# THE IMPACT OF RESIDENTIAL REAL ESTATE ON THE FLORIDA ECONOMY

## --UPDATE FOR 2005--
### (Using Roll Year 2004 Property Appraiser Data)

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**THE IMPACT OF RESIDENTIAL REAL ESTATE ON THE FLORIDA ECONOMY**

Summary of Economic Impacts Using 2004 Roll Year Data

Ad Valorem Taxes:

$22.5 billion annually goes to school districts, county government, and municipalities

Real Estate Activity (Residential Construction and Transactions):

The economic impact from residential construction is approximately $65.8 billion, and the impact from real estate related transactions is $8.9 billion, generating a total impact of $74.7 billion.

Real estate provides nearly 769 thousand jobs with annual earnings of nearly $24 billion.
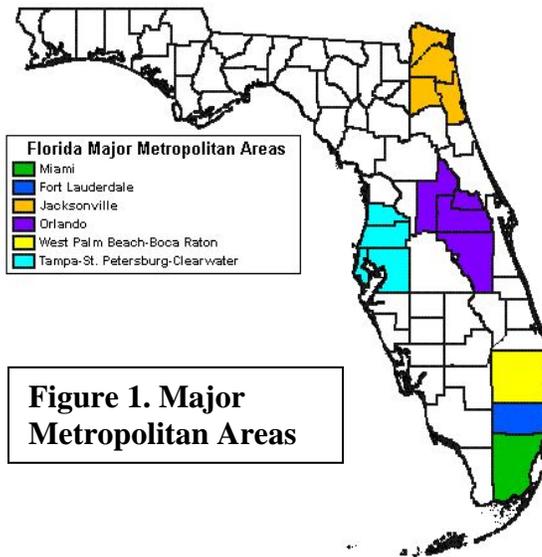
Real Estate Investment Income:

An explicit and implicit  investment return to property owners of approximately $141.8 billion annually.

# THE IMPACT OF RESIDENTIAL REAL ESTATE ON THE FLORIDA ECONOMY

The purpose of this research is to update the previous economic impact analysis reports produced by the Shimberg Center for Affordable Housing examining the impact of residential construction at the metropolitan statistical area (MSA) level. A MSA is an area with a high degree of social and economic integration, a population of 100,000 or more, which contains at least one city of 50,000 or more. The MSA is named after its central city or cities. Florida has 21 MSAs that contain 35 of its 67 counties.

The state's six largest MSAs are Ft. Lauderdale, Jacksonville, Miami, Orlando, Tampa-St. Petersburg-Clearwater, and West Palm Beach-Boca Raton.  As Figure 1 shows, three of these MSAs are single-county MSAs, Ft. Lauderdale, Miami, and West Palm Beach-Boca Raton, containing Broward County,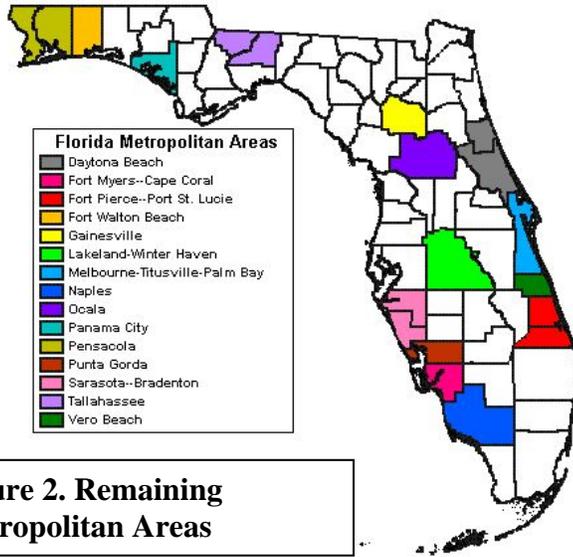 Miami-Dade County, and Palm Beach County respectively. The other three MSAs contain four counties apiece, where the Jacksonville MSA is made up of Clay County, Duval County, Nassau County, and St. Johns County. The Orlando MSA contains Lake County, Orange County, Osceola County, and Seminole County, and the Tampa-St. Petersburg-Clearwater MSA is made up by Hernando County, Hillsborough County, Pasco County, and Pinellas County.



**Figure 1. Major Metropolitan Areas**

The remaining 15 MSAs include twenty counties. As can be seen in Figure 2, the single county MSAs are the Ft. Meyers-Port St. Lucie MSA, the Ft. Walton Beach MSA, the Gainesville MSA, the Lakeland-Winterhaven MSA, the Melbourne-Titusville-Palm Bay MSA, the Naples MSA, the Ocala MSA, the Panama City MSA, the Punta Gorda MSA, and the Vero Beach MSA containing Lee County, Oskaloosa County, Alachua

**Florida Metropolitan Areas**
- Daytona Beach
- Fort Myers--Cape Coral
- Fort Pierce--Port St. Lucie
- Fort Walton Beach
- Gainesville
- Lakeland-Winter Haven
- Melbourne-Titusville-Palm Bay
- Naples
- Ocala
- Panama City
- Pensacola
- Punta Gorda
- Sarasota--Bradenton
- Tallahassee
- Vero Beach

**Figure 2. Remaining Metropolitan Areas**

County, Polk County, Brevard County, Collier County, Marion County, Bay County, Charlotte County, and Indian River County respectively.

The remaining 32 counties are categorized into four regional groups: Northwest, Northeast, Central, and South, according to categories used by the University of Florida's Bureau of Economic and Business Research. As can be seen in Figure 3, the Northwest Nonmetropolitan region contains Calhoun County, Franklin County, Gulf County, Holmes County, Jackson County, Jefferson County, Liberty County, Wakulla County, Walton County, and Washington County. The Northeast Nonmetropolitan region contains Baker County, Bradford County, Columbia County, Dixie County, Gilchrist County, Hamilton County, Lafayette County, Levy County, Madison County, Suwannee County, Taylor County, and Union County. The Central Nonmetropolitan region is made up by Citrus County, Putnam County, and Sumter County. The South Nonmetropolitan region is DeSoto County, Glades County, Hardee County, Hendry County, Highlands County, Monroe County, and Okeechobee County.



**Florida Nonmetropolitan Areas**
- Northwest Nonmetropolitan Area
- Central Nonmetropolitan Area
- South Nonmetropolitan Area
- Northeast Nonmetropolitan Area
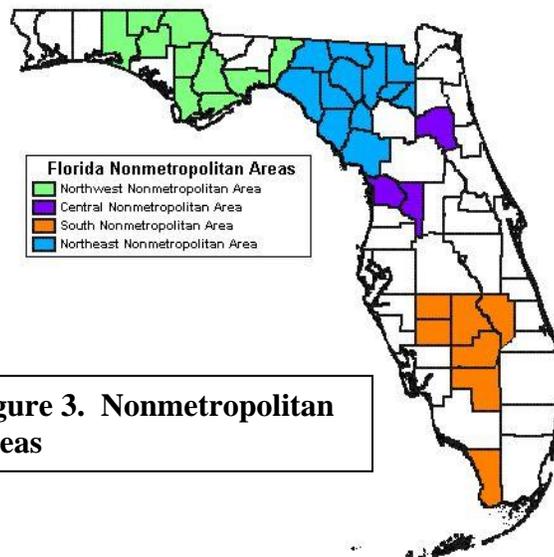
**Figure 3. Nonmetropolitan Areas**

This report characterizes the importance of real estate, broadly defined, to the economy in each MSA and to the state of Florida. Equity in real estate dominates the

wealth of the typical Florida homeowner, and the value of the Florida housing stock represents a sizable proportion of total wealth in the state. At year-end 2004, the state of Florida had nearly 9.04 million property parcels assessed at $1.45 trillion. Of these, approximately 4.11 million parcels represented single-family houses assessed at nearly $701 billion.

An indirect impact of the real estate is the tax revenue generated. The $1.45 trillion assessed value has a taxable value of slightly more than $1.02 trillion, which generates more than $22.5 billion in ad valorem tax revenues annually. These proceeds fund county government, school districts, special (water, sewer, etc.) districts, and municipal ventures.[1]  However, the primary focus of this report is on the direct impact of residential real estate activity, which fundamentally consists of construction and real estate related transactions.  Total residential construction output in 2004 was $36.9 billion.

There were 822,500 real estate transactions in 2003 totaling nearly $127.06 billion in total sales, for a turnover rate of 9.23%. The remainder of this report documents the impact of real estate in several dimensions including investment.


**Section 1: The value of Real Estate and Ad Valorem Taxes**

This analysis includes real property only, i.e., personal property as part of the tax base is disregarded.  Additional information is gathered from the *2004 Florida Property Valuations and Tax Data* publication. Table 1 shows the total number of real estate parcels, by general land use category for the 21 MSAs and the 4 non-metro regions. The 15 general land use categories are vacant residential, single family detached housing, mobile homes, condominiums, multi-family housing (nine-or-less and ten-or-more units), miscellaneous residential (cooperatives and retirement homes), vacant commercial, vacant industrial, improved industrial, agricultural, institutional, government, and miscellaneous. Table 2 shows the just value of each land use categories for each MSA and non-metropolitan region, and Table 3 lists the corresponding taxable value. These tables clearly demonstrate that there exist large differences in the sizes of the land use

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[1] Nationally, property taxes provide over two-thirds of the average locality's revenues. See the National Realty Committee, "America's Real Estate: A National Policy Agenda," January 1995.

categories within the MSAs and non-metropolitan regions as well as between them. It should be noted that Table 1 is a parcel count, not a unit count, and therefore may severely undercount the number of condominium and multi-family units due to the fact that multiple units are found on one parcel.

## Table 1. Property Types by Florida's Metropolitan Statistical Area (MSA)

| MSA | Residential Vacant | Single-Family | Mobile Home | Condo-minia | < 10 Units | > or = 10 Units | Cooperatives | Retirement Homes | Vacant Commercial | Improved Commercial |
|---|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 91,997 | 166,979 | 9,352 | 27,709 | 9,803 | 491 | 753 | 1,391 | 4,664 | 6,370 |
| Fort Lauderdale | 22,148 | 360,811 | 4,455 | 213,796 | 19,381 | 1,863 | 12,013 | 23 | 4,122 | 12,197 |
| Fort Myers--Cape Coral | 213,468 | 145,617 | 16,887 | 58,453 | 6,061 | 175 | 3,316 | 158 | 6,584 | 4,496 |
| Fort Pierce--Port St. Lucie | 53,245 | 111,393 | 7,171 | 25,272 | 2,384 | 133 | 1,867 | 613 | 2,082 | 3,538 |
| Fort Walton Beach | 12,581 | 55,462 | 2,684 | 10,561 | 747 | 154 | 0 | 14 | 972 | 3,190 |
| Gainesville | 11,154 | 50,090 | 5,572 | 3,233 | 1,715 | 378 | 0 | 1,374 | 806 | 3,042 |
| Jacksonville | 63,061 | 321,937 | 30,620 | 23,484 | 6,798 | 674 | 121 | 2,611 | 4,709 | 18,923 |
| Lakeland--Winter Haven | 52,740 | 132,552 | 33,581 | 7,503 | 4,194 | 251 | 44 | 453 | 2,879 | 7,089 |
| Vero Beach | 19,153 | 38,383 | 1,304 | 12,689 | 786 | 47 | 57 | 444 | 1,197 | 1,541 |
| Melbourne--Titusville--Palm Bay | 80,299 | 157,684 | 11,536 | 26,592 | 2,996 | 279 | 920 | 24 | 3,520 | 6,842 |
| Miami-Dade | 26,856 | 311,650 | 322 | 304,640 | 32,058 | 3,816 | 3,250 | 79 | 5,668 | 20,306 |
| Naples | 29,336 | 65,094 | 3,468 | 81,173 | 1,995 | 103 | 2,913 | 669 | 1,157 | 2,540 |
| Ocala | 106,210 | 80,332 | 25,383 | 5,854 | 1,046 | 100 | 0 | 14 | 2,891 | 3,414 |
| Orlando | 107,403 | 473,687 | 32,069 | 50,793 | 13,667 | 1,141 | 886 | 373 | 7,838 | 17,562 |
| Panama City | 17,816 | 47,497 | 8,756 | 11,769 | 858 | 128 | 57 | 22 | 1,106 | 3,207 |
| Pensacola | 42,028 | 130,349 | 11,871 | 6,423 | 2,519 | 196 | 0 | 601 | 2,696 | 7,141 |
| Punta Gorda | 119,387 | 57,651 | 5,679 | 11,993 | 1,040 | 25 | 3,887 | 621 | 4,075 | 1,423 |
| Sarasota--Bradenton | 85,011 | 181,984 | 22,820 | 70,728 | 6,780 | 576 | 433 | 128 | 1,739 | 7,703 |
| Tallahassee | 20,033 | 73,598 | 9,631 | 741 | 2,018 | 405 | 0 | 45 | 1,438 | 3,793 |
| Tampa--St. Petersburg--Clearwater | 115,907 | 686,774 | 57,946 | 127,474 | 22,787 | 1,779 | 16,751 | 459 | 10,218 | 27,434 |
| West Palm Beach--Boca Raton | 25,245 | 207,224 | 3,837 | 285,726 | 11,162 | 775 | 6,067 | 68 | 2,196 | 9,309 |
| Northwest Nonmetropolitan Area | 87,727 | 55,029 | 19,503 | 10,327 | 220 | 154 | 1 | 1,608 | 1,133 | 3,628 |
| Northeast Nonmetropolitan Area | 64,876 | 47,335 | 35,701 | 327 | 453 | 94 | 4 | 1,406 | 1,435 | 4,206 |
| Central Nonmetropolitan Area | 128,707 | 77,705 | 35,827 | 1,763 | 604 | 121 | 296 | 3,024 | 3,018 | 4,107 |
| South Nonmetropolitan Area | 116,119 | 74,743 | 29,167 | 11,585 | 4,375 | 138 | 439 | 1,268 | 3,054 | 5,897 |
| State Total | 1,712,507 | 4,111,560 | 425,142 | 1,390,608 | 156,447 | 13,996 | 54,075 | 17,490 | 81,197 | 188,898 |

**Table 1. Property Types by Florida's Metropolitan Statistical Area (MSA) (cont.)**

| MSA | Vacant Industrial | Improved Industrial | Agricultural | Institutional | Government | Leasehold | Misc. | Non-AG | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 837 | 1,233 | 8,427 | 1,297 | 5,446 | 125 | 3,314 | 1,853 | 0 | 342,041 |
| Fort Lauderdale | 1,796 | 5,748 | 1,070 | 2,396 | 5,933 | 1 | 3,706 | 882 | 0 | 672,346 |
| Fort Myers--Cape Coral | 844 | 1,661 | 3,951 | 2,242 | 6,413 | 19 | 1,294 | 260 | 10,030 | 481,929 |
| Fort Pierce--Port St. Lucie | 661 | 1,064 | 4,002 | 704 | 3,992 | 31 | 4,730 | 14,275 | 363 | 237,543 |
| Fort Walton Beach | 12 | 442 | 2,662 | 565 | 1,354 | 39 | 616 | 788 | 3,161 | 96,004 |
| Gainesville | 267 | 643 | 7,472 | 770 | 1,001 | 0 | 577 | 233 | 602 | 88,929 |
| Jacksonville | 1,794 | 3,799 | 8,302 | 4,697 | 7,277 | 140 | 7,939 | 2,485 | 5,032 | 514,451 |
| Lakeland--Winter Haven | 725 | 1,957 | 13,181 | 4,611 | 5,638 | 2,283 | 449 | 43,837 | 0 | 313,967 |
| Vero Beach | 192 | 455 | 1,649 | 475 | 1,147 | 61 | 496 | 52 | 0 | 80,128 |
| Melbourne--Titusville--Palm Bay | 894 | 1,731 | 1,364 | 830 | 6,668 | 1 | 1,225 | 2,507 | 0 | 306,031 |
| Miami-Dade | 2,923 | 11,957 | 7,942 | 2,574 | 21,169 | 50 | 1,503 | 9,254 | 0 | 766,086 |
| Naples | 256 | 891 | 1,677 | 822 | 32,650 | 31 | 4,898 | 5,959 | 0 | 235,663 |
| Ocala | 439 | 936 | 9,529 | 913 | 3,424 | 126 | 656 | 2,513 | 0 | 243,780 |
| Orlando | 1,737 | 4,807 | 13,531 | 3,761 | 13,246 | 456 | 7,245 | 11,138 | 4,996 | 766,497 |
| Panama City | 12 | 543 | 1,502 | 625 | 1,059 | 0 | 161 | 1,540 | 1,386 | 98,044 |
| Pensacola | 218 | 1,031 | 6,833 | 1,432 | 2,950 | 3,626 | 21,661 | 1,375 | 769 | 243,720 |
| Punta Gorda | 258 | 328 | 1,614 | 213 | 768 | 29 | 526 | 943 | 0 | 210,464 |
| Sarasota--Bradenton | 860 | 2,078 | 3,435 | 1,592 | 2,033 | 179 | 2,264 | 2,386 | 11 | 392,740 |
| Tallahassee | 397 | 825 | 5,332 | 1,321 | 2,657 | 0 | 879 | 357 | 268 | 123,784 |
| Tampa--St. Petersburg--Clearwater | 2,152 | 7,794 | 14,903 | 13,972 | 23,701 | 720 | 28,723 | 4,703 | 17,208 | 1,184,811 |
| West Palm Beach--Boca Raton | 772 | 2,874 | 4,719 | 1,675 | 5,326 | 150 | 9,330 | 823 | 0 | 577,296 |
| Northwest Nonmetropolitan Area | 90 | 708 | 34,233 | 2,114 | 7,042 | 7 | 8,783 | 4,932 | 4,073 | 241,313 |
| Northeast Nonmetropolitan Area | 32 | 905 | 41,387 | 2,093 | 5,141 | 47 | 8,956 | 7,644 | 3,751 | 225,808 |
| Central Nonmetropolitan Area | 197 | 411 | 9,431 | 1,117 | 3,948 | 3 | 2,207 | 5,802 | 0 | 278,388 |
| South Nonmetropolitan Area | 383 | 1,050 | 20,353 | 2,345 | 31,807 | 142 | 4,594 | 3,000 | 3,269 | 313,852 |
| State Total | 18,748 | 55,871 | 228,501 | 55,156 | 201,790 | 8,266 | 126,732 | 129,541 | 54,919 | 9,035,615 |

# Table 2. Just Value ($1000s) Property Types by Florida's Metropolitan Statistical Area (MSA)

| MSA | Residential Vacant | Single-Family | Mobile Home | Condominia | < 10 Units | > or = 10 Units | Cooperatives | Retirement Homes | Vacant Commercial | Improved Commercial |
|---|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 2,473,660 | 21,791,464 | 539,571 | 1,007,227 | 516,291 | 4,660,784 | 32,761 | 49,012 | 478,913 | 3,445,118 |
| Fort Lauderdale | 1,693,218 | 79,143,353 | 618,865 | 4,063,921 | 6,355,897 | 23,744,406 | 1,335,512 | 2,704 | 1,301,295 | 17,673,125 |
| Fort Myers--Cape Coral | 4,938,002 | 30,566,908 | 1,018,088 | 955,831 | 639,648 | 10,837,943 | 159,824 | 30,507 | 803,016 | 4,236,947 |
| Fort Pierce--Port St. Lucie | 2,061,200 | 21,349,840 | 532,785 | 272,258 | 335,314 | 3,609,526 | 74,113 | 141,450 | 371,131 | 2,715,232 |
| Fort Walton Beach | 505,555 | 7,015,523 | 105,639 | 100,453 | 163,178 | 2,187,291 | 0 | 3,656 | 146,182 | 1,331,209 |
| Gainesville | 246,207 | 5,959,549 | 264,617 | 155,042 | 783,368 | 226,011 | 0 | 62,681 | 56,432 | 1,407,771 |
| Jacksonville | 2,827,123 | 47,599,928 | 1,528,789 | 1,143,320 | 3,006,152 | 4,316,335 | 3,056 | 320,835 | 818,301 | 10,833,393 |
| Lakeland--Winter Haven | 620,789 | 12,596,989 | 1,295,512 | 304,207 | 349,430 | 357,443 | 6,136 | 136,489 | 166,800 | 2,630,169 |
| Vero Beach | 957,877 | 8,446,141 | 49,258 | 116,371 | 120,226 | 2,411,507 | 7,625 | 101,959 | 110,931 | 1,201,571 |
| Melbourne--Titusville--Palm Bay | 1,154,709 | 21,610,361 | 553,889 | 471,959 | 690,231 | 3,162,012 | 28,403 | 11,298 | 314,569 | 3,296,209 |
| Miami-Dade | 2,651,744 | 74,084,349 | 31,032 | 6,856,063 | 8,817,556 | 47,328,416 | 222,755 | 163,418 | 1,617,573 | 24,442,500 |
| Naples | 2,838,998 | 25,921,136 | 212,598 | 405,595 | 700,011 | 21,128,034 | 429,820 | 503,261 | 468,563 | 3,653,464 |
| Ocala | 780,680 | 7,672,379 | 911,645 | 96,773 | 179,367 | 335,529 | 0 | 15,737 | 148,413 | 1,381,246 |
| Orlando | 3,185,520 | 69,064,814 | 2,112,084 | 1,334,800 | 6,412,325 | 6,453,520 | 41,694 | 118,223 | 2,041,744 | 22,916,909 |
| Panama City | 537,027 | 5,051,123 | 371,971 | 96,444 | 156,036 | 1,607,269 | 1,576 | 3,349 | 148,978 | 1,272,911 |
| Pensacola | 1,009,013 | 12,935,220 | 365,233 | 247,558 | 437,733 | 1,129,426 | 0 | 56,366 | 234,098 | 2,177,119 |
| Punta Gorda | 1,978,331 | 9,059,177 | 308,310 | 191,731 | 49,663 | 1,831,214 | 159,606 | 106,350 | 257,519 | 1,160,369 |
| Sarasota--Bradenton | 2,060,326 | 40,565,830 | 1,179,556 | 1,166,604 | 1,108,154 | 15,385,963 | 94,746 | 344,595 | 480,730 | 6,556,464 |
| Tallahassee | 372,761 | 8,850,579 | 363,977 | 249,854 | 729,773 | 42,678 | 0 | 50,668 | 135,527 | 2,100,249 |
| Tampa--St. Petersburg--Clearwater | 3,325,870 | 97,109,969 | 2,799,804 | 3,329,112 | 6,227,507 | 14,456,583 | 592,812 | 276,938 | 1,355,004 | 20,586,686 |
| West Palm Beach--Boca Raton | 3,367,316 | 60,447,701 | 187,373 | 1,884,932 | 3,402,684 | 45,040,795 | 555,529 | 475,102 | 930,753 | 12,553,513 |
| Northwest Nonmetropolitan Area | 2,911,638 | 7,700,954 | 684,445 | 50,194 | 38,697 | 2,468,222 | 53 | 83,353 | 104,961 | 965,143 |
| Northeast Nonmetropolitan Area | 623,192 | 3,379,420 | 1,335,683 | 55,841 | 61,535 | 39,499 | 248 | 28,489 | 58,264 | 821,493 |
| Central Nonmetropolitan Area | 864,159 | 7,444,299 | 1,280,903 | 48,912 | 60,632 | 125,392 | 3,671 | 92,561 | 163,327 | 1,178,406 |
| South Nonmetropolitan Area | 1,380,221 | 15,350,043 | 1,871,170 | 1,457,780 | 117,713 | 2,637,896 | 194,438 | 110,963 | 209,909 | 3,483,228 |
| State Total | 45,365,138 | 700,717,049 | 20,522,799 | 26,062,783 | 41,459,121 | 215,523,694 | 3,944,378 | 3,289,963 | 12,922,932 | 154,020,444 |

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## Table 2. Just Value ($1000s) Property Types by Florida's Metropolitan Statistical Area (MSA) (Cont.)

| MSA | Improved Commercial | Vacant Industrial | Improved Industrial | Agricultural | Institutional | Government | Leasehold | Misc. | Non-AG | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 3,445,118 | 61,478 | 632,059 | 1,069,732 | 1,015,932 | 1,945,665 | 97,257 | 98,575 | 278,980 | 0 | 40,194,480 |
| Fort Lauderdale | 17,673,125 | 435,970 | 6,137,062 | 614,224 | 2,557,682 | 5,272,374 | 100 | 653,864 | 176,385 | 0 | 151,782,841 |
| Fort Myers--Cape Coral | 4,236,947 | 129,461 | 910,145 | 1,873,725 | 934,780 | 2,052,945 | 40,792 | 136,494 | 55,106 | 303,800 | 60,623,964 |
| Fort Pierce--Port St. Lucie | 2,715,232 | 125,926 | 563,642 | 2,409,387 | 523,262 | 1,886,847 | 64,227 | 532,387 | 578,821 | 0 | 38,147,350 |
| Fort Walton Beach | 1,331,209 | 1,820 | 166,344 | 268,093 | 278,870 | 1,290,914 | 1,114 | 28,391 | 39,103 | 0 | 13,633,334 |
| Gainesville | 1,407,771 | 12,780 | 265,975 | 978,008 | 365,514 | 3,086,481 | 0 | 65,759 | 13,122 | 65 | 13,949,382 |
| Jacksonville | 10,833,393 | 231,899 | 3,033,450 | 2,540,810 | 2,399,915 | 4,862,804 | 484,284 | 574,672 | 307,735 | 0 | 86,871,386 |
| Lakeland--Winter Haven | 2,630,169 | 38,628 | 1,100,154 | 1,404,082 | 572,116 | 1,110,988 | 0 | 204,262 | 324,171 | 0 | 23,218,367 |
| Vero Beach | 1,201,571 | 14,255 | 180,053 | 794,551 | 342,850 | 798,230 | 21,195 | 15,856 | 14,826 | 0 | 15,705,282 |
| Melbourne--Titusville--Palm Bay | 3,296,209 | 106,244 | 643,648 | 377,511 | 869,457 | 4,514,437 | 1 | 146,522 | 145,907 | 0 | 38,100,071 |
| Miami-Dade | 24,442,500 | 1,183,720 | 8,352,149 | 2,977,487 | 4,067,167 | 11,117,237 | 161,682 | 487,516 | 1,034,146 | 0 | 195,602,735 |
| Naples | 3,653,464 | 102,937 | 666,898 | 1,095,978 | 1,101,790 | 2,578,817 | 13,730 | 55,066 | 539,251 | 0 | 62,416,074 |
| Ocala | 1,381,246 | 26,617 | 447,296 | 2,411,252 | 368,135 | 1,198,072 | 5,131 | 27,456 | 197,736 | 0 | 16,203,463 |
| Orlando | 22,916,909 | 338,451 | 3,788,238 | 3,957,624 | 3,196,613 | 7,552,315 | 408,244 | 206,282 | 1,024,492 | 1,586,451 | 135,740,875 |
| Panama City | 1,272,911 | 2,063 | 161,488 | 512,433 | 218,356 | 1,260,165 | 0 | 31,839 | 144,580 | 0 | 11,577,607 |
| Pensacola | 2,177,119 | 8,748 | 355,883 | 824,566 | 696,992 | 3,494,112 | 1,218,140 | 193,844 | 133,923 | 0 | 25,517,974 |
| Punta Gorda | 1,160,369 | 33,973 | 156,156 | 332,589 | 291,865 | 459,828 | 9,793 | 52,758 | 31,287 | 0 | 16,470,520 |
| Sarasota--Bradenton | 6,556,464 | 107,836 | 1,360,029 | 1,757,418 | 1,584,482 | 2,690,404 | 36,822 | 243,698 | 518,577 | 71,213 | 77,313,449 |
| Tallahassee | 2,100,249 | 16,243 | 318,759 | 952,765 | 438,725 | 3,649,607 | 0 | 9,433 | 22,007 | 0 | 18,303,605 |
| Tampa--St. Petersburg--Clearwater | 20,586,686 | 274,225 | 5,412,871 | 4,169,106 | 5,477,488 | 11,104,509 | 1,233,226 | 466,179 | 579,624 | 326 | 178,870,456 |
| West Palm Beach--Boca Raton | 12,553,513 | 235,682 | 2,231,198 | 3,175,533 | 1,851,295 | 5,363,367 | 136,185 | 310,314 | 38,624 | 0 | 142,188,579 |
| Northwest Nonmetropolitan Area | 965,143 | 28,848 | 151,998 | 3,080,514 | 369,651 | 3,128,012 | 4,948 | 47,749 | 255,209 | 0 | 22,074,589 |
| Northeast Nonmetropolitan Area | 821,493 | 1,550 | 288,669 | 5,094,177 | 302,319 | 1,355,647 | 10,900 | 42,770 | 271,224 | 0 | 13,770,921 |
| Central Nonmetropolitan Area | 1,178,406 | 16,418 | 246,941 | 1,233,428 | 391,692 | 968,542 | 6,147 | 582,832 | 216,813 | 0 | 14,928,573 |
| South Nonmetropolitan Area | 3,483,228 | 12,738 | 339,898 | 6,090,577 | 736,831 | 6,341,147 | 82,189 | 524,484 | 162,675 | 0 | 41,103,899 |
| State Total | 154,020,444 | 3,548,510 | 37,911,005 | 49,995,570 | 30,953,779 | 89,083,465 | 4,036,105 | 5,739,003 | 7,104,324 | 1,961,856 | 1,454,309,775 |

# Table 3. Taxable Value ($1000s) Property Types by Florida's Metropolitan Statistical Area (MSA)

| MSA | Residential Vacant | Single-Family | Mobile Home | Condominia | < 10 Units | > or = 10 Units | Cooperatives | Retirement Homes | Vacant Commercial |
|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 2,426,095 | 14,451,386 | 309,980 | 777,352 | 498,286 | 4,107,961 | 21,369 | 48,961 | 438,735 |
| Fort Lauderdale | 1,555,217 | 52,099,493 | 507,279 | 3,480,620 | 6,091,379 | 16,486,349 | 964,579 | 2,704 | 1,095,358 |
| Fort Myers--Cape Coral | 4,936,698 | 22,860,167 | 691,156 | 864,756 | 638,702 | 9,720,056 | 115,195 | 30,294 | 802,749 |
| Fort Pierce--Port St. Lucie | 2,048,430 | 14,688,849 | 341,266 | 251,111 | 327,909 | 2,854,269 | 46,462 | 132,986 | 364,876 |
| Fort Walton Beach | 502,514 | 5,231,295 | 57,032 | 98,151 | 158,201 | 2,126,411 | 0 | 0 | 145,813 |
| Gainesville | 219,109 | 3,998,212 | 134,578 | 146,991 | 773,959 | 167,600 | 0 | 57,280 | 53,544 |
| Jacksonville | 2,791,226 | 32,237,676 | 837,317 | 955,338 | 2,909,102 | 3,704,913 | 191 | 279,446 | 795,585 |
| Lakeland--Winter Haven | 618,469 | 8,787,520 | 718,912 | 291,422 | 348,708 | 279,858 | 5,832 | 123,173 | 165,719 |
| Vero Beach | 955,654 | 6,307,253 | 30,593 | 109,773 | 120,201 | 2,037,475 | 6,677 | 101,877 | 110,304 |
| Melbourne--Titusville--Palm Bay | 1,123,393 | 13,463,783 | 263,221 | 404,249 | 669,522 | 2,445,539 | 14,332 | 5,422 | 305,236 |
| Miami-Dade | 2,480,864 | 45,423,773 | 26,259 | 5,947,594 | 8,540,528 | 37,094,699 | 158,440 | 111,315 | 1,548,443 |
| Naples | 2,838,326 | 20,165,498 | 144,479 | 382,342 | 700,011 | 18,925,402 | 355,870 | 478,206 | 468,057 |
| Ocala | 772,588 | 5,341,705 | 469,065 | 92,841 | 176,850 | 198,604 | 0 | 15,682 | 144,163 |
| Orlando | 3,157,556 | 51,264,187 | 1,408,928 | 1,147,132 | 6,221,774 | 5,683,823 | 22,538 | 114,543 | 2,006,707 |
| Panama City | 530,740 | 3,676,758 | 234,795 | 93,424 | 154,013 | 1,550,528 | 1,426 | 3,123 | 145,870 |
| Pensacola | 891,049 | 8,423,808 | 191,488 | 225,480 | 422,589 | 1,055,915 | 0 | 49,491 | 220,412 |
| Punta Gorda | 1,951,185 | 6,292,519 | 196,047 | 175,527 | 49,052 | 1,596,280 | 113,093 | 81,080 | 240,446 |
| Sarasota--Bradenton | 2,037,752 | 28,481,825 | 760,938 | 1,057,221 | 1,064,128 | 12,818,529 | 87,178 | 236,651 | 471,692 |
| Tallahassee | 366,680 | 6,309,021 | 184,987 | 242,037 | 692,089 | 35,308 | 0 | 49,935 | 129,618 |
| Tampa--St. Petersburg--Clearwater | 3,304,860 | 63,165,607 | 1,538,131 | 2,810,759 | 6,204,999 | 10,754,725 | 345,464 | 263,668 | 1,344,291 |
| West Palm Beach--Boca Raton | 3,215,835 | 43,739,489 | 121,966 | 1,661,582 | 3,312,852 | 34,766,818 | 441,289 | 350,927 | 898,605 |
| Northwest Nonmetropolitan Area | 2,897,325 | 6,090,497 | 366,485 | 48,361 | 38,348 | 2,419,214 | 53 | 82,248 | 104,293 |
| Northeast Nonmetropolitan Area | 607,007 | 2,052,092 | 655,712 | 51,306 | 55,531 | 36,940 | 248 | 26,098 | 56,124 |
| Central Nonmetropolitan Area | 860,572 | 4,923,331 | 653,926 | 44,799 | 59,085 | 95,272 | 3,325 | 84,559 | 160,664 |
| South Nonmetropolitan Area | 1,375,646 | 11,225,521 | 1,316,656 | 1,290,891 | 112,902 | 2,411,143 | 191,705 | 102,666 | 208,003 |
| State Total | 44,464,790 | 480,701,265 | 12,161,196 | 22,651,060 | 40,340,720 | 173,373,629 | 2,895,265 | 2,832,336 | 12,425,307 |

## Table 3. Taxable Value ($1000s) Property Types by Florida's Metropolitan Statistical Area (MSA) (Cont.)

| MSA | Improved Commercial | Vacant Industrial | Improved Industrial | Agricultural | Institutional | Government | Leasehold | Misc. | Non-AG | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Daytona Beach | 3,381,835 | 57,876 | 627,050 | 228,642 | 215,131 | 43,145 | 39,454 | 69,314 | 248,786 | 0 | 27,991,357 |
| Fort Lauderdale | 16,436,752 | 389,198 | 5,875,552 | 122,713 | 1,034,354 | 59,912 | 0 | 261,738 | 122,777 | 0 | 106,586,925 |
| Fort Myers--Cape Coral | 4,217,823 | 129,461 | 910,120 | 204,340 | 314,128 | 45,992 | 40,792 | 98,112 | 54,651 | 303,800 | 46,978,992 |
| Fort Pierce--Port St. Lucie | 2,663,002 | 123,618 | 559,001 | 381,027 | 187,558 | 7,532 | 0 | 414,020 | 508,923 | 0 | 25,900,840 |
| Fort Walton Beach | 1,323,168 | 1,820 | 166,344 | 66,888 | 100,554 | 2,299 | 1,114 | 8,287 | 37,808 | 0 | 10,027,699 |
| Gainesville | 1,315,754 | 10,978 | 249,970 | 250,456 | 119,085 | 3,002 | 0 | 6,940 | 8,653 | 65 | 7,516,175 |
| Jacksonville | 10,373,526 | 227,579 | 3,016,620 | 427,386 | 427,264 | 9,949 | 40,622 | 131,093 | 296,214 | 0 | 59,499,631 |
| Lakeland--Winter Haven | 2,614,299 | 38,470 | 1,098,924 | 492,102 | 17,272 | 4,525 | 0 | 203,960 | 322,993 | 0 | 16,132,158 |
| Vero Beach | 1,198,810 | 14,023 | 180,021 | 148,670 | 152,464 | 11,711 | 19,677 | 12,028 | 14,826 | 0 | 11,532,036 |
| Melbourne--Titusville--Palm Bay | 3,175,540 | 95,020 | 621,753 | 96,059 | 160,599 | 133,919 | 1 | 71,467 | 123,947 | 0 | 23,173,003 |
| Miami-Dade | 23,678,603 | 1,119,056 | 8,105,813 | 804,444 | 839,681 | 203,073 | 122,592 | 415,959 | 966,856 | 0 | 137,588,313 |
| Naples | 3,641,402 | 102,937 | 666,583 | 246,169 | 65,815 | 11,008 | 13,158 | 42,145 | 539,251 | 0 | 49,786,787 |
| Ocala | 1,348,818 | 26,280 | 446,670 | 572,070 | 105,700 | 8,185 | 2,145 | 20,965 | 185,884 | 0 | 9,928,215 |
| Orlando | 22,622,095 | 334,847 | 3,770,447 | 759,653 | 508,798 | 47,445 | 217,314 | 156,771 | 971,554 | 1,586,449 | 102,002,564 |
| Panama City | 1,252,836 | 2,063 | 146,370 | 53,594 | 68,590 | 8,507 | 0 | 26,613 | 123,329 | 0 | 8,072,579 |
| Pensacola | 2,092,990 | 8,472 | 342,816 | 202,616 | 130,388 | 6,001 | 605,063 | 134,043 | 121,222 | 0 | 15,123,845 |
| Punta Gorda | 1,144,149 | 30,659 | 155,089 | 99,670 | 115,248 | 427 | 5,972 | 21,048 | 28,684 | 0 | 12,296,175 |
| Sarasota--Bradenton | 6,322,419 | 107,243 | 1,355,007 | 318,045 | 506,357 | 17,491 | 17,771 | 143,973 | 480,152 | 71,213 | 56,355,586 |
| Tallahassee | 2,018,649 | 15,563 | 313,945 | 213,624 | 43,237 | 16,766 | 0 | 6,614 | 21,804 | 0 | 10,659,879 |
| Tampa--St. Petersburg--Clearwater | 20,497,759 | 273,933 | 5,409,033 | 907,841 | 1,352,867 | 37,169 | 799,788 | 430,868 | 571,157 | 326 | 120,033,321 |
| West Palm Beach--Boca Raton | 12,242,422 | 221,247 | 2,212,938 | 901,540 | 624,063 | 164,167 | 77,402 | 230,747 | 32,164 | 0 | 105,216,053 |
| Northwest Nonmetropolitan Area | 948,289 | 28,405 | 141,742 | 737,996 | 54,021 | 10,993 | 4,115 | 35,613 | 251,548 | 0 | 14,259,545 |
| Northeast Nonmetropolitan Area | 797,186 | 1,550 | 287,113 | 1,182,436 | 57,274 | 24,237 | 10,629 | 39,042 | 245,612 | 0 | 6,186,139 |
| Central Nonmetropolitan Area | 1,130,441 | 14,085 | 245,815 | 226,217 | 116,670 | 4,347 | 0 | 547,344 | 202,610 | 0 | 9,373,147 |
| South Nonmetropolitan Area | 3,453,189 | 12,738 | 336,382 | 1,677,188 | 117,499 | 16,555 | 80,543 | 156,017 | 142,405 | 0 | 24,227,648 |
| State Total | 149,891,756 | 3,387,122 | 37,241,118 | 11,321,387 | 7,434,620 | 898,359 | 2,098,153 | 3,684,722 | 6,623,809 | 1,961,853 | 1,016,448,610 |

The state has an average millage rate of 18.52; the $1.02 trillion in taxable value generates approximately $22.5 billion in tax revenues. On average (for the state), school districts receive the greatest proportion (40.59% or $9.12 billion), followed by county government (35.9% or $8.06 billion), and municipalities (12.7% or $2.9 billion). Table 4 shows the average MSA millage rate, the percentage of total taxes levied in the MSA, the percentage of taxes levied as a percentage of the state's total, and the percentage of the MSA's levied taxes go to the MSA's schools, county or counties, and municipality or municipalities. One noticeable difference between the individual MSAs and non-metropolitan regions is how they use their property tax revenue to finance their schools, county government, and municipalities.

**Table 4. Average MSA Millage Rates and Millage Distribution**

| | | | | Percent Going to | | |
|---|---|---|---|---|---|---|
| | Average MSA Millage | Total MSA Taxes Levied | Percent of State Total | Schools | County | Municipality |
| Daytona Beach | 20.60 | $668,951,889 | 2.98% | 39.27% | 31.33% | 14.05% |
| Ft. Lauderdale | 22.00 | $2,775,287,368 | 12.35% | 34.57% | 34.19% | 21.55% |
| Ft. Myers-Cape Coral | 16.85 | $966,841,577 | 4.30% | 41.93% | 30.94% | 10.05% |
| Ft. Pierce-Port St. Lucie | 17.24 | $612,730,622 | 2.73% | 37.74% | 42.68% | 8.07% |
| Ft. Walton Beach | 21.73 | $162,979,437 | 0.73% | 54.95% | 28.08% | 11.06% |
| Gainesville | 20.92 | $212,982,175 | 0.95% | 37.07% | 43.66% | 11.05% |
| Jacksonville | 20.86 | $1,211,719,489 | 5.39% | 46.44% | 46.92% | 2.59% |
| Lakeland-Winter Haven | 20.99 | $385,020,234 | 1.71% | 44.17% | 41.41% | 10.07% |
| Melbourne-Titusville-Palm Bay | 16.21 | $209,538,242 | 0.93% | 49.58% | 22.29% | 4.11% |
| Miami-Dade | 17.10 | $549,177,178 | 2.44% | 37.80% | 39.63% | 13.14% |
| Naples | 16.09 | $3,395,334,238 | 15.11% | 37.48% | 31.91% | 18.38% |
| Ocala | 20.37 | $646,604,717 | 2.88% | 49.36% | 35.27% | 4.05% |
| Orlando | 25.81 | $238,355,939 | 1.06% | 38.65% | 24.81% | 7.50% |
| Panama City | 14.23 | $2,111,110,506 | 9.39% | 44.42% | 29.55% | 10.58% |
| Pensacola | 15.30 | $143,005,934 | 0.64% | 52.46% | 35.65% | 7.71% |
| Punta Gorda | 16.69 | $356,068,742 | 1.58% | 54.07% | 39.45% | 4.32% |
| Sarasota-Bradenton | 15.47 | $210,196,317 | 0.94% | 52.35% | 29.74% | 2.84% |
| Tallahassee | 16.59 | $999,273,549 | 4.45% | 49.41% | 39.64% | 6.41% |
| Tampa-St. Petersburg-Clearwater | 18.14 | $247,129,042 | 1.10% | 43.46% | 41.98% | 11.40% |
| Vero Beach | 19.93 | $2,972,708,795 | 13.23% | 37.05% | 37.67% | 11.99% |
| West Palm Beach-Boca Raton | 26.48 | $2,355,603,739 | 10.48% | 39.96% | 34.49% | 16.97% |
| Northeast Nonmetropolitan | 16.97 | $206,768,396 | 0.92% | 43.44% | 49.29% | 2.91% |
| Northwest Nonmetropolitan | 19.11 | $160,740,551 | 0.72% | 42.01% | 51.07% | 4.63% |
| Central Nonmetropolitan | 19.42 | $240,318,741 | 1.07% | 43.12% | 49.08% | 3.60% |
| South Nonmetropolitan | 18.55 | $435,791,805 | 1.94% | 34.00% | 52.78% | 7.63% |
| Florida Total | 18.52 | $22,474,239,222 | 100.00% | 40.59% | 35.88% | 12.72% |

## Section 2: Real Estate Activity

### 2.1 Construction

Building Permit activity, obtained from the U.S. Census Bureau and from the University of Florida's Bureau of Economic and Business Research, is analyzed to derive the value of new construction for the state.  Additions to the tax base and revenues generated are also determined.  According to the building permit data, there were approximately 256,000 new units built in Florida in 2004. Almost 187,500 of these units were single-family units and the remaining 68,500 were multi-family units.  The single-family units have a value of $29.5 billion and the multi-family units have a value of $7.4 billion for a total of $36.9 billion in new residential construction. Table 5 shows the distribution of this new construction by MSA and non-metro regions.

## Table 5. Value ($1000s) & Number of New Units Constructed in 2004

| | New Construction | | | New Units | | |
|---|---|---|---|---|---|---|
| | Total Construction | Single-Family | Multi-Family | Total Units | Single-Family | Multi-Family |
| Daytona Beach, FL MSA | $1,736,124,025 | $1,447,307,590 | $288,816,435 | 11,643 | 9,094 | 2,549 |
| Fort Lauderdale, FL MSA | $1,065,926,206 | $724,441,361 | $341,484,845 | 8,709 | 4,784 | 3,925 |
| Fort Myers--Cape Coral, FL MSA | $3,035,890,088 | $2,265,633,282 | $770,256,806 | 20,395 | 14,958 | 5,437 |
| Fort Pierce--Port St. Lucie, FL MSA | $1,321,416,549 | $1,193,555,618 | $127,860,931 | 10,556 | 8,856 | 1,700 |
| Fort Walton Beach, FL MSA | $520,673,004 | $303,060,067 | $217,612,937 | 2,711 | 1,737 | 974 |
| Gainesville, FL MSA | $207,810,565 | $173,751,940 | $34,058,625 | 2,009 | 1,328 | 681 |
| Jacksonville, FL MSA | $2,898,258,120 | $2,426,052,102 | $472,206,018 | 19,120 | 14,499 | 4,621 |
| Lakeland--Winter Haven, FL MSA | $878,921,385 | $796,917,573 | $82,003,812 | 10,242 | 8,715 | 1,527 |
| Melbourne--Titusville--Palm Bay, FL MSA | $1,486,394,000 | $1,162,618,153 | $323,775,847 | 8,925 | 6,487 | 2,438 |
| Miami, FL MSA | $2,909,629,084 | $1,285,757,633 | $1,623,871,451 | 22,856 | 9,603 | 13,253 |
| Naples, FL MSA | $1,487,543,161 | $1,039,146,300 | $448,396,861 | 6,921 | 4,202 | 2,719 |
| Ocala, FL MSA | $619,340,576 | $609,097,882 | $10,242,694 | 5,426 | 5,268 | 158 |
| Orlando, FL MSA | $4,751,534,389 | $4,310,601,546 | $440,932,843 | 33,992 | 27,493 | 6,499 |
| Panama City, FL MSA | $548,020,646 | $206,839,143 | $341,181,503 | 3,844 | 1,462 | 2,382 |
| Pensacola, FL MSA | $504,164,519 | $470,333,817 | $33,830,702 | 4,635 | 3,735 | 900 |
| Punta Gorda, FL MSA | $517,842,100 | $385,429,707 | $132,412,393 | 3,652 | 2,331 | 1,321 |
| Sarasota--Bradenton, FL MSA | $2,370,271,149 | $1,898,320,357 | $471,950,792 | 14,496 | 10,989 | 3,507 |
| Tallahassee, FL MSA | $381,044,463 | $274,308,437 | $106,736,026 | 3,116 | 1,634 | 1,482 |
| Tampa--St. Petersburg--Clearwater, FL MSA | $4,050,815,408 | $3,498,989,746 | $551,825,662 | 29,557 | 23,081 | 6,476 |
| Vero Beach, FL MSA | $726,112,272 | $686,815,777 | $39,296,495 | 14,519 | 10,266 | 4,253 |
| West Palm Beach--Boca Raton, FL MSA | $2,553,192,784 | $2,181,612,727 | $371,580,057 | 4,185 | 3,646 | 539 |
| Northwest Nonmetropolitan Area | $782,309,988 | $669,892,403 | $112,417,585 | 4,019 | 3,074 | 945 |
| Northeast Nonmetropolitan Area | $151,493,276 | $146,585,246 | $4,908,030 | 1,511 | 1,459 | 52 |
| Central Nonmetropolitan Area | $1,151,587,355 | $1,150,904,455 | $682,900 | 6,916 | 6,902 | 14 |
| South Nonmetropolitan Area | $284,141,364 | $273,606,898 | $10,534,466 | 1,927 | 1,849 | 78 |
| Total | $36,940,456,476 | $29,581,579,760 | $7,358,876,716 | 255,882 | 187,452 | 68,430 |

*2.2 Transactions*

Next, using data from the *2004 Florida Property Valuations and Tax Data* publication, real estate sales, mortgage and related activities are examined. For the state of Florida in 2003, 822,500 real property parcel transactions took place with a total sales value of approximately $127 billion. In addition to the sales price, these transactions generate fees, doc stamps, title transfers, and brokerage commissions, which are estimated as a percentage of total sales. Although the exact sales cost percentage is not known, the revenues generated assuming four, five, and six percent are as follows:

| Sales Cost | Sales Revenue |
|---|---|
| 4 percent: | $5.08 billion |
| 5 percent: | $6.35 billion |
| 6 percent: | $7.62 billion |

We conservatively estimate the demand for real estate transaction related services to be $6.35 billion per year for real estate transactions.

**Table 6. Number of Sales and Just Value ($1000s) of Sales in 2003**

| | Number of Sales | Percent Turnover | Total Just Value of Sales |
|---|---|---|---|
| Daytona Beach | 33,828 | 9.89 | $3,881,989,560 |
| Ft. Lauderdale | 68,786 | 10.20 | $13,974,930,040 |
| Ft. Myers-Cape Coral | 57,575 | 12.20 | $6,335,873,380 |
| Ft. Pierce-Port St. Lucie | 28,722 | 12.37 | $3,726,059,964 |
| Ft. Walton Beach | 8,396 | 9.12 | $1,276,478,051 |
| Gainesville | 6,964 | 7.83 | $804,072,700 |
| Jacksonville | 46,181 | 9.07 | $7,868,647,123 |
| Lakeland-Winter Haven | 23,645 | 7.57 | $1,990,474,011 |
| Melbourne-Titusville-Palm Bay | 29,763 | 9.76 | $3,149,252,190 |
| Miami | 66,243 | 8.81 | $15,389,210,390 |
| Naples | 20,793 | 8.82 | $5,675,074,391 |
| Ocala | 21,675 | 8.89 | $1,629,834,860 |
| Orlando | 75,375 | 9.89 | $11,941,158,399 |
| Panama City | 8,427 | 8.72 | $1,175,530,131 |
| Pensacola | 17,705 | 7.43 | $2,053,770,050 |
| Punta Gorda | 22,692 | 10.78 | $1,516,120,388 |
| Sarasota-Brandenton | 40,451 | 10.30 | $7,121,142,359 |
| Tallahassee | 9,182 | 7.39 | $1,156,754,569 |
| Tampa-St. Petersburg-Clearwater | 107,142 | 9.46 | $15,316,199,443 |
| Vero Beach | 8,287 | 10.37 | $1,288,796,294 |
| West Palm Beach-Boca Raton | 60,415 | 10.63 | $13,733,959,460 |

| | | | |
|---|---|---|---|
| Northeast Nonmetropolitan | 14,145 | 5.98 | $2,023,458,330 |
| Northwest Nonmetropolitan | 11,164 | 5.03 | $607,596,304 |
| Central Nonmetropolitan | 15,686 | 5.63 | $946,916,045 |
| South Nonmetropolitan | 19,258 | 6.23 | $2,474,368,587 |
| State Total | 822,500 | 9.23 | $127,057,667,019 |

## Section 3: Economic Multipliers and Actual Employment & Earnings[2]

IMPLAN, an economic impact modeling software program, is used to estimate the
impacts generated by residential construction and real estate related transactions. When
estimating the impacts, the residential construction numbers were divided into single-
family construction and multi-family construction to more accurately model the impact,
but only the combined impact is presented in this report. Also note that in order to better
model the impacts of construction, Monroe County has been combined with the Miami-
Dade MSA and therefore, has been removed from the Southern Nonmetropolitan region.

Three types of impacts are estimated for non-residential construction and real
estate related transactions: direct effects, indirect effects, and induced effects. Direct
effects are the changes in the industries to which a final demand change was made.
Indirect effects are the changes made in inter-industry purchases as they respond to the
new demands of the directly affected industries. Induced effects typically reflect changes
in spending from households as income increases or decreases due to the changes in
production.

*3.1 Total Impact on Output*

Output multipliers predict how much increased economic activity in other
industries is caused by every additional dollar increase in one specified industry. Here the
direct impacts are the non-residential construction and the real estate related transactions
(estimated as 5% of sales in the MSA).  IMPLAN models these direct effects and
generates indirect and induced effects to come up with a total impact on the MSA
economy. These effects are then summed to get an estimate of the total effect on the state.
As can be seen in Table 7, the $36.9 billion in new residential construction generates a

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[2] In past reports, the Shimberg Center has also calculated the impact of nonresidential construction. Due to
the difficulty in obtaining an accurate number for nonresidential construction and due to the fact that the
vast majority of inquiries have been about residential construction, we have decided to discontinue
examining the impact of nonresidential construction.

total of $65.8 billion in economic activity, and the $6.4 billion in real estate related transactions generates a total of $8.9 billion in economic activity.

## Table 7. Impact on Output ($1000s)

| Residential Construction | | | |
|---|---|---|---|
| | Direct | Indirect | Induced | Total |
| Daytona Beach, FL MSA | $1,736,124 | $604,003 | $2,838,915 | $5,179,042 |
| Fort Lauderdale, FL MSA | $1,065,926 | $416,102 | $410,079 | $1,892,108 |
| Fort Myers--Cape Coral, FL MSA | $3,035,890 | $1,092,139 | $835,063 | $4,963,093 |
| Fort Pierce--Port St. Lucie, FL MSA | $1,321,417 | $471,090 | $354,213 | $2,146,719 |
| Fort Walton Beach, FL MSA | $520,673 | $178,630 | $115,354 | $814,657 |
| Gainesville, FL MSA | $207,811 | $76,081 | $55,860 | $339,751 |
| Jacksonville, FL MSA | $2,898,258 | $1,228,564 | $1,169,314 | $5,296,136 |
| Lakeland--Winter Haven, FL MSA | $878,921 | $357,915 | $298,251 | $1,535,087 |
| Melbourne--Titusville--Palm Bay, FL MSA | $1,486,394 | $519,073 | $418,976 | $2,424,443 |
| Miami, FL MSA & Monroe County | $2,970,431 | $1,204,111 | $1,207,107 | $5,381,650 |
| Naples, FL MSA | $1,487,543 | $435,297 | $447,376 | $2,370,217 |
| Ocala, FL MSA | $619,341 | $232,534 | $157,841 | $1,009,716 |
| Orlando, FL MSA | $4,751,535 | $2,078,691 | $1,802,514 | $8,632,739 |
| Panama City, FL MSA | $548,021 | $187,834 | $183,867 | $919,721 |
| Pensacola, FL MSA | $504,165 | $191,683 | $161,202 | $857,050 |
| Punta Gorda, FL MSA | $517,842 | $150,803 | $128,944 | $797,589 |
| Sarasota--Bradenton, FL MSA | $2,370,271 | $889,212 | $827,164 | $4,086,647 |
| Tallahassee, FL MSA | $381,044 | $138,552 | $109,571 | $629,168 |
| Tampa--St. Petersburg--Clearwater, FL MSA | $4,050,815 | $1,843,783 | $1,700,469 | $7,595,068 |
| Vero Beach, FL MSA | $726,112 | $235,287 | $172,730 | $1,134,129 |
| West Palm Beach--Boca Raton, FL MSA | $2,553,193 | $895,794 | $928,875 | $4,377,861 |
| Northwest Nonmetropolitan Area | $782,310 | $222,675 | $130,339 | $1,135,324 |
| Northeast Nonmetropolitan Area | $151,493 | $46,882 | $24,683 | $223,058 |
| Central Nonmetropolitan Area | $1,151,587 | $336,420 | $209,203 | $1,697,210 |
| South Nonmetropolitan Area Minus Monroe County | $223,340 | $61,696 | $38,814 | $323,850 |
| State Total | $36,940,457 | $14,094,851 | $14,726,726 | $65,762,033 |
| Real Estate Transaction | | | |
| | Direct | Indirect | Induced | Total |
| Daytona Beach, FL MSA | $194,099 | $43,000 | $25,757 | $262,857 |
| Fort Lauderdale, FL MSA | $698,746 | $181,570 | $109,717 | $990,034 |
| Fort Myers--Cape Coral, FL MSA | $316,794 | $75,743 | $38,129 | $430,665 |
| Fort Pierce--Port St. Lucie, FL MSA | $186,303 | $44,324 | $23,605 | $254,232 |
| Fort Walton Beach, FL MSA | $63,824 | $13,803 | $6,405 | $84,031 |

| | | | | |
|---|---|---|---|---|
| Gainesville, FL MSA | $40,204 | $9,221 | $4,909 | $54,334 |
| Jacksonville, FL MSA | $393,432 | $105,754 | $68,465 | $567,651 |
| Lakeland--Winter Haven, FL MSA | $99,524 | $24,419 | $15,160 | $139,103 |
| Melbourne--Titusville--Palm Bay, FL MSA | $157,463 | $32,275 | $19,324 | $209,061 |
| Miami, FL MSA & Monroe County | $859,025 | $219,505 | $140,860 | $1,219,390 |
| Naples, FL MSA | $283,754 | $63,404 | $34,033 | $381,190 |
| Ocala, FL MSA | $81,492 | $17,729 | $9,689 | $108,910 |
| Orlando, FL MSA | $597,058 | $160,496 | $98,816 | $856,370 |
| Panama City, FL MSA | $58,777 | $13,421 | $8,016 | $80,214 |
| Pensacola, FL MSA | $102,689 | $23,979 | $15,328 | $141,995 |
| Punta Gorda, FL MSA | $75,806 | $14,852 | $8,221 | $98,879 |
| Sarasota--Bradenton, FL MSA | $356,057 | $87,446 | $53,099 | $496,601 |
| Tallahassee, FL MSA | $57,838 | $12,925 | $7,078 | $77,840 |
| Tampa--St. Petersburg--Clearwater, FL MSA | $765,810 | $217,837 | $145,906 | $1,129,552 |
| Vero Beach, FL MSA | $64,440 | $12,580 | $6,791 | $83,811 |
| West Palm Beach--Boca Raton, FL MSA | $686,698 | $182,119 | $105,048 | $973,864 |
| Northwest Nonmetropolitan Area | $101,173 | $19,970 | $8,854 | $129,997 |
| Northeast Nonmetropolitan Area | $30,380 | $4,044 | $2,484 | $36,907 |
| Central Nonmetropolitan Area | $47,346 | $8,256 | $4,211 | $59,813 |
| South Nonmetropolitan Area Minus Monroe County | $34,154 | $5,089 | $3,008 | $42,251 |
| State Total | $6,352,883 | $1,593,758 | $962,911 | $8,909,553 |

*3.2 Total Impact on Earnings*

Table 8 shows the impact on earnings for each MSA that the new residential construction and real estate related transaction generates. The $36.9 billion in new residential construction generates a total of $22.3 billion in earnings. Of this $22.3 billion, the workers building the new residential construction directly earn $12.2 billion. There are also $5.8 billion of indirect earnings and $4.3 billion of induced earnings. An example of an indirect earner would be someone involved in mining the raw materials used to make the concrete that is be used in the new construction, and an example of an induced earner would be a waiter who is hired due to increase spending by the newly hired construction workers. The real estate related transactions generate a total of $1.7 billion of earnings.

## Table 8. Impact on Labor Earnings ($1000)

| Residential Construction | Direct | Indirect | Induced | Total |
|---|---|---|---|---|
| Daytona Beach, FL MSA | $508,619 | $242,330 | $172,563 | $923,512 |
| Fort Lauderdale, FL MSA | $400,518 | $174,993 | $144,619 | $720,130 |
| Fort Myers--Cape Coral, FL MSA | $1,030,708 | $466,398 | $292,878 | $1,789,984 |
| Fort Pierce--Port St. Lucie, FL MSA | $379,614 | $189,426 | $120,318 | $689,358 |
| Fort Walton Beach, FL MSA | $160,721 | $76,100 | $38,791 | $275,612 |
| Gainesville, FL MSA | $60,648 | $31,165 | $18,718 | $110,531 |
| Jacksonville, FL MSA | $969,585 | $501,886 | $405,618 | $1,877,088 |
| Lakeland--Winter Haven, FL MSA | $265,573 | $146,347 | $101,839 | $513,760 |
| Melbourne--Titusville--Palm Bay, FL MSA | $457,414 | $219,081 | $143,235 | $819,731 |
| Miami, FL MSA & Monroe County | $1,122,971 | $510,012 | $433,681 | $2,066,664 |
| Naples, FL MSA | $591,081 | $189,716 | $160,790 | $941,588 |
| Ocala, FL MSA | $169,221 | $86,960 | $52,049 | $308,231 |
| Orlando, FL MSA | $1,562,634 | $854,290 | $632,259 | $3,049,182 |
| Panama City, FL MSA | $193,580 | $79,920 | $62,636 | $336,136 |
| Pensacola, FL MSA | $143,762 | $79,315 | $55,431 | $278,509 |
| Punta Gorda, FL MSA | $165,302 | $61,082 | $42,919 | $269,303 |
| Sarasota--Bradenton, FL MSA | $815,547 | $375,704 | $290,986 | $1,482,237 |
| Tallahassee, FL MSA | $120,971 | $58,394 | $37,281 | $216,645 |
| Tampa--St. Petersburg--Clearwater, FL MSA | $1,267,335 | $751,832 | $593,853 | $2,613,021 |
| Vero Beach, FL MSA | $216,264 | $97,241 | $60,173 | $373,678 |
| West Palm Beach--Boca Raton, FL MSA | $967,449 | $393,701 | $331,318 | $1,692,468 |
| Northwest Nonmetropolitan Area | $192,069 | $79,917 | $38,603 | $310,588 |
| Northeast Nonmetropolitan Area | $33,392 | $16,730 | $7,541 | $57,663 |
| Central Nonmetropolitan Area | $306,138 | $121,579 | $64,838 | $492,554 |
| South Nonmetropolitan Area Minus Monroe County | $52,823 | $23,840 | $12,574 | $89,236 |
| State Total | $12,153,937 | $5,827,958 | $4,315,513 | $22,297,407 |

| Real Estate Transaction | Direct | Indirect | Induced | Total |
|---|---|---|---|---|
| Daytona Beach, FL MSA | $22,725 | $15,550 | $8,911 | $47,186 |
| Fort Lauderdale, FL MSA | $81,807 | $70,791 | $38,693 | $191,291 |
| Fort Myers--Cape Coral, FL MSA | $37,089 | $28,795 | $13,373 | $79,257 |
| Fort Pierce--Port St. Lucie, FL MSA | $21,812 | $15,640 | $8,017 | $45,469 |
| Fort Walton Beach, FL MSA | $7,472 | $5,212 | $2,154 | $14,838 |
| Gainesville, FL MSA | $4,707 | $3,191 | $1,645 | $9,543 |
| Jacksonville, FL MSA | $46,062 | $39,182 | $23,749 | $108,993 |

| | | | |
|---|---|---|---|
| Lakeland--Winter Haven, FL MSA | $11,652 | $9,068 | $5,176 | $25,896 |
| Melbourne--Titusville--Palm Bay, FL MSA | $18,435 | $12,172 | $6,606 | $37,214 |
| Miami, FL MSA & Monroe County | $100,572 | $85,142 | $50,607 | $236,321 |
| Naples, FL MSA | $33,221 | $25,358 | $12,232 | $70,810 |
| Ocala, FL MSA | $9,541 | $5,975 | $3,195 | $18,711 |
| Orlando, FL MSA | $69,902 | $60,744 | $34,662 | $165,308 |
| Panama City, FL MSA | $6,881 | $4,844 | $2,731 | $14,456 |
| Pensacola, FL MSA | $12,023 | $9,016 | $5,271 | $26,310 |
| Punta Gorda, FL MSA | $8,875 | $5,351 | $2,736 | $16,963 |
| Sarasota--Bradenton, FL MSA | $41,686 | $33,948 | $18,679 | $94,314 |
| Tallahassee, FL MSA | $6,771 | $4,626 | $2,408 | $13,806 |
| Tampa--St. Petersburg--Clearwater, FL MSA | $89,659 | $81,635 | $50,954 | $222,247 |
| Vero Beach, FL MSA | $7,544 | $4,541 | $2,366 | $14,451 |
| West Palm Beach--Boca Raton, FL MSA | $80,397 | $71,353 | $37,469 | $189,219 |
| Northwest Nonmetropolitan Area | $11,845 | $6,454 | $2,622 | $20,922 |
| Northeast Nonmetropolitan Area | $3,557 | $1,433 | $759 | $5,749 |
| Central Nonmetropolitan Area | $5,543 | $2,946 | $1,305 | $9,794 |
| South Nonmetropolitan Area Minus Monroe County | $3,999 | $1,864 | $974 | $6,837 |
| State Total | $743,779 | $604,832 | $337,294 | $1,685,905 |

## 3.3 Total Multipliers for Employment

Table 9 shows the effect on employment residential construction and real estate related transactions. Here the direct impacts are those workers hired to build the new construction or complete the real estate transactions. The indirect impact would be a new miner hired by a concrete manufacturer due to the increase in construction, and the previously mentioned waiter would be an example of an induced effect. Residential construction's impact on employment is approximately 691,500 thousand jobs and another 77,300 jobs are impacted by the real estate related transactions. Therefore, over 760 thousand jobs in the state of Florida are related to real estate in some manner.

## Table 9. Impact on Employment

### Residential Construction

| | Direct | Indirect | Induced | Total |
|---|---|---|---|---|
| Daytona Beach, FL MSA | 16,492 | 9,276 | 6,351 | 32,119 |
| Fort Lauderdale, FL MSA | 9,624 | 5,127 | 4,574 | 19,325 |
| Fort Myers--Cape Coral, FL MSA | 28,080 | 14,711 | 9,918 | 52,709 |
| Fort Pierce--Port St. Lucie, FL MSA | 12,126 | 7,167 | 23,907 | 43,201 |
| Fort Walton Beach, FL MSA | 5,605 | 2,867 | 1,593 | 10,065 |
| Gainesville, FL MSA | 1,975 | 1,224 | 744 | 3,943 |
| Jacksonville, FL MSA | 25,511 | 15,757 | 13,584 | 54,852 |
| Lakeland--Winter Haven, FL MSA | 7,839 | 4,796 | 3,711 | 16,346 |
| Melbourne--Titusville--Palm Bay, FL MSA | 14,216 | 7,941 | 5,757 | 27,914 |
| Miami, FL MSA & Monroe County | 30,696 | 14,681 | 13,154 | 58,531 |
| Naples, FL MSA | 12,726 | 5,581 | 4,905 | 23,213 |
| Ocala, FL MSA | 5,527 | 3,580 | 2,109 | 11,216 |
| Orlando, FL MSA | 40,342 | 26,045 | 20,200 | 86,587 |
| Panama City, FL MSA | 6,159 | 2,961 | 2,461 | 11,580 |
| Pensacola, FL MSA | 4,555 | 2,998 | 2,229 | 9,782 |
| Punta Gorda, FL MSA | 4,971 | 2,644 | 1,812 | 9,427 |
| Sarasota--Bradenton, FL MSA | 20,990 | 11,865 | 10,328 | 43,183 |
| Tallahassee, FL MSA | 3,725 | 2,117 | 1,425 | 7,267 |
| Tampa--St. Petersburg--Clearwater, FL MSA | 36,451 | 22,943 | 19,382 | 78,776 |
| Vero Beach, FL MSA | 6,360 | 3,353 | 2,135 | 11,848 |
| West Palm Beach--Boca Raton, FL MSA | 20,385 | 10,592 | 9,472 | 40,449 |
| Northwest Nonmetropolitan Area | 7,927 | 3,775 | 1,839 | 13,541 |
| Northeast Nonmetropolitan Area | 1,491 | 801 | 351 | 2,644 |
| Central Nonmetropolitan Area | 10,301 | 5,653 | 3,003 | 18,957 |
| South Nonmetropolitan Area Minus Monroe County | 2,143 | 1,290 | 584 | 4,017 |
| State Total | 336,216 | 189,744 | 165,529 | 691,489 |

### Real Estate Transaction

| | Direct | Indirect | Induced | Total |
|---|---|---|---|---|
| Daytona Beach, FL MSA | 1,461 | 626 | 328 | 2,416 |
| Fort Lauderdale, FL MSA | 3,376 | 2,186 | 1,224 | 6,785 |
| Fort Myers--Cape Coral, FL MSA | 1,483 | 988 | 453 | 2,924 |
| Fort Pierce--Port St. Lucie, FL MSA | 2,102 | 692 | 308 | 3,102 |
| Fort Walton Beach, FL MSA | 439 | 210 | 89 | 738 |
| Gainesville, FL MSA | 369 | 136 | 65 | 570 |
| Jacksonville, FL MSA | 3,050 | 1,376 | 795 | 5,221 |

| | | | | |
|---|---|---|---|---|
| Lakeland--Winter Haven, FL MSA | 967 | 338 | 189 | 1,493 |
| Melbourne--Titusville--Palm Bay, FL MSA | 1,872 | 490 | 266 | 2,628 |
| Miami, FL MSA & Monroe County | 4,257 | 2,772 | 1,535 | 8,564 |
| Naples, FL MSA | 1,699 | 761 | 377 | 2,837 |
| Ocala, FL MSA | 842 | 284 | 130 | 1,256 |
| Orlando, FL MSA | 2,736 | 1,948 | 1,107 | 5,792 |
| Panama City, FL MSA | 623 | 210 | 107 | 940 |
| Pensacola, FL MSA | 1,250 | 409 | 212 | 1,871 |
| Punta Gorda, FL MSA | 1,085 | 259 | 116 | 1,460 |
| Sarasota--Bradenton, FL MSA | 4,133 | 1,202 | 663 | 5,998 |
| Tallahassee, FL MSA | 514 | 185 | 92 | 791 |
| Tampa--St. Petersburg--Clearwater, FL MSA | 5,783 | 2,620 | 1,663 | 10,066 |
| Vero Beach, FL MSA | 469 | 174 | 84 | 727 |
| West Palm Beach--Boca Raton, FL MSA | 4,244 | 1,935 | 1,071 | 7,250 |
| Northwest Nonmetropolitan Area | 1,077 | 288 | 125 | 1,491 |
| Northeast Nonmetropolitan Area | 507 | 73 | 35 | 616 |
| Central Nonmetropolitan Area | 878 | 141 | 60 | 1,079 |
| South Nonmetropolitan Area Minus Monroe County | 508 | 121 | 45 | 674 |
| State Total | 45,725 | 20,423 | 11,138 | 77,286 |

## Section 4: Investment Returns from Real Estate

The multiplier estimates above do not include investment ("unearned") income from real estate. Because real estate is considered a factor of production that generates a return, such returns from real estate should also be regarded as an "impact". All real estate parcels provide either an explicit rent (if they are rented or leased), or an implicit rent to the owner who would otherwise have to pay rent in lieu of ownership.

Obviously, different parcels (with different land uses and different locations) will generate different returns. RealtyRates.com surveys the return expectations of a representative sample of large institutional investors each quarter. Published in their quarterly Market Survey, this survey provides insight into the required yields (capitalization rates) used by large investors when making acquisitions. The mean required yield for 2004 investments in all property types was 9.75 percent.

According to the Florida Department of Revenue, the total just value of all real estate is approximately $1.45 trillion. Applying a 9.75 percent yield rate to the $1.45 trillion of

market value suggests that real estate owners in Florida earn approximately $141.8 billion in investment income annually.

**Section 5: Conclusion**

Figures here have been updated to the 2004 roll year data, the most recent year for which data are available from all the sources referenced. The different impacts of real estate are taxes, activity, and investment.

<u>Ad Valorem Taxes</u>:  **$22.5 billion** annually goes to school districts (40.6%), county government (35.9%), and municipalities (12.7%).

<u>Real Estate Activity (Residential Construction and Transactions)</u>: We estimate an economic impact from residential construction and real estate transactions of approximately **$74.7 billion** annually. Furthermore, residential real estate provides nearly **769 thousand jobs** with annual earnings of nearly **$24 billion**.

<u>Real Estate Investment Income</u>: An explicit and implicit investment return to property owners of approximately **$141.8 billion** is generated annually. This does not include the employment and earnings that are generated from indirect real estate investments such as REITs.