

## Summary of “Impact of Homebuilding” Study Results

According to the National Association of Home Builders’ “Local Economic Impact of Home Building” analysis conducted in December 2024, every 171 single-family homes and 120 multifamily homes built in the Rochester NY MSA generate \$109 million in local income, \$10.3 million in taxes and fees to local governments. They also create 1,202 full-time equivalent jobs, during the 12-month period which includes land development and home construction and the ripple phase. The ripple phase is induced as those who develop the land and build the house, and those who sell goods and services to the developers and builders spend some of the money they earn from home building in the local economy.

However, home building is much more than the construction phase and the associated first-year ripple phase. There is also an impact phase that occurs because of households moving into the new home. And that phase, unlike the construction phase above, continues as long as the home is occupied. This phase generates \$18.2 million in local income/year, \$5.7 million/year in taxes and other revenue for local governments, and 264 permanent full-time equivalent jobs.

New houses, however, require public investment in the form of new schools, fire stations, and police stations, as well as the hiring of additional firefighters, police officers, and teachers so that existing public services to existing homes are not degraded. The one-time public capital costs collectively associated with these new homes are \$8.1 million, and the salaries for educators, judges, teachers, and other public service employees are \$2.2 million/year.

Critically, and perhaps counterintuitively, the new single-family homes more than pay their way as do the new multifamily homes. Moreover, they do so quickly, within the first year of construction. This is because new homes, be they single-family or multifamily, are generally significantly more expensive than most existing homes of each type. Thus, new home buyers have meaningfully higher household incomes than most existing homeowners and thus spend more in the local economy than most existing homeowners. Because of this, over a 15-year period tax revenues net of one-time capital costs and on-going annual salaries to local governments from these 291 new homes are a substantial \$35.4 million.

In short, the home construction industry serves as a critical economic driver for the community collectively supporting thousands of employers, employees, contractors, consultants, suppliers, and vendors. The resulting new homes contribute significant sales and property tax dollars which support schools, infrastructure and public services.