THE IMPACT OF REAL ESTATE ON THE FLORIDA ECONOMY

--UPDATE FOR 2004--

(Using Roll Year 2003 Property Appraiser Data)

Douglas White

October 2004

Shimberg Center for Affordable Housing
M. E. Rinker, Sr. School of Building Construction
College of Design, Construction and Planning
University of Florida
Post Office Box 115703
Gainesville, Florida 32611-5703
1-800-259-5705

THE IMPACT OF REAL ESTATE ON THE FLORIDA ECONOMY

Summary of Economic Impacts Using 2003 Data

Ad Valorem Taxes:

In excess of $20.36 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 $48.4 billion, and the economic impact from non-residential construction is approximately $11.96 billion. The impact from real estate related transactions is $7.1 billion, generating a total impact of $67.46 billion.

Real estate provides nearly 722 thousand jobs with annual earnings of nearly $24.2 billion.

Real Estate Investment Income:

An investment return to property owners of approximately $125.6 billion annually.

Total Estimated Impact on Florida Economy:

In excess of $ 237.6 billion annually

THE IMPACT OF 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. Due to the fact that the Shimberg Center received multiple requests for smaller geographical analysis of the impact, a major change to this year's report is that the analysis has been expanded to examine 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. 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.

The remaining 15 MSAs include twenty counties. 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 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. 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.

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 2003, the state of Florida had over 8.85 million property parcels assessed at $1.26 trillion. Of these, approximately 3.99 million parcels represented single-family houses assessed at nearly $602 billion.

An indirect impact of the real estate is the tax revenue generated. The $1.26 trillion assessed value has a taxable value of slightly more than $894 billion, which generates more than $20.35 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 2003 was $28 billion, and total non-residential construction output is estimated to have been $6.4 billion.

There were 727,621 real estate transactions in 2002 totaling nearly $101.7 billion in total sales, a turnover rate of approximately 8.27%. 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 *2003 Florida Property*

[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.

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 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)

	Residential Vacant	Single Family	Mobile Homes	<10 Units	> or = 10 Units	Condominia	Cooperatives	Retirement Homes	Vacant Commercial	Improved Commercial	Vacant Industry	Improved Industry	Agricultural	Institutional	Government	Leasehold	Misc.	Non-AG	Other	Totals
Daytona Beach	96,761	160,316	9,288	25,674	9,500	496	752	1,213	4,464	6,314	845	1,220	8,120	1,281	4,312	193	3,371	1,806	64	335,990
Ft. Lauderdale	24,838	356,334	4,438	211,458	19,502	1,857	12,005	24	4,199	12,123	1,850	5,653	896	2,341	5,727	1	3,644	965	0	667,858
Ft. Myers-Cape Coral	215,699	137,596	16,910	55,410	5,791	176	3,362	18	6,620	4,436	846	1,598	3,894	2,329	5,922	15	1,920	9,083	32	471,657
Ft. Pierce-Port St. Lucie	55,775	105,668	7,084	25,027	2,378	129	1,859	584	2,010	3,497	592	1,005	3,887	689	3,564	31	4,591	14,337	329	233,170
Ft. Walton Beach	12,896	54,044	2,675	10,287	753	149	0	8	954	3,118	12	438	2,713	551	1,341	39	558	700	3,106	94,342
Gainesville	10,845	48,952	5,515	3,270	1,718	379	0	1,381	847	2,997	260	628	7,486	757	966	0	561	243	540	87,345
Jacksonville	63,493	310,143	30,129	22,064	6,793	670	121	2,651	4,681	18,666	1,835	3,730	8,270	4,692	7,149	137	7,541	2,609	4,640	500,062
Lakeland-Winter Haven	52,659	127,470	33,014	6,854	4,060	247	44	464	2,782	7,015	658	1,896	13,203	3,839	5,435	0	2,530	44,300	0	306,931
Melbourne-Titusville-Palm Bay	82,040	152,819	11,408	25,831	2,970	275	916	24	3,535	6,691	955	1,629	1,388	826	6,149	1	1,063	2,641	0	301,280
Miami	27,070	310,711	327	289,222	32,010	3,862	3,451	75	5,588	20,136	3,036	11,537	7,635	2,567	20,459	37	1,170	10,552	0	749,515
Naples	31,099	61,860	3,445	78,042	1,965	103	2,938	669	1,172	2,520	263	887	1,662	840	32,122	31	4,689	6,314	0	230,653
Ocala	110,583	75,152	25,038	5,835	1,103	93	0	16	2,861	3,346	465	899	9,363	898	2,928	125	696	2,588	0	241,989
Orlando	104,880	455,034	31,818	47,736	13,581	1,184	883	364	7,505	17,205	1,682	4,768	13,730	3,769	12,968	459	6,668	11,274	4,745	740,418
Panama City	17,756	46,329	8,488	11,086	812	129	57	20	1,047	3,209	12	534	1,537	629	1,035	0	163	1,521	1,345	95,709
Pensacola	42,667	127,326	12,313	6,006	2,463	183	0	594	2,928	6,808	186	1,252	6,822	1,416	2,945	3,481	20,501	1,374	0	239,266
Punta Gorda	120,960	56,046	5,656	11,613	1,017	26	3,884	598	4,076	1,404	271	320	1,622	211	768	26	521	939	0	209,962
Sarasota-Bradenton	86,661	175,119	22,303	69,105	6,786	795	433	142	1,641	7,466	897	2,023	3,512	1,661	2,002	179	2,189	2,411	0	385,325
Tallahassee	20,170	72,194	9,497	747	2,003	402	0	38	1,401	3,712	404	827	5,577	1,326	2,622	96	796	374	254	122,440
Tampa-St. Petersburg-Clearwater	114,579	666,430	57,276	125,390	22,857	1,771	16,115	468	10,664	27,291	2,190	7,667	15,360	12,875	23,520	710	28,036	4,780	16,594	1,157,954
Vero Beach	18,600	36,773	1,290	12,070	779	42	57	444	1,199	1,518	195	455	1,654	480	1,128	62	498	42	0	77,286
West Palm Beach-Boca Raton	26,211	203,180	3,829	276,384	11,251	803	6,173	65	2,363	9,243	824	2,814	4,452	1,635	5,182	137	8,921	876	0	564,361
Northeast Nonmetropolitan	65,114	46,525	34,582	315	449	87	4	1,195	1,448	4,154	35	898	40,810	2,072	5,269	49	8,594	7,253	1,267	220,138
Northwest Nonmetropolitan	85,073	53,228	18,982	9,683	191	149	1	1,084	1,102	3,528	67	691	34,374	2,086	6,768	7	8,752	4,681	574	231,021
Central Nonmetropolitan	129,240	75,180	35,498	1,717	586	120	227	2,846	2,465	4,048	171	395	8,923	1,081	3,910	3	2,122	5,813	0	274,445
South Nonmetropolitan	117,730	73,605	28,886	11,024	4,361	130	348	1,060	3,126	5,811	374	1,033	20,445	2,336	31,188	144	4,530	2,939	807	310,001
State Total	1,733,399	3,988,034	419,689	1,341,850	155,679	14,257	53,630	16,045	80,678	186,256	18,925	54,797	227,335	53,187	195,379	5,963	124,625	140,415	34,297	8,849,118

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

	Residential Vacant	Single Family	Mobile Homes	<10 Units	> or = 10 Units	Condominia	Cooperatives	Retirement Homes	Vacant Commercial	Improved Commercial
Daytona Beach	1,900,943	18,240,976	471,272	850,608	458,918	3,354,709	30,400	35,940	402,468	3,102,354
Ft. Lauderdale	1,670,832	68,211,494	577,767	3,520,867	5,890,259	20,119,897	898,041	5,682	1,178,840	16,753,502
Ft. Myers-Cape Coral	3,703,270	25,892,449	898,806	796,905	582,066	9,351,708	146,909	35,915	656,108	3,867,180
Ft. Pierce-Port St. Lucie	1,248,721	16,661,220	410,358	222,354	262,096	2,935,094	61,295	104,899	285,738	2,237,593
Ft. Walton Beach	464,979	6,072,750	95,434	91,882	144,036	1,935,408	0	830	128,504	1,173,419
Gainesville	223,503	5,227,173	248,082	137,464	742,056	198,850	0	60,081	63,290	1,286,604
Jacksonville	2,422,417	41,511,274	1,367,235	997,117	2,832,637	3,746,235	3,056	302,625	702,941	10,329,512
Lakeland-Winter Haven	577,582	11,116,904	1,166,643	262,167	313,208	316,287	5,828	120,660	152,761	2,502,020
Melbourne-Titusville-Palm Bay	793,060	17,677,726	450,240	377,003	583,272	2,553,378	25,271	10,875	286,055	3,030,263
Miami	2,081,136	62,773,712	27,410	5,668,599	7,396,951	38,500,831	205,969	156,994	1,285,003	21,934,240
Naples	2,648,989	23,216,192	188,096	354,302	668,076	18,482,991	380,933	480,990	448,014	3,509,383
Ocala	716,269	6,506,132	824,567	85,533	133,250	324,320	0	14,585	127,051	1,251,510
Orlando	2,858,818	61,116,692	1,917,721	1,238,927	5,834,558	5,755,528	38,737	115,735	1,895,419	21,885,109
Panama City	395,452	4,410,498	331,890	87,319	145,763	1,393,510	1,576	3,365	96,088	1,235,286
Pensacola	816,671	11,588,897	331,579	215,797	324,905	894,223	0	44,732	220,194	1,856,803
Punta Gorda	1,323,354	7,607,707	264,658	160,763	53,968	1,576,386	144,642	99,557	196,783	1,089,887
Sarasota-Bradenton	1,749,741	34,253,448	1,036,139	1,044,397	1,002,350	13,403,812	82,873	325,286	404,031	5,912,899
Tallahassee	331,292	7,748,211	375,144	221,007	689,200	34,769	0	28,994	143,535	1,999,853
Tampa-St. Petersburg-Clearwater	2,788,617	84,239,990	2,355,967	2,904,760	5,686,595	12,366,542	525,153	252,622	1,244,110	18,862,298
Vero Beach	751,854	7,184,791	45,236	93,303	100,885	2,073,098	5,687	88,498	92,681	1,108,251
West Palm Beach-Boca Raton	3,043,972	51,937,444	162,327	1,603,023	3,140,611	36,885,109	504,514	450,796	715,810	11,588,811
Northeast Nonmetropolitan	543,542	3,037,299	1,211,668	54,937	61,083	28,974	228	23,986	54,109	750,741
Northwest Nonmetropolitan	2,105,491	6,270,103	618,749	41,508	42,465	1,920,488	53	51,743	82,672	828,047
Central Nonmetropolitan	742,467	6,593,506	1,178,908	44,787	58,141	102,138	3,007	73,656	139,333	1,019,127
South Nonmetropolitan	1,193,099	12,566,107	1,523,396	1,180,850	100,142	2,114,520	156,297	47,641	174,037	3,245,427
State Total	37,096,070	601,662,693	18,079,294	22,256,180	37,247,492	180,368,806	3,220,469	2,936,689	11,175,577	142,360,122

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

	Vacant Industry	Improved Industry	Agricultural	Institutional	Government	Leasehold	Misc.	Non-AG	Other	Totals
Daytona Beach	53,046	565,732	969,815	915,434	1,573,857	110,485	94,659	226,206	426,240	33,784,060
Ft. Lauderdale	426,334	5,441,845	446,206	2,439,623	4,941,578	100	710,384	157,871	0	133,392,386
Ft. Myers-Cape Coral	114,130	779,054	1,286,309	865,651	1,803,142	34,396	116,742	37,099	267,954	51,235,793
Ft. Pierce-Port St. Lucie	83,877	452,524	1,691,930	466,089	1,615,458	61,311	514,946	374,453	9	29,689,964
Ft. Walton Beach	1,561	145,557	229,038	248,967	1,192,565	1,114	27,765	30,201	0	11,984,009
Gainesville	12,153	241,513	926,592	328,004	2,240,283	0	55,961	13,581	55	12,005,244
Jacksonville	219,760	2,848,555	2,181,543	2,254,275	4,677,291	469,702	579,747	283,350	0	77,760,248
Lakeland-Winter Haven	35,980	958,234	1,313,229	556,045	1,079,168	0	269,045	331,941	0	21,077,703
Melbourne-Titusville-Palm Bay	100,971	594,642	367,628	811,415	4,402,638	1	137,064	140,509	0	32,344,715
Miami	974,369	7,286,474	2,037,936	3,634,658	10,238,138	111,640	431,483	860,908	0	165,610,538
Naples	101,829	618,968	966,393	1,027,277	2,389,970	13,803	65,333	397,653	0	55,959,308
Ocala	23,679	402,564	2,077,408	341,265	1,143,744	4,829	27,070	173,877	0	14,177,653
Orlando	307,133	3,671,787	3,728,402	3,021,635	7,275,063	411,169	193,457	1,120,382	1,468,999	123,855,764
Panama City	523	161,970	556,121	212,393	1,181,403	0	30,972	73,047	0	10,317,177
Pensacola	5,441	360,316	680,327	596,759	2,843,033	967,739	173,353	112,150	0	22,032,920
Punta Gorda	28,308	144,366	320,379	262,520	432,792	7,018	51,241	22,835	0	13,787,165
Sarasota-Bradenton	101,382	1,179,329	1,421,703	1,421,824	2,222,397	32,753	224,329	356,830	0	66,175,525
Tallahassee	15,770	290,702	892,896	407,667	3,893,182	0	9,204	21,884	0	17,103,311
Tampa-St. Petersburg-Clearwater	242,768	4,897,718	3,606,147	5,102,478	10,229,959	1,337,627	434,575	484,950	320	157,652,912
Vero Beach	12,322	170,094	678,376	320,319	767,479	19,466	14,033	7,950	0	13,534,323
West Palm Beach-Boca Raton	214,471	2,004,432	2,801,353	1,684,921	4,995,674	126,564	303,164	37,177	0	122,200,857
Northeast Nonmetropolitan	1,330	242,169	4,909,103	278,083	1,296,120	10,955	41,042	219,484	0	12,764,852
Northwest Nonmetropolitan	28,236	139,456	2,979,393	340,984	2,757,646	5,673	42,407	194,224	0	18,449,337
Central Nonmetropolitan	12,770	214,383	1,013,387	334,986	905,232	6,084	558,353	164,055	0	13,166,531
South Nonmetropolitan	8,039	310,034	5,049,077	639,043	4,718,290	89,736	472,265	127,546	46,474	33,762,020
State Total	3,126,180	34,122,419	43,130,692	28,512,316	80,816,101	3,822,166	5,578,594	5,970,162	2,210,051	1,263,824,315

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

	Residential Vacant	Single Family	Mobile Homes	<10 Units	> or = 10 Units	Condominia	Cooperatives	Retirement Homes	Vacant Commercial	Improved Commercial
Daytona Beach	1,857,270	12,435,606	271,245	656,985	442,858	2,901,388	19,358	35,933	371,983	3,051,377
Ft. Lauderdale	1,527,996	46,299,360	470,569	3,043,766	5,687,582	14,113,363	662,205	5,682	1,003,104	15,714,389
Ft. Myers-Cape Coral	3,702,297	19,572,215	607,206	718,307	581,101	8,410,679	107,017	35,292	655,866	3,853,456
Ft. Pierce-Port St. Lucie	1,240,851	12,276,844	271,477	205,846	256,391	2,365,886	38,354	98,219	282,065	2,197,693
Ft. Walton Beach	463,493	4,653,756	51,751	89,661	140,855	1,881,047	0	0	127,494	1,164,665
Gainesville	196,601	3,595,978	124,734	129,397	730,568	146,398	0	55,253	60,580	1,216,766
Jacksonville	2,387,830	28,258,489	731,452	842,365	2,754,431	3,166,370	190	262,249	690,777	9,894,348
Lakeland-Winter Haven	572,706	7,765,881	648,977	250,897	312,494	245,059	5,716	106,202	152,162	2,490,902
Melbourne-Titusville-Palm Bay	770,374	11,625,504	217,144	324,790	561,217	1,999,196	12,985	5,032	275,302	2,928,088
Miami	1,942,226	40,913,300	23,249	4,953,089	7,186,957	30,826,232	145,229	99,301	1,231,909	21,253,693
Naples	2,648,922	17,846,049	125,734	333,243	668,076	16,673,078	314,422	460,367	447,988	3,497,169
Ocala	705,445	4,450,196	419,163	81,994	130,960	193,317	0	14,540	123,801	1,218,585
Orlando	2,835,272	45,366,926	1,294,797	1,065,166	5,765,291	5,069,521	21,792	112,109	1,860,125	21,656,570
Panama City	390,715	3,238,670	200,571	84,670	143,749	1,342,873	1,401	3,165	93,390	1,212,626
Pensacola	750,385	7,600,742	180,444	196,013	318,239	836,877	0	38,090	206,276	1,782,278
Punta Gorda	1,301,466	5,422,478	166,879	146,215	53,385	1,384,734	102,254	73,518	186,705	1,074,234
Sarasota-Bradenton	1,731,244	24,679,639	664,893	944,353	957,649	11,117,805	76,710	244,656	402,489	5,653,784
Tallahassee	325,881	5,684,151	182,016	213,159	654,519	29,404	0	28,529	139,373	1,944,788
Tampa-St. Petersburg-Clearwater	2,768,059	55,621,498	1,285,806	2,462,344	5,661,135	9,205,729	301,058	239,451	1,236,478	18,780,805
Vero Beach	749,691	5,524,428	27,094	88,299	100,885	1,778,213	5,121	88,374	92,217	1,106,057
West Palm Beach-Boca Raton	2,890,805	39,000,355	104,958	1,411,114	3,051,110	29,197,203	404,222	335,982	673,276	11,309,069
Northeast Nonmetropolitan	528,510	1,825,601	567,988	50,438	55,090	26,914	228	21,991	52,028	727,819
Northwest Nonmetropolitan	2,094,579	4,904,543	321,366	39,411	42,157	1,885,164	53	50,930	81,983	809,837
Central Nonmetropolitan	739,506	4,338,790	585,525	41,103	56,609	77,861	2,712	67,396	136,685	981,945
South Nonmetropolitan	1,189,159	9,493,564	1,076,522	1,058,416	96,151	1,953,402	154,063	47,100	172,010	3,212,728
State Total	36,311,285	422,394,564	10,621,560	19,431,041	36,409,461	146,827,714	2,375,092	2,529,359	10,756,068	138,733,671

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

	Vacant Industry	Improved Industry	Agricultural	Institutional	Government	Leasehold	Misc.	Non-AG	Other	Totals
Daytona Beach	49,377	560,341	225,736	195,175	24,865	49,500	66,863	204,928	425,848	23,846,635
Ft. Lauderdale	387,142	5,216,115	82,808	1,006,335	73,201	0	243,534	122,022	0	95,659,174
Ft. Myers-Cape Coral	114,130	779,054	182,554	301,301	50,204	34,396	90,505	37,099	267,954	40,100,633
Ft. Pierce-Port St. Lucie	83,603	447,560	372,132	174,581	3,657	0	398,133	301,622	9	21,014,921
Ft. Walton Beach	1,561	144,360	62,586	93,022	2,340	1,114	7,279	28,593	0	8,913,576
Gainesville	10,249	227,901	233,180	109,517	2,600	0	6,287	9,068	55	6,855,133
Jacksonville	215,407	2,837,512	418,573	393,056	23,498	37,755	135,104	271,682	0	53,352,064
Lakeland-Winter Haven	35,940	955,243	451,500	21,566	10,690	0	237,826	329,223	0	14,592,985
Melbourne-Titusville-Palm Bay	95,126	566,249	90,280	151,919	132,744	1	63,200	123,025	0	19,942,176
Miami	921,408	7,226,091	678,647	793,570	178,882	82,009	374,757	790,423	0	119,621,285
Naples	101,829	618,615	228,454	62,805	104	13,243	54,675	397,653	0	44,492,542
Ocala	23,577	402,144	514,232	98,578	8,030	1,997	22,305	166,223	0	8,575,087
Orlando	304,718	3,656,662	687,054	478,532	52,173	223,053	149,543	1,077,255	1,468,997	93,145,617
Panama City	523	145,647	61,430	66,783	8,868	0	26,749	60,120	0	7,081,951
Pensacola	5,412	345,422	189,336	110,644	5,862	7,707	119,190	103,945	0	12,796,862
Punta Gorda	25,208	143,287	97,052	110,976	290	4,579	19,942	20,646	0	10,333,847
Sarasota-Brandenton	100,711	1,175,722	309,824	467,714	16,542	16,036	132,752	333,929	0	49,026,453
Tallahassee	15,414	287,040	201,976	26,992	18,010	0	6,465	21,684	0	9,779,402
Tampa-St. Petersburg-Clearwater	242,580	4,894,923	833,743	1,210,824	44,136	914,159	400,807	475,884	320	106,597,024
Vero Beach	12,126	170,061	147,217	141,351	9,754	17,939	11,379	7,917	0	10,078,124
West Palm Beach-Boca Raton	203,107	1,990,553	810,545	566,063	174,526	69,217	235,133	27,794	0	92,455,031
Northeast Nonmetropolitan	1,330	240,468	1,145,474	53,576	23,980	10,576	37,639	199,055	0	5,568,702
Northwest Nonmetropolitan	27,793	129,900	720,422	52,294	7,264	4,238	32,987	188,091	0	11,393,014
Central Nonmetropolitan	10,621	213,387	224,009	108,986	4,682	0	536,280	150,094	0	8,276,268
South Nonmetropolitan	8,039	307,689	1,611,219	106,494	11,368	84,615	144,144	109,211	41,610	20,877,505
State Total	2,996,929	33,681,948	10,579,982	6,902,653	888,269	1,572,132	3,553,477	5,557,185	2,204,793	894,376,011

The state has an average millage rate of 18.96; the $894 billion in taxable value generates approximately $20.36 billion in tax revenues. On average (for the state), school districts receive the greatest proportion (41.35% or $8.4 billion), followed by county government (35.2% or $7.1 billion), and municipalities (12.3% or $2.5 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	20.19	$537,263,731	2.64%	42.79%	31.86%	10.75%
Ft. Lauderdale	16.30	$2,536,280,547	12.46%	34.60%	34.08%	21.07%
Ft. Myers-Cape Coral	17.58	$870,390,438	4.28%	41.42%	30.16%	9.49%
Ft. Pierce-Port St. Lucie	17.89	$510,130,385	2.51%	39.74%	42.69%	8.09%
Ft. Walton Beach	22.00	$147,350,185	0.72%	54.28%	28.07%	10.95%
Gainesville	21.68	$201,042,274	0.99%	38.56%	42.63%	10.85%
Jacksonville	21.17	$1,136,134,162	5.58%	47.21%	46.37%	2.44%
Lakeland-Winter Haven	17.06	$484,503,511	2.38%	58.91%	30.29%	7.11%
Melbourne-Titusville-Palm Bay	18.04	$467,493,259	2.30%	39.71%	32.75%	17.20%
Miami	16.49	$3,057,008,010	15.02%	38.45%	31.65%	17.26%
Naples	19.82	$679,699,521	3.34%	44.19%	30.13%	3.50%
Ocala	26.18	$191,367,516	0.94%	46.24%	28.77%	8.12%
Orlando	15.98	$1,939,709,132	9.53%	44.72%	29.78%	10.09%
Panama City	16.77	$131,704,823	0.65%	53.63%	34.53%	7.77%
Pensacola	17.03	$284,319,316	1.40%	45.85%	42.52%	4.81%
Punta Gorda	16.06	$179,815,976	0.88%	51.61%	30.11%	2.87%
Sarasota-Bradenton	19.34	$882,181,673	4.33%	49.40%	40.00%	6.34%
Tallahassee	18.26	$227,642,863	1.12%	44.15%	41.86%	11.28%
Tampa-St. Petersburg-Clearwater	22.93	$2,710,954,117	13.32%	37.09%	37.61%	11.89%
Vero Beach	14.70	$193,257,590	0.95%	48.30%	22.51%	3.77%
West Palm Beach-Boca Raton	26.28	$2,111,761,997	10.37%	39.98%	34.99%	16.62%
Northeast Nonmetropolitan	19.25	$145,625,609	0.72%	42.44%	51.51%	3.76%
Northwest Nonmetropolitan	17.59	$180,652,769	0.89%	47.34%	45.61%	2.93%
Central Nonmetropolitan	19.05	$208,812,498	1.03%	43.00%	48.81%	3.76%
South Nonmetropolitan	18.76	$341,347,427	1.68%	41.15%	45.74%	8.36%
Florida Total	18.96	$20,356,449,329	100.00%	41.35%	35.18%	12.27%

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 209,000 new units built in Florida in 2003. Almost 153,000 of these units were single-family units and the remaining 56,000 were multi-family units. The single-family units have a value of $22.9 billion and the multi-family units have a value of $5.1 billion for a total of $28 billion in new residential construction. Table 5 shows the distribution of this new construction by MSA and non-metro regions. Please note that in order to better model the impacts of construction, Monroe County has been combined with the Miami MSA and therefore, has been removed from the Southern Nonmetropolitan region. Combining the building permit data and the total value of new construction in the state from the *2003 Florida Property Valuations and Tax Data* publication, gives an estimate of $6.4 billion of non-residential construction. There are no accurate estimates of this number at the MSA level, so only residential construction will be estimated at the MSA level.

Table 5. Value ($1000s) & Number of New Units Constructed in 2003

	New Construction			New Units		
	Total Construction	Single-Family	Multi-Family	Total Units	Single-Family	Multi-Family
Daytona Beach	$1,419,082	$1,236,264	$182,818	10,740	8,721	2,019
Ft. Lauderdale	$1,080,165	$654,956	$425,209	8,218	3,880	4,338
Ft. Myers-Cape Coral	$1,943,926	$1,309,132	$634,794	15,675	9,668	6,007
Ft. Pierce-Port St. Lucie	$1,159,355	$1,059,645	$99,710	9,690	8,195	1,495
Ft. Walton Beach	$299,215	$264,882	$34,333	1,749	1,511	238
Gainesville	$172,988	$143,870	$29,118	1,684	1,177	507
Jacksonville	$2,260,162	$1,999,883	$260,280	15,672	12,641	3,031
Lakeland-Winter Haven	$566,935	$539,097	$27,838	6,823	6,261	562
Melbourne-Titusville-Palm Bay	$999,716	$905,405	$94,311	6,169	5,607	562
Miami MSA & Monroe County	$1,693,049	$1,098,522	$594,522	15,931	9,022	6,909
Naples	$982,396	$683,847	$298,549	5,820	3,376	2,444
Ocala	$779,741	$753,066	$26,675	6,475	5,841	634
Orlando	$3,644,376	$3,270,708	$373,668	28,233	22,345	5,888
Panama City	$425,631	$191,752	$233,879	3,676	1,313	2,363
Pensacola	$541,637	$466,931	$74,705	4,801	3,578	1,223
Punta Gorda	$373,507	$309,947	$63,560	2,522	1,953	569
Sarasota-Bradenton	$1,575,758	$1,390,572	$185,186	9,025	7,897	1,128

Tallahassee	$320,162	$267,760	$52,402	2,986	1,876	1,110
Tampa-St. Petersburg-Clearwater	$3,757,615	$2,988,556	$769,059	29,281	20,178	9,103
Vero Beach	$419,919	$358,139	$61,780	2,430	1,778	652
West Palm Beach-Boca Raton	$2,493,683	$1,997,287	$496,397	15,844	10,920	4,924
Northeast Nonmetropolitan	$120,600	$120,437	$164	1,229	1,223	6
Northwest Nonmetropolitan	$488,102	$391,029	$97,073	3,099	2,555	544
Central Nonmetropolitan	$354,860	$346,892	$7,968	0	0	0
South Nonmetropolitan minus Monroe County	$138,190	$128,619	$9,572	1,310	1,123	187
Florida Total	$28,010,770	$22,877,196	$5,133,570	209,082	152,639	56,443

2.2 Transactions

Next, using data from the *2003 Florida Property Valuations and Tax Data* publication, real estate sales, mortgage and related activities are examined. For the state of Florida in 2002, 722,621 real property parcel transactions took place with a total sales value of approximately $101.7 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:	$4.07 billion
5 percent:	$5.08 billion
6 percent:	$6.1 billion

We conservatively estimate the demand for real estate transaction related services to be $5.08 billion per year for real estate transactions.

Table 6. Number of Sales and Just Value ($1000s) of Sales in 2002

	Number of Sales	Percent Turnover	Total Just Value of Sales
Daytona Beach	29,421	8.76	2,818,645
Ft. Lauderdale	67,513	10.10	12,001,215
Ft. Myers-Cape Coral	46,888	10.12	5,342,050
Ft. Pierce-Port St. Lucie	26,184	11.45	2,503,735
Ft. Walton Beach	7,455	8.24	1,023,961
Gainesville	6,051	6.93	645,242
Jacksonville	40,757	8.23	6,121,982
Lakeland-Winter Haven	18,847	6.14	1,494,629
Melbourne-Titusville-Palm Bay	23,102	7.70	2,367,456
Miami	62,870	8.53	12,687,547
Naples	21,015	9.11	5,242,390
Ocala	16,174	6.68	1,234,560
Orlando	63,509	8.62	9,262,815
Panama City	7,246	7.68	875,134
Pensacola	15,152	6.45	1,469,615
Punta Gorda	16,220	7.73	1,145,642
Sarasota-Brandenton	35,065	9.10	5,644,811
Tallahassee	8,416	6.89	931,443
Tampa-St. Petersburg-Clearwater	97,345	8.78	12,593,487
Vero Beach	6,346	8.24	1,110,829
West Palm Beach-Boca Raton	55,530	9.97	10,642,522
Northeast Nonmetropolitan	10,336	4.73	486,898
Northwest Nonmetropolitan	11,633	5.06	1,424,166
Central Nonmetropolitan	13,180	4.80	781,736
South Nonmetropolitan	16,366	5.31	1,812,333
State Total	722,621	8.27	101,664,840

Section 3: Economic Multipliers and Actual Employment & Earnings

IMPLAN, an economic impact modeling software program, is used to estimate the impacts generated by non-residential construction, 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.

Three types of impacts are estimated for non-residential construction, 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, 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, $6.4 billion of non-residential construction generates a total of $11.96 billion of economic activity, the $28 billion in new residential construction generates a total of $48.4 billion in economic activity, and the $5.08 billion in real estate related transactions generates a total of $7.12 billion in economic activity.

Table 7. Impact on Output ($1000s)

	Non-Residential Construction			
	Direct	Indirect	Induced	Total
State of Florida	$6,367,782	$2,031,647	$3,561,289	$11,960,718
	Residential Construction			
	Direct	Indirect	Induced	Total
Daytona Beach	$1,419,082	$496,821	$404,119	$2,320,022
Ft. Lauderdale	$1,080,165	$417,039	$422,441	$1,919,645
Ft. Myers-Cape Coral	$1,943,926	$692,288	$543,937	$3,180,150
Ft. Pierce-Port St. Lucie	$1,159,355	$413,889	$309,934	$1,883,179
Ft. Walton Beach	$299,215	$105,300	$61,223	$465,738
Gainesville	$172,988	$63,300	$46,552	$282,840
Jacksonville	$2,260,162	$965,117	$901,999	$4,127,278
Lakeland-Winter Haven	$566,935	$232,243	$190,323	$989,500
Melbourne-Titusville-Palm Bay	$999,716	$353,953	$272,940	$1,626,609
Miami MSA & Monroe County	$1,693,045	$709,951	$661,075	$3,064,071
Naples	$982,396	$287,395	$295,641	$1,565,432
Ocala	$779,741	$291,669	$199,522	$1,270,931
Orlando	$3,644,376	$1,592,373	$1,385,714	$6,622,463
Panama City	$425,631	$147,363	$140,471	$713,465
Pensacola	$541,637	$204,735	$176,396	$922,768
Punta Gorda	$373,507	$109,913	$90,860	$574,281

Sarasota-Brandenton	$1,575,758	$598,007	$539,003	$2,712,768
Tallahassee	$320,162	$117,788	$89,437	$527,387
Tampa-St. Petersburg-Clearwater	$3,757,615	$1,692,650	$1,600,934	$7,051,198
Vero Beach	$419,919	$134,638	$102,421	$656,978
West Palm Beach-Boca Raton	$2,493,683	$869,000	$919,442	$4,282,125
Northeast Nonmetropolitan	$120,600	$37,480	$19,484	$177,564
Northwest Nonmetropolitan	$488,102	$138,070	$82,605	$708,777
Central Nonmetropolitan	$354,860	$103,326	$64,874	$523,060
South Nonmetropolitan minus Monroe County	$138,190	$37,935	$24,253	$200,377
Florida Total	$28,010,766	$10,812,244	$9,545,598	$48,368,608

Real Estate Transaction

	Total	Direct	Indirect	Induced
Daytona Beach	$2,320,022	$140,932	$31,221	$18,702
Ft. Lauderdale	$1,919,645	$600,061	$155,927	$94,221
Ft. Myers-Cape Coral	$3,180,150	$267,102	$63,862	$32,148
Ft. Pierce-Port St. Lucie	$1,883,179	$125,187	$29,784	$15,861
Ft. Walton Beach	$465,738	$51,198	$11,072	$5,138
Gainesville	$282,840	$32,262	$7,400	$3,939
Jacksonville	$4,127,278	$306,099	$82,279	$53,267
Lakeland-Winter Haven	$989,500	$74,731	$18,336	$11,383
Melbourne-Titusville-Palm Bay	$1,626,609	$118,373	$24,263	$14,527
Miami MSA & Monroe County	$3,064,071	$634,377	$162,101	$104,023
Naples	$1,565,432	$262,119	$58,570	$31,438
Ocala	$1,270,931	$61,728	$13,429	$7,339
Orlando	$6,622,463	$463,141	$124,498	$76,652
Panama City	$713,465	$43,757	$9,991	$5,968
Pensacola	$922,768	$73,481	$17,159	$10,968
Punta Gorda	$574,281	$57,282	$11,223	$6,212
Sarasota-Brandenton	$2,712,768	$282,241	$69,317	$42,090
Tallahassee	$527,387	$46,572	$10,407	$5,699
Tampa-St. Petersburg-Clearwater	$7,051,198	$629,674	$179,112	$119,969
Vero Beach	$656,978	$55,541	$10,843	$5,854
West Palm Beach-Boca Raton	$4,282,125	$532,126	$141,125	$81,402
Northeast Nonmetropolitan	$177,564	$24,345	$3,240	$1,990
Northwest Nonmetropolitan	$708,777	$71,208	$14,056	$6,232
Central Nonmetropolitan	$523,060	$39,087	$6,816	$3,476
South Nonmetropolitan minus Monroe County	$200,377	$90,617	$13,501	$7,981
Florida Total	$48,368,608	$5,083,242	$1,269,531	$766,481

3.2 Total Impact on Earnings

Table 8 shows the impact on earnings at the state level for non-residential construction, and the impact on earnings for each MSA that the new residential construction and real estate related transaction generates. The $6.4 billion of non-residential construction generates over $5.3 billion in earnings. The $28 billion in new residential construction generates a total of $17.5 billion in earnings. Of this $17.5 billion, the workers building the new residential construction directly earn $9.2 billion. There are also $4.5 billion of indirect earnings and $3.8 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 $1.35 billion of earnings.

Table 8. Impact on Labor Earnings ($1000)

Non-Residential Construction				
	Direct	Indirect	Induced	Total
State of Florida	$3,295,703	$814,682	$1,243,944	$5,354,330
Residential Construction				
	Direct	Indirect	Induced	Total
Daytona Beach	$409,165	$199,293	$139,811	$748,269
Ft. Lauderdale	$417,113	$175,696	$148,978	$741,788
Ft. Myers-Cape Coral	$678,999	$295,834	$190,772	$1,165,606
Ft. Pierce-Port St. Lucie	$331,506	$166,409	$603,192	$1,101,107
Ft. Walton Beach	$81,588	$44,278	$20,588	$146,454
Gainesville	$50,579	$25,933	$15,599	$92,112
Jacksonville	$741,376	$393,786	$312,890	$1,448,053
Lakeland-Winter Haven	$168,062	$94,814	$64,987	$327,863
Melbourne-Titusville-Palm Bay	$292,081	$148,751	$93,310	$534,142
Miami MSA & Monroe County	$595,429	$299,509	$237,506	$1,132,444
Naples	$390,719	$125,257	$106,256	$622,231
Ocala	$214,742	$109,077	$65,794	$389,613
Orlando	$1,203,409	$654,607	$486,060	$2,344,076
Panama City	$146,474	$62,505	$47,853	$256,831

Pensacola	$159,239	$84,845	$60,656	$304,739
Punta Gorda	$115,134	$44,409	$30,243	$189,786
Sarasota-Bradenton	$524,450	$251,896	$189,615	$965,961
Tallahassee	$96,920	$49,520	$30,430	$176,870
Tampa-St. Petersburg-Clearwater	$1,209,290	$691,483	$559,093	$2,459,866
Vero Beach	$130,129	$55,724	$35,680	$221,534
West Palm Beach-Boca Raton	$964,906	$382,284	$327,954	$1,675,144
Northeast Nonmetropolitan	$26,196	$13,369	$5,952	$45,518
Northwest Nonmetropolitan	$122,749	$49,617	$24,465	$196,832
Central Nonmetropolitan	$95,275	$37,356	$20,106	$152,737
South Nonmetropolitan minus Monroe County	$33,230	$14,668	$7,857	$55,755
Florida Total	$9,198,762	$4,470,923	$3,825,647	$17,495,331

Real Estate Transaction

	Direct	Indirect	Induced	Total
Daytona Beach	$16,500	$11,291	$6,470	$34,261
Ft. Lauderdale	$70,254	$60,793	$33,228	$164,274
Ft. Myers-Cape Coral	$31,272	$24,279	$11,275	$66,825
Ft. Pierce-Port St. Lucie	$14,657	$10,509	$5,387	$30,553
Ft. Walton Beach	$5,994	$4,181	$1,728	$11,903
Gainesville	$3,777	$2,561	$1,320	$7,658
Jacksonville	$35,837	$30,484	$18,478	$84,799
Lakeland-Winter Haven	$8,749	$6,809	$3,887	$19,445
Melbourne-Titusville-Palm Bay	$13,859	$9,151	$4,966	$27,975
Miami MSA & Monroe County	$74,271	$62,876	$37,372	$174,519
Naples	$30,688	$23,424	$11,299	$65,411
Ocala	$7,227	$4,526	$2,420	$14,173
Orlando	$54,223	$47,119	$26,887	$128,230
Panama City	$5,123	$3,606	$2,033	$10,762
Pensacola	$8,603	$6,452	$3,771	$18,826
Punta Gorda	$6,706	$4,044	$2,068	$12,818
Sarasota-Bradenton	$33,044	$26,910	$14,807	$74,761
Tallahassee	$5,453	$3,725	$1,939	$11,117
Tampa-St. Petersburg-Clearwater	$73,721	$67,123	$41,896	$182,739
Vero Beach	$6,503	$3,914	$2,039	$12,455
West Palm Beach-Boca Raton	$62,300	$55,292	$29,035	$146,627
Northeast Nonmetropolitan	$2,850	$1,148	$608	$4,607
Northwest Nonmetropolitan	$8,337	$4,543	$1,846	$14,725
Central Nonmetropolitan	$4,576	$2,432	$1,077	$8,086

South Nonmetropolitan minus Monroe County	$10,609	$4,947	$2,585	$18,141
Florida Total	$595,133	$482,137	$268,422	$1,345,692

3.3 Total Multipliers for Employment

Table 9 shows the effect on employment from non-residential construction, 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. The total impact on employment is 150 thousand jobs due to non-residential construction, 509.5 thousand jobs due to residential construction, and 62,000 jobs due to real estate related transactions. Therefore, over 720 thousand jobs in the state of Florida are related to real estate in some manner.

Table 9. Impact on Employment

Non-Residential Construction				
	Direct	Indirect	Induced	Total
State of Florida	88,967	21,430	40,018	150,415
Residential Construction				
	Direct	Indirect	Induced	Total
Daytona Beach	13,269	7,631	5,146	26,046
Ft. Lauderdale	10,021	5,140	4,711	19,872
Ft. Myers-Cape Coral	18,494	9,325	6,460	34,279
Ft. Pierce-Port St. Lucie	10,590	6,295	4,037	20,922
Ft. Walton Beach	2,848	1,695	846	5,388
Gainesville	1,647	1,018	620	3,285
Jacksonville	19,510	12,363	10,478	42,351
Lakeland-Winter Haven	4,962	3,112	2,368	10,442
Melbourne-Titusville-Palm Bay	9,082	5,435	3,750	18,267
Miami MSA & Monroe County	16,285	8,625	7,204	32,113
Naples	8,412	3,685	3,271	15,368
Ocala	7,013	4,492	2,666	14,172
Orlando	31,067	19,952	15,529	66,548
Panama City	4,661	2,324	1,880	8,864
Pensacola	5,044	3,204	2,439	10,688
Punta Gorda	3,463	1,925	1,277	6,665

Sarasota-Bradenton	13,502	7,991	6,730	28,223
Tallahassee	2,985	1,804	1,163	5,953
Tampa-St. Petersburg-Clearwater	34,773	21,074	18,248	74,094
Vero Beach	3,826	1,914	1,266	7,005
West Palm Beach-Boca Raton	20,327	10,272	9,375	39,974
Northeast Nonmetropolitan	1,170	640	277	2,087
Northwest Nonmetropolitan	5,065	2,340	1,165	8,570
Central Nonmetropolitan	3,205	1,736	931	5,873
South Nonmetropolitan minus Monroe County	1,348	796	365	2,509
Florida Total	252,569	144,783	112,205	509,557

Real Estate Transaction

	Direct	Indirect	Induced	Total
Daytona Beach	1,061	455	238	1,754
Ft. Lauderdale	2,899	1,877	1,051	5,827
Ft. Myers-Cape Coral	1,251	833	382	2,465
Ft. Pierce-Port St. Lucie	1,413	465	207	2,085
Ft. Walton Beach	353	168	71	592
Gainesville	296	109	53	457
Jacksonville	2,373	1,070	619	4,062
Lakeland-Winter Haven	726	254	142	1,121
Melbourne-Titusville-Palm Bay	1,408	368	200	1,975
Miami MSA & Monroe County	3,144	2,047	1,134	6,324
Naples	1,569	703	348	2,620
Ocala	638	215	98	951
Orlando	2,123	1,511	859	4,493
Panama City	464	157	80	700
Pensacola	894	293	152	1,339
Punta Gorda	820	196	87	1,103
Sarasota-Bradenton	3,276	953	526	4,755
Tallahassee	414	149	74	637
Tampa-St. Petersburg-Clearwater	4,755	2,154	1,367	8,277
Vero Beach	404	150	72	627
West Palm Beach-Boca Raton	3,289	1,499	830	5,618
Northeast Nonmetropolitan	406	59	28	493
Northwest Nonmetropolitan	758	203	88	1,049
Central Nonmetropolitan	725	116	50	891
South Nonmetropolitan minus Monroe County	1,347	321	120	1,789
Florida Total	36,805	16,324	8,874	62,002

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 2003 investments in all property types was 9.94 percent.

According to the Florida Department of Revenue, the total just value of all real estate is approximately \$1.26 trillion. Applying a 9.94 percent yield rate to the \$1.26 trillion of market value suggests that real estate owners in Florida earn approximately \$125.6 billion in investment income annually.

Section 5: Conclusion

Figures here have been updated to 2003, 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>: In excess of **\$20.36 billion** annually goes to school districts (41.35%), county government (35.2%), and municipalities (12.3%).

<u>Real Estate Activity (Residential Construction and Transactions)</u>: We estimate an economic impact from residential construction, non-residential construction, and real estate transactions to approximately **\$67.46 billion** annually. Furthermore, residential real estate provides nearly **722 thousand jobs** with annual earnings of nearly **\$24.2 billion**.

<u>Real Estate Investment Income</u>: An investment return to property owners of approximately **\$125.6 billion** is generated annually. This does not include the employment and earnings that are generated from indirect real estate investments such as REITs.