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## **New Study Shows Home Building Creates Over 100,000 Jobs, Adds \$8.4 Billion Annually to State's Economy**

**Olympia, WA** A new report released today shows the total economic impact of the construction of 24,000 single-family homes built in Washington State in 2018 was \$8.4 billion.

"In addition to providing safe and stable homes for families, residential construction also generates substantial economic benefits to our state," stated Executive Vice-President of the Building Industry Association of Washington (BIAW) Greg Lane. "This includes income and jobs for state residents, as well as ongoing revenue for state and local governments. This study captures the great impact of the construction activity itself, as well as the ongoing economic ripple that occurs when income earned from residential construction is spent and recycled in Washington."

The report, commissioned by BIAW, examined both direct and indirect impacts of construction activity over one year, including the impact of Washington residents who earn money from the construction activity and the money from the construction activity spent within the state. Additionally, the report reviewed the ongoing, annual local impact that resulted from the new homes being occupied, the occupants paying taxes and otherwise participating in the state economy year after year.

The report found that new home construction has the following economic impacts:

### **CONSTRUCTION PHASE** (direct & indirect impact)

- \$8.4 billion in family wages
- \$2.2 billion in state & local taxes
- 103,315 jobs created

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

- \$3.2 billion in family wages
- \$774 million in state and local taxes
- 46,381 jobs created

### **OCCUPANCY PHASE** (ongoing, annual)

- \$1.2 billion in family wages
- \$436 million in state and local taxes
- 18,251 jobs created

"The report shows that the residential housing industry contributes greatly to the economy of our state by providing quality housing for residents and family-wage jobs for businesses and workers," added Lane. "Employment from new home construction and remodeling has a wide ripple effect. About half the jobs created by building new homes are in construction. These include framers, electricians, plumbers and

carpenters. Other jobs are spread over other sectors of the economy, including manufacturing, retail, wholesale and business services.”

The above impacts were calculated assuming that new single-family homes built in the state of Washington have an average price of \$505,729, which includes \$145,000 in raw land and \$35,000 in impact, permit and other fees paid to state and local governments and incur an average property tax of \$2,631 per year (taking the \$125,000 homestead exemption into account). The estimate assumes that an average combined state and local sales tax of 9.18 percent is paid on construction materials.

View a copy of [\*\*The Economic Impact of Home Building in Washington—Income, Jobs & Taxes Generated.\*\*](#)

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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)*