



The Local Impact of Home Building in Charlotte County, FL

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Why do this?

- Some say housing doesn't pay for itself.
- What are the true costs and benefits?
- Is there a better way?

Local Economic Impact of Single-family Home Building

1st - Construction phase

Jobs, Materials, Fees, Taxes

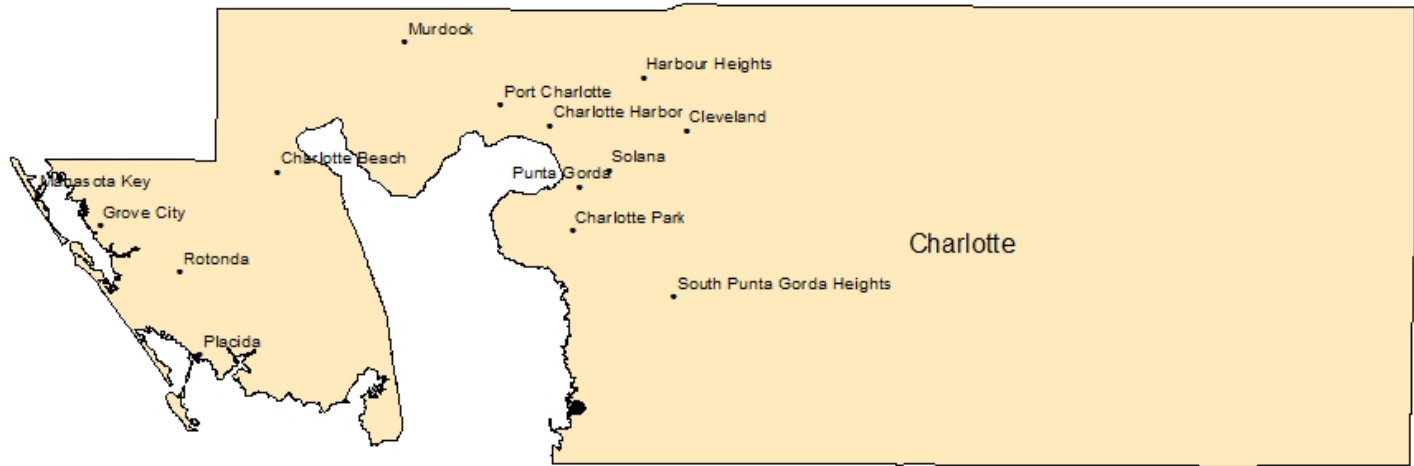
2nd - Ripple effect from construction phase

Wages spent in local economy

3rd - Occupancy phase

Earnings spent in the local economy

Punta Gorda, Florida MSA



- Based on local commuting patterns, OMB has identified the Punta Gorda MSA as a metro area consisting entirely of Charlotte County.

Assumptions of the Model

Inputs To Model

Single-family

Average house price:	\$209,000
Average raw lot cost:	\$10,192
Permits/Infrastructure:	\$1,726
Annual property taxes:	\$2,786

Phase I CONSTRUCTION

Value of Construction
+
Services Provided at Closing
+
Permit / Hook-up / Impact Fees

Model of the Local Economy

Local Income, Taxes, & Jobs Supported

FIRST YEAR IMPACT: Single-family Construction – 383 Homes

Local Income	Local Taxes	Local Jobs Supported
\$38,398,800	\$2,343,300	828



\$661,100 permit and impact fees

INCLUDING:

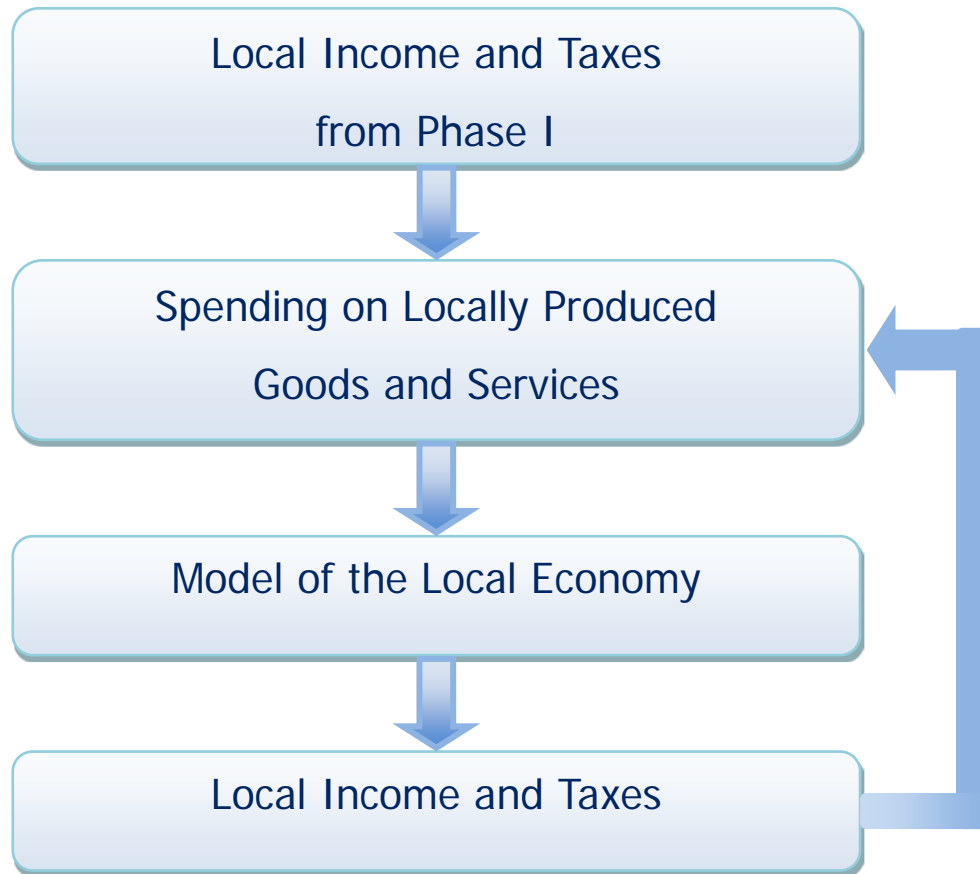
573 Jobs in Construction

125 Jobs in Wholesale and Retail Trade

65 Jobs in Business and Professional Services

* One job represents enough work to keep one worker employed full-time for a year.

Phase II RIPPLE



FIRST YEAR IMPACT: Single-family Ripple

Local Income	Local Taxes	Local Jobs Supported
\$18,237,000	\$2,487,700	424

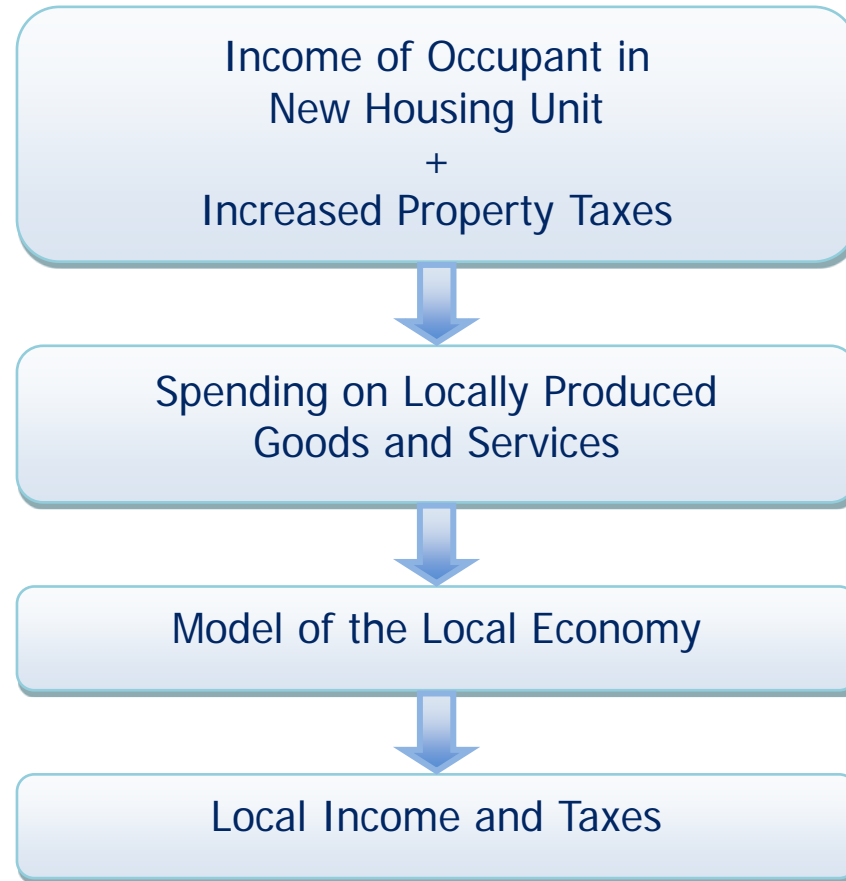
INCLUDING:

112 Jobs in Wholesale and Retail Trade

56 Jobs in Eating and Drinking Places

67 Jobs in Health, Education and Social Services

Phase III OCCUPANCY



ONGOING Single-family ANNUAL EFFECT

Local Income	Local Taxes	Local Jobs Supported
\$9,644,500	\$2,637,700	240



38% or \$998,800 property tax

INCLUDING:

63 Jobs in Wholesale and Retail Trade

32 Jobs in Eating and Drinking Places

35 Jobs in Health, Education and Social Services

NEW HOMES REQUIRE:

INFRASTRUCTURE

- Fire and police protection
- Garbage collection
- Parks and recreational opportunities
- Roads
- Correctional facilities
- Primary and secondary education
- Etc.

Where's Data/Facts?

- Local government budgets
- Federal government surveys
- Model estimating relationships

Required Current Expenses

Function	383 SF Homes	1 SF Home
Education	\$514,900	\$1,344
Police Protection	\$231,200	\$604
Fire Protection	\$79,300	\$207
Corrections	\$12,000	\$31
Streets and highways	\$116,600	\$304
Water Supply	\$60,300	\$157
Sewerage	\$83,600	\$218
Health Services	\$88,700	\$232
Recreation and culture	\$72,900	\$190
Other General Government	\$292,500	\$764
Total	\$1,552,000	\$4,053

Required Capital per Unit

Function	383 SF Homes	1 SF Home
Schools	\$1,098,500	\$2,868
Other Buildings	\$254,500	\$664
Streets and highways	\$841,800	\$2,198
Conservation & Development	\$200	\$1
Sewerage	\$513,900	\$1,342
Water Supply	\$419,000	\$1,094
Other Structures	\$131,900	\$344
Equipment	\$65,400	\$171
Total	\$3,325,200	\$8,682

Now that we know:

The benefits of construction

&

The costs of construction

Does new construction pay for itself?

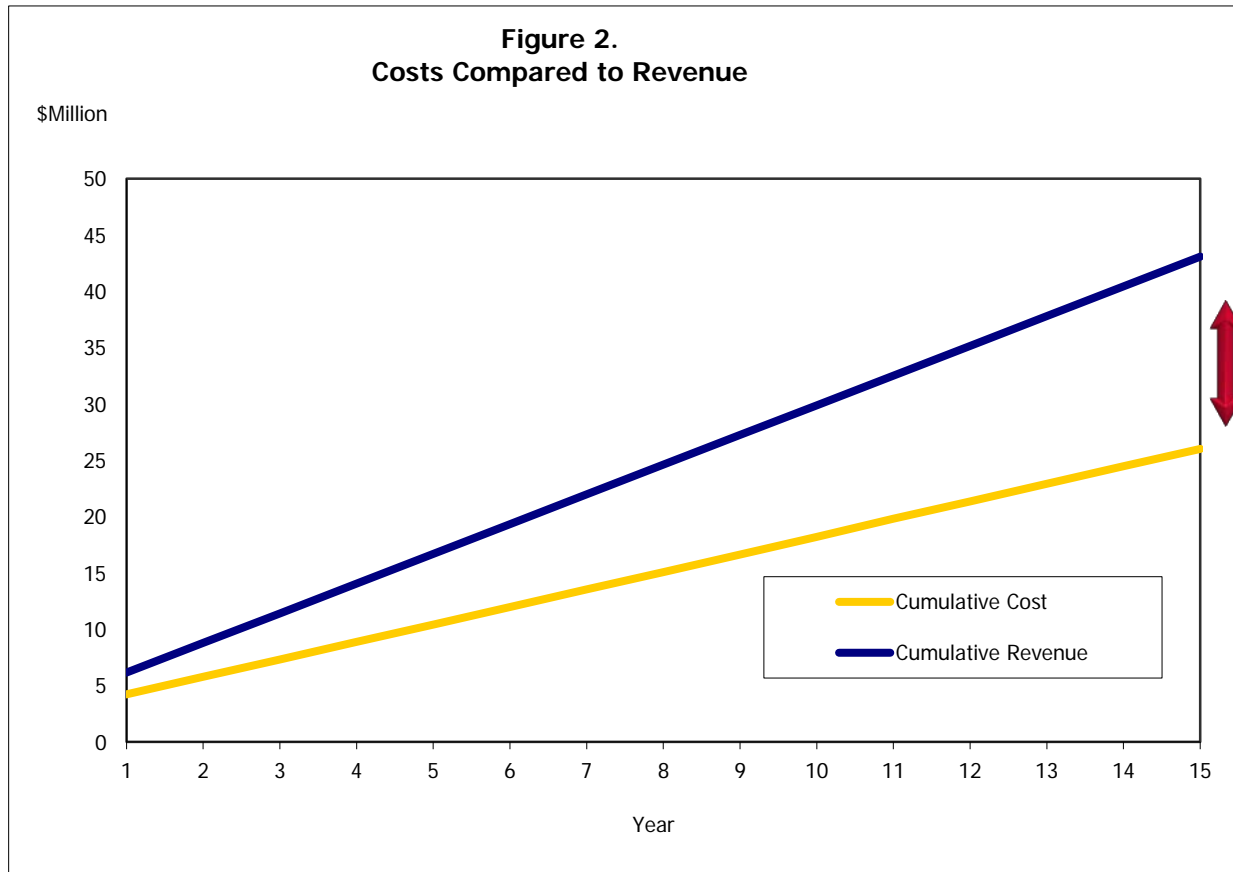
Yes it does!

For single-family units --

- The first-year operating surplus is large enough to service and pay down all debt incurred by investing in structures and equipment.
- In the 1st year, net is \$1.9 million and \$1.1 million thereafter.

Year	Current Expenses	Revenue	Operating Surplus	Capital Invest. Start of Year	Interest On Debt	Income
1	776,000	6,149,800	5,373,800	3,325,200	124,000	1,924,600
2	1,552,000	2,637,700	1,085,700	0		1,085,700
3	1,552,000	2,637,700	1,085,700	0	0	1,085,700
4	1,552,000	2,637,700	1,085,700	0	0	1,085,700
5	1,552,000	2,637,700	1,085,700	0	0	1,085,700
6	1,552,000	2,637,700	1,085,700	0	0	1,085,700
7	1,552,000	2,637,700	1,085,700	0	0	1,085,700
8	1,552,000	2,637,700	1,085,700	0	0	1,085,700
9	1,552,000	2,637,700	1,085,700	0	0	1,085,700
10	1,552,000	2,637,700	1,085,700	0	0	1,085,700

Over 15 years, 383 Single-family units generate a cumulative \$43.1 million in revenue for local governments—but only \$26.0 million in costs



\$17.1 million

Thank You