

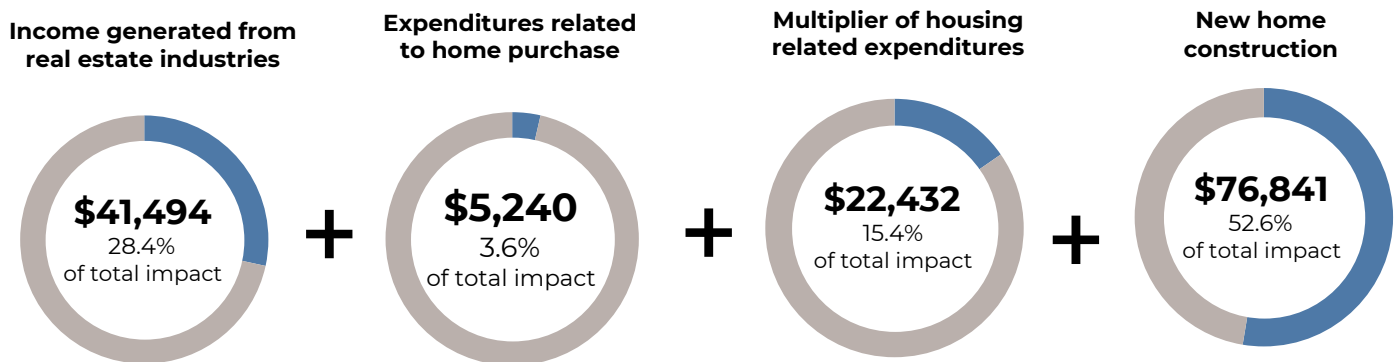
# THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

in Maine

The real estate industry accounted for **\$15.7 billion** or **18.6%** of the gross state product in 2022.

## TOTAL ECONOMIC IMPACT

# \$146,000



**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 \$5,240 based on the NAHB figure. [https://eyeonhousing.org/2022/06/how-a-home-purchase-boosts-consumer-spending-2/?\\_ga=2.230040799.2124019150.1680586014-1983402015.1678288982](https://eyeonhousing.org/2022/06/how-a-home-purchase-boosts-consumer-spending-2/?_ga=2.230040799.2124019150.1680586014-1983402015.1678288982)

**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

