential construction includes jobs and income for thousands of working families, and continued tax revenue for state and local governments. This study demonstrates the tremendous impact the homebuilding industry has in our state throughout the construction of a home and the ongoing economic ripple that continues once the house is occupied. These benefits are needed now more than ever before."

The study examined both the direct and indirect benefits of single-family home construction in 2019. In addition to jobs and wages, the report detailed the value local communities gain from occupied new homes, such as additional long-term tax revenue.

The report demonstrates the important role housing construction can play in recovering from the economic damage done during the Coronavirus pandemic.

"During the month-long shutdown of construction, new housing permits dropped 84% and our state lost \$1.2 billion in wages," said Lane. "Considering we were already facing a significant housing shortage in Washington; the pandemic has set the state back even further on housing."

"However, with historic mortgage rates and our housing shortage, housing construction can and will help lead our state to economic recovery," concluded Lane. "State lawmakers need to promote housing construction by quickly passing regulatory and fee reform to encourage and incentivize our state's economic recovery."

New home construction has the following economic impacts in Washington:

### **CONSTRUCTION PHASE**

- **\$7.84 billion** in wages and income
- **\$3.54 billion** in taxes and other revenue for the state and local governments
- **79,914 jobs**

### **RIPPLE PHASE** (spending of income and taxes from construction phase)

- **\$5.98 billion** in wages and income
- **\$1.32 billion** in taxes and other revenue for the state and local governments

- **77,127 jobs**

**OCCUPANCY PHASE** (ongoing, annual)

- **\$2.33 billion** in wages and income
- **\$817.47 million** in taxes and other revenue for the state and local governments
- **31,483 jobs**

The above data was calculated by economists with the National Association of Home Builders and assume that new single-family homes built in the State of Washington have an average price of \$396,900; which includes \$113,910 in raw land and \$35,000 in impact, permit, and other fees paid to governments in the state; and incur an average property tax of \$2,801 per year (which considers the \$125,000 homestead exemption). The estimates also assume that an average combined state and local sales tax of 9.18 percent is paid on construction materials.

A copy of ***The Economic Impact of Home Building in Washington—Income, Jobs & Taxes Generated***, can be found: [https://biaw.com/PDFs/News/Economic\\_Impact\\_June\\_2020.pdf](https://biaw.com/PDFs/News/Economic_Impact_June_2020.pdf)

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*The Building Industry Association of Washington is the voice of the housing industry as the state's largest trade association with nearly 8,200 member companies employing approximately 265,000 people. The association is dedicated to ensuring and enhancing the vitality of the building industry for the benefit of its members and the housing needs of the citizens. Learn more at: [www.biaw.com](http://www.biaw.com)*