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Economic Impacts of Owner-Occupied Residential Construction in North Carolina: UPDATE 2026

A study prepared for the North Carolina Home Builders Association, Inc.

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Executive Summary

Construction of residential dwellings is an important industry in any locality or state. This report presents updated findings for the economic importance of residential construction in North Carolina. Importantly, economic impact is measured not only at the construction sites, but also including impacts from construction suppliers in the State as well as impacts from in-state retailers when new worker earnings are spent. Impacts are measured both for the private sector – builders, suppliers, retailers, etc. – as well as for the public sector, where new revenues for local, state and federal governments are estimated. Economic impacts are measured for two phases, the construction phase and the occupancy phase associated with households new to North Carolina purchasing newly built dwelling units. The question of whether new construction "pays for itself" is also addressed.

The findings are presented separately for single-family structures and townhouse structures. Following are the highlights:

The construction of 65,153 single-family dwelling units in the State in 2025 is estimated to have created 225,244 jobs, combining jobs at the construction sites, at supplier firms, and at retail firms related to worker spending. The value of total economic activity is $39.6 billion, and the total of new public revenues to North Carolina localities, the state, and the federal government together is $5.1 billion. The annual ongoing economic impacts from an estimated 21,500 household buyers new to the state are calculated to be over 48,000 new jobs, $3.5 billion in annual labor income, and $394 million in new local, state and federal annual revenues. The new annual revenues to the state and to local governments exceed the calculated increase in public costs associated with those households.

SINGLE-FAMILY CONSTRUCTION — 2025 TOTALS

65,153	225,244	$39.6B
DWELLING UNITS	JOBS CREATED	ECONOMIC ACTIVITY

Executive Summary

The impacts of townhouse construction are also significant. During construction of 12,643 townhouse units in 2025, 35,700 jobs were created, a total of $6.3 billion was spent at the site, spent for suppliers, and spent at retail stores. Also, $231 million was generated for local and state public revenues. For the estimated 4,172 households moving to North Carolina to buy townhouse units, those households are associated with 9,569 permanent jobs, $871,780,000 in annual labor income, and $71 million in new annual local and state revenues, which far exceeds estimated new annual public spending for transportation, schools, public safety, and public administration associated with those households.

TOWNHOUSE CONSTRUCTION — 2025 TOTALS

12,643	35,700	$6.3B
TOWNHOUSE UNITS	JOBS CREATED	TOTAL SPENDING

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Introduction

This report presents estimates of the economic impact of the construction of owner-occupied residential units in North Carolina, using the most recent data from 2025. Impacts are separately measured for single-family ownership units and townhouse ownership units. Additionally, impacts are calculated separately, accounting for when the units are constructed and when the units are completed and occupied. Estimated impacts on both the private and public sectors are included.

Economic impact is measured by several metrics. In the private sector, the key measures are jobs and income. In the public sector, the important measure is additional public revenues generated by the construction. Both of these measures are calibrated statewide for North Carolina.

Importantly, economic impact includes activity at the site of the construction, but also in-state economic activity generated from supply-chain effects prompted from the site construction, as well as retail sales impacts from new labor income. The fiscal impacts for the public sector are measured separately for local, state (North Carolina), and federal governments. The question of whether the occupancy of the units provides enough public revenues to pay for additional public services needed by the occupying households is also addressed.

Economic impacts are measured at two levels. First are the aggregate impacts of the construction of owner-occupied residential units for the entire state in 2025. Second are the economic impacts from a hypothetical 100-unit development, with individual measures for a single-family development and a townhouse development. These calculations will allow users to evaluate construction projects of different scales.

Before the results are presented and discussed, the next section provides more depth about the meaning of economic impact and how it is measured.

Meaning and Measurement of Economic Impact

Direct (Round 1) Impacts

Economic impact, such as the economic impact of owner-occupied residential construction analyzed here, includes three major components. First is the economic impact directly from the site of the activity. For residential construction, this is the economic impact at the construction site, where workers are receiving, using, and assembling inputs like lumber, shingles, and concrete. Payments for those inputs and salaries to the workers make up the key parts of these "Direct" – also called "Round 1" – economic impacts.

Indirect (Round 2) Impacts

"Indirect" or "Round 2" economic impacts include the supply-chain impacts from Round 1. Purchases of inputs mean more production of those inputs by the suppliers and more work and salaries for their workers. Furthermore, these suppliers also have suppliers, who also have suppliers, and so on. Hence, the indirect effects can include several levels of suppliers. Impacts include those on existing suppliers as well as those on new suppliers motivated by the expansion of purchases.

Induced (Round 3) Impacts

The "third round," technically called the "induced impact," includes the impacts on retailers of more spending created by additional salaries paid to new workers or existing workers at both the "Round 1" and "Round 2" levels.

The sum of the economic impacts from all three rounds is termed the "total impact". Again, impacts include those from existing firms and newly formed firms.

How Economic Impact Is Calculated

Economists use computer programs that have assembled the necessary data to calculate Rounds 1, 2, 3 and total effects for specific geographic areas, including states and counties. Each of the economic effects are calibrated only for economic transactions taking place in the geographic area of interest, such as North Carolina in the analysis presented in this report. The author of this report – Dr. Walden – uses the program called "IMPLAN" – headquartered in Huntersville, North Carolina – for the analysis. Dr. Walden has used the IMPLAN models for almost fifty years.

The economic impact is divided into two parts. The first is the economic impact of construction. The second is the economic impact of the buyers, called the "new annual occupancy impact."

Economic Impacts of Single-Family Residential Construction in North Carolina

This section gives the economic impacts for North Carolina from the construction and occupancy of single-family residential homes built in 2025.

Construction Period Impact

Using the estimated number of single-family units authorized from building permits in 2025 of 65,153[1] and selling at a median price of $320,000 per unit excluding land costs,[2] gives a construction direct impact of $20.8 billion. Tables 1 and 2 show the private sector and public sector economic impact results for North Carolina.

Table 1. Estimated Total Economic Impact on the Private Sector in North Carolina of Statewide Single-Family Construction in 2025.

IMPACT	EMPLOYMENT	LABOR INCOME	PRODUCTION
Direct	137,482	$6,538,652,291	$20,848,960,000
Indirect	34,353	$2,450,200,244	$7,972,213,531
Induced	53,409	$3,373,727,646	$10,866,963,554
Total	**225,244**	**$12,362,580,181**	**$39,688,137,085**

Source: IMPLAN and author's calculations.

The total economic impacts are significant. Looking first at the private sector impacts in Table 1, there are 137,482 workers estimated to be directly involved in residential construction. But there are over 87,000 additional workers in North Carolina in jobs supporting the construction supply-chain or involved in production related to additional retail purchases generated from more labor income. The same results are seen for labor income. The column headed by "Production" shows the direct $20.8 billion spent on construction at the site is complemented by nearly $8 billion spent on more production of associated suppliers in the state and almost $11 billion spent in the state to satisfy the additional retail spending created by additional labor income.

Table 2. Estimated Total Economic Impact on the Public Sector in North Carolina of Statewide Single-Family Construction in 2025.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$76,001,055	$321,709,370	$2,152,803,333
Indirect	$212,109,225	$268,369,099	$620,423,729
Induced	$251,607,742	$330,510,025	$840,740,933
Total	**$539,718,022**	**$920,588,494**	**$3,613,967,995**

Source: IMPLAN and author's calculations.

Table 2 shows the revenue impacts on the public sector from single-family residential construction in 2025. Looking at the totals which include the direct, indirect, and induced impacts, the construction created an estimated $539 million in additional revenue for local governments, $920 million in additional revenue for the state, and over $3.6 billion in additional revenue for the federal government.

New Annual Occupancy Economic Impact

Households who buy newly constructed single-family homes in North Carolina and who are new residents to the state create new economic impacts for the state. This impact is termed the "new annual occupancy economic impact," and it continues as long as households remain in the unit. Households who buy a newly constructed single-family home in North Carolina but moved from another dwelling in the state are assumed not to create additional statewide economic impact in this study.[3]

Data on the percentage of buyers of newly constructed single-family homes who are just moving to North Carolina are based on estimates. Here, an estimate of 33% of homebuyers being new residents of North Carolina is used, which results in 21,500 (33% of 65,153 units) new buyers to North Carolina.[4] This number is paired with an estimated annual household salary of $110,000[5] for buyers to generate $2,365,000,000 of new annual aggregate income to the state. However, it should be noted it may take several years for the units to be sold in order to achieve this level of new direct economic impact.

Table 3 shows the total new annual occupancy economic impact in North Carolina based on aggregate employment and labor income of the estimated new state occupants moving into single-family homes. Accounting for all impacts, employment is near 49,000 and labor income is $3.5 billion.

Table 3. Annual Labor Market Impacts of 21,500 New Households Moving to North Carolina Who Bought a Newly Constructed Single-Family Home.

IMPACT	EMPLOYMENT	LABOR INCOME
Direct	32,006	$2,365,000,000
Indirect	9,955	$731,253,722
Induced	6,779	$428,383,278
Total	**48,740**	**$3,524,637,000**

Source: IMPLAN, US Census, and author's calculations.

Table 4. Annual Public Sector Impacts of 21,500 New Households Moving to North Carolina who Bought a Newly Constructed Single-Family Home

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$70,358,092	$76,833,876	$95,788,512
Indirect	$8,567,569	$14,912,653	$60,668,274
Induced	$11,544,969	$15,164,930	$39,791,790
Total	**$90,470,630**	**$106,911,459**	**$196,248,576**

Source: IMPLAN and author's calculations.

Table 4 shows the annual public revenue impacts from the buyers who came from other states. Annual local revenues are $90 million, state revenues are over $106 million, and annual federal revenues are $196 million. The results show the importance of including indirect and induced impacts with the direct effects. For local revenues, total revenues are increased by 29%, state revenues are increased by 39%, and federal revenues are increased by 105% when indirect and induced impacts are included.

Construction Impact of a Sample 100 Unit Project

This section presents the economic numbers for a sample 100-unit project. The results can be scaled down or up to allow users to evaluate economic impacts of different sized projects.

Tables 5 and 6 give the private and public sector impacts from construction of a hypothetical 100-unit single-family home construction project. Assuming one-third of the buyers are new to the state, Tables 7 and 8 give the private and public sector impacts from the construction and occupancy.

Table 5. Estimated Total Economic Impact on the Private Sector in North Carolina of Construction of a 100-Unit Single-Family Home Construction Project in 2025.

IMPACT	EMPLOYMENT	LABOR INCOME	OUTPUT
Direct	215	$10,201,750	$32,490,000
Indirect	53	$2,514,850	$12,456,583
Induced	83	$3,938,350	$16,979,630
Total	**351**	**$16,654,950**	**$61,926,213**

Source: IMPLAN and author's calculations.

Table 6. Estimated Total Economic Impact on the Public Sector in North Carolina of a 100 Single Family Unit Construction in 2025.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$111,331	$487,971	$3,363,755
Indirect	$319,083	$403,716	$969,412
Induced	$378,501	$497,347	$1,123,657
Total	**$808,915**	**$1,389,034**	**$5,456,824**

Source: IMPLAN and author's calculations.

Table 7. Annual Labor Market Impacts of 33 New Households Moving to North Carolina Who Bought a Newly Constructed Single Family Home.

IMPACT	EMPLOYMENT	LABOR INCOME
Direct	47	$3,630,000
Indirect	15	$1,101,816
Induced	10	$642,575
Total	**72**	**$5,374,391**

Source: IMPLAN, US Census, and author's calculations.

Table 8. Annual Public Sector Impacts of 33 New Households Moving to North Carolina who Bought a Newly Constructed Single Family Home.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$105,537	$114,800	$143,682
Indirect	$12,851	$22,368	$91,002
Induced	$17,317	$22,747	$39,687
Total	**$135,705**	**$159,915**	**$274,371**

Source: IMPLAN and author's calculations.

Comparison of New Public Revenues and New Public Costs

The major North Carolina and local public costs incurred with new residential construction occurs when the units are occupied by households new to the state. These costs are divided into three components: costs related to K-12 public education, costs related to transportation, and public safety and public administrative costs. This section will compare these costs to the local and state generated public revenues from the construction.

K-12 Public Education Costs

Of the estimated 21,500 households buying a home who are new to North Carolina, only 39% will have children of K-12 school age,[6] resulting in 8,385 households with children. The latest per pupil spending in North Carolina from local and state sources, excluding federal subsidies, is $9,754.[7] Using the latest data showing households with children under age 18 having an average of one child,[8] then the 8,385 households will have 8,385 children. Multiplying the $9,754 per pupil spending by the 8,385 new pupils gives additional annual operating spending of $81,787,290.

Although construction of new K-12 schools will not necessarily be needed, here are the estimated costs if construction is required. Based on past construction, a student is allocated 200 square feet of space,[9] at a cost of $275 per square foot,[10] for a per student cost of $55,000. Expanded to 8,385 new students, the total cost would be $461,175,000 for the student share of a new school construction. Of course, school construction is usually done through borrowing with payments spread over many years. Spreading the cost over 30 years and paying a 5% annual interest rate gives annual payments of $29,708,243.[11]

However, the reality is all new students to the state will not require newly constructed schools. With the increase in home-schooling and the decline in the birth rate, growth does not create as much demand for new K-12 facilities. The North Carolina demographer expects the under 18 age cohort to grow much slower that the state's overall population.[12] Hence, here the assumption is made that only half of the new K-12 age students will require additional school construction, setting the annual cost at $15,000,048.

Transportation Costs

The second major public spending from population growth is transportation. Latest data show North Carolina localities and the state spending $757 annually per person on transportation,[13] which includes both operating and construction costs. Applying the $757 to the estimated number of 53,750 new people (2.5 persons per household[14] multiplied by 21,500 new households) yields $40,688,750.

Public Safety and Administration Costs

The third category includes general public services provided to households, such as public safety and general governmental administration. The most recent information shows the per capita spending for these services at $400 per capita.[15] Multiplied by the 53,750 new individuals yields additional public spending of $21,500,000.

Summary: Revenues vs. Costs

The total estimated new North Carolina local and state public service costs, including potential school construction costs, associated with the annual unit construction is $81,787,290 + $15,000,048 + $40,688,750 + $21,500,000, for a total annual cost of $158,976,088. This total is less than the $197,382,089 new annual local and state revenues when all impacts – direct, indirect, and induced - are included (Table 4). Note this comparison doesn't use the one-time tax revenues collected during the construction period, which could be converted to an annual amount. Also note that the school construction total of $15,000,048 is much less than the $90,470,630 annual new revenue to local governments. This is important because local governments pay almost all of the construction costs for public schools.[16] The conclusion is the growth generated by the construction does pay for itself. It should also be noted that builders of new construction typically pay directly for needed water and sewer investments serving the dwellings.

KEY FINDING

The conclusion is the growth generated by the construction does pay for itself.

This total is less than the $197,382,089 new annual local and state revenues when all impacts – direct, indirect, and induced - are included (Table 4).

Economic Impacts of Townhouse Construction in NC

This section presents the economic impacts for North Carolina from the construction and occupancy of townhouse ownership units in 2025.

Construction Period Impact

Using building permits, the estimated number of owner-occupied townhouse units constructed in 2025 is 12,643.[17] With a median cost of $260,000 per unit excluding land costs,[18] the construction direct impact is $3.3 billion. Tables 9 and 10 show the private sector and public sector economic impact results for North Carolina.

Table 9. Estimated Total Economic Impact on the Private Sector in North Carolina of Statewide Townhouse Construction in 2025.

IMPACT	EMPLOYMENT	LABOR INCOME	OUTPUT
Direct	21,790	$1,024,130,000	$3,287,180,000
Indirect	5,445	$202,565,341	$1,263,547,713
Induced	8,465	$534,715,270	$1,722,348,122
Total	**35,700**	**$1,761,410,611**	**$6,273,075,835**

Source: IMPLAN and author's calculations.

The total economic impacts are noteworthy. Looking first at the private sector impacts in Table 9, there are 21,790 workers estimated to be directly involved in residential construction. But there are nearly 14,000 additional workers in North Carolina in jobs supporting the construction supply chain or involved in production related to additional retail purchases generated from more labor income, bringing the total to 35,700 workers. Similar results are seen for labor income. The column headed by "Production" shows the direct $3.3 billion spent on construction at the site is complemented by almost $1.3 billion spent on additional production at their suppliers in the state and $1.7 billion spent in the state from the additional retail spending created by additional labor income.

Table 10. Estimated Total Economic Impact on the Public Sector in North Carolina of Statewide Townhouse Construction in 2025.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$12,045,707	$51,411,787	$337,095,411
Indirect	$33,618,030	$42,534,881	$98,333,415
Induced	$39,578,278	$52,383,843	$133,252,362
Total	**$85,242,015**	**$146,330,511**	**$568,681,188**

Source: IMPLAN and author's calculations.

Table 10 shows the revenue impacts on the public sector from the townhouse construction in 2025. Looking at the totals which include the direct, indirect, and induced impacts, the construction created an estimated $85 million in additional revenue for local governments, $146 million in additional revenue for the state, and $568 million in additional revenue for the federal government.

New Annual Occupancy Economic Impact

As discussed in the single-family home construction section, one-third of the new dwelling purchasers in North Carolina are estimated to be new residents to the state. For the 12,643 buyers, this means 4,172 buyers are households new to North Carolina who will create new private and public annual economic impacts. Table 11 shows the private sector impacts of the new residents, and Table 12 gives the public sector revenue of the new residents. To generate these impacts, an average household annual income of $125,000 for the townhouse buyers is used.[19]

Table 11. Annual Labor Market Impacts of 4,172 New Households Moving to North Carolina Who Bought a Newly Constructed Townhouse.

IMPACT	EMPLOYMENT	LABOR INCOME
Direct	6,296	$521,500,000
Indirect	1,958	$267,220,000
Induced	1,315	$83,060,000
Total	**9,569**	**$871,780,000**

Source: IMPLAN, US Census, and author's calculations.

Table 11 shows almost 9,569 permanent jobs are created by the new households, paying an aggregate annual income of $871,780,000. Table 12 shows the annual public revenue impacts from the new-to-the-state buyers. Annual local revenues are over $32 million, state revenues are over $38 million, and annual federal revenues are almost $68 million.

Table 12. Annual Public Sector Impacts of 4,172 New Households Moving to North Carolina who Bought a Newly Constructed Townhouse.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$25,375,049	$27,710,574	$34,546,676
Indirect	$3,089,943	$5,378,333	$18,803,613
Induced	$4,163,759	$5,469,319	$14,351,137
Total	**$32,628,751**	**$38,558,226**	**$67,701,426**

Source: IMPLAN and author's calculations.

For local revenues, total revenues are increased by 29%, state revenues are increased by 39%, and federal revenues are increased by 96%.

Construction Impact of a Sample 100 Unit Project

This section presents the economic numbers for a sample 100 townhouse unit project. The results can be scaled down or up to allow users to evaluate economic impacts of different sized projects. Tables 13, 14, 15, and 16 show the private and public sector results for both construction and new annual occupancy.

Table 13. Estimated Total Economic Impact on the Private Sector in North Carolina of Construction of a 100 Townhouse Unit Project in 2025.

IMPACT	EMPLOYMENT	LABOR INCOME	OUTPUT
Direct	174	$8,193,040	$26,000,000
Indirect	43	$1,620,522	$10,108,382
Induced	68	$4,277,722	$13,620,930
Total	**285**	**$14,091,284**	**$49,729,312**

Source: IMPLAN and author's calculations.

Table 14. Estimated Total Economic Impact on the Public Sector in North Carolina of a 100 Townhouse Unit Construction in 2025.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$96,365	$411,294	$2,696,763
Indirect	$268,944	$340,279	$786,667
Induced	$316,626	$419,070	$1,066,018
Total	**$681,935**	**$1,170,643**	**$4,549,448**

Source: IMPLAN and author's calculations.

Table 15. Annual Labor Market Impacts of 33 New Households Moving to North Carolina Who Bought a Newly Constructed Townhouse Unit.

IMPACT	EMPLOYMENT	LABOR INCOME
Direct	50	$4,125,000
Indirect	16	$2,137,760
Induced	77	$1,241,208
Total	143	**$7,503,698**

Source: IMPLAN, US Census, and author's calculations.

Table 16. Annual Public Sector Impacts of 33 New Households Moving to North Carolina who Bought a Newly Constructed Townhouse Unit.

IMPACT	LOCAL REVENUES	STATE REVENUES	FEDERAL REVENUES
Direct	$203,000	$221,684	$276,373
Indirect	$24,719	$43,026	$150,428
Induced	$33,310	$43,754	$114,809
Total	**$261,029**	**$308,464**	**$541,610**

Source: IMPLAN and author's calculations.

Comparison of New Public Revenues and New Public Costs

The major North Carolina and local public costs incurred with new residential construction occur when the units are occupied by households new to the state. And of these costs, the most prominent are costs related to K-12 public education, road transportation, and public safety and government administration. This section compares those costs to local and state government revenues generated by the construction.

K-12 Public Education Costs

Surveys show 79% of townhouse buyers have no children, meaning only 21% have children.[20] Using the latest data showing households with children under age 18 having an average of one child, then only 876 (21% of 4,172 households) children are brought to North Carolina by the estimated 4,172 townhouse buyers who are new residents to the state. Using the same value applied in the single-family analysis of annual local and state per pupil expenditures of $9,754, then multiplying $9,754 by 876 new pupils gives additional annual operating spending of $8,544,504.

Although construction of new K-12 schools will not necessarily be needed, here are the estimated costs if construction would be required for all the new students. Using the same data from the single-family home analysis of 200 square feet needed per student at a cost of $275 per square foot, the result is a per student cost of $55,000. Expanded to 876 new students, the total cost would be $48,180,000 for their share of a new building. Recognizing that school construction is usually financed through borrowing with payments spread over many years, spreading the cost over 30 years and paying a 5% annual interest rate gives annual payments of $3,134,178. However, as used in the single-family analysis, assuming only half the construction is needed means annual payments of $1,567,089.

Transportation Costs

The second major public spending from population growth is transportation. The data showing North Carolina spending $757 annually per person on transportation is used, which includes both operating and construction costs. Applying the 4,172 to the estimated number of new people (2.5 persons per household multiplied by 4,172 households resulting in 10,430 new persons) yields $7,895,510.

Public Safety and Administration Costs

Lastly is the general category of public expenses related to public safety and public administration. Using a $400 per capita cost for this category and multiplying by the estimated number of new persons coming to the state gives a total annual cost of $4,172,000.

Summary: Revenues vs. Costs

The total estimated new North Carolina local and state public service costs, and assuming half of the new students would cause school construction costs, associated with the annual construction is $8,544,504 + $1,567,089 + $7,895,510 + $4,172,000 for a total annual cost of $22,179,103. This is well below the annual

local and state taxes of $71,186,977 (Table 12) collected from the new-to-North Carolina occupants of the townhouse development. Also, since local governments in North Carolina are responsible for school construction, the annual school construction cost of $1,567,089 is significantly lower than the $32,628,751 annual local government revenues. Also, remember this comparison doesn't access the one-time taxes collected during the construction period. Hence the growth does pay for itself. It should also be noted that builders of new construction typically pay directly for needed water and sewer investments serving the dwellings.

KEY FINDING

Hence the growth does pay for itself.

This is well below the annual local and state taxes of $71,186,977 (Table 12) collected from the new-to-North Carolina occupants of the townhouse development.

Conclusion

This study has confirmed that recent data continue to show that residential construction of owner-occupied dwellings results in significant positive economic impacts in North Carolina, both when the construction occurs and afterward when occupancy takes place. This conclusion is reached for each of the two components of owner-occupied dwellings, single-family units and townhouse units. The conclusion is based on analysis of both the direct effects from the construction plus indirect and induced effects prompted by new economic activity from suppliers and retailers.

Importantly, the positive economic impacts are found for both the private sector, in terms of jobs, labor income, and production value, and for the public sector with substantial new public revenues to local, state, and federal governments. Furthermore, when the estimated additional annual public costs from the construction are compared to the additional revenues to local North Carolina governments and to the State of North Carolina, the revenues exceed the costs, meaning growth pays for itself. Specifically, new single-family and townhouse construction generates $1.48 in new annual local and state revenue for every $1.00 in new annual local and state public service costs.

KEY FINDING

New single-family and townhouse construction generates $1.48 in new revenue for every $1.00 in new public service costs.

Combined annual local and state revenues of $268,569,066 exceed combined annual local and state public service costs of $181,155,191, meaning growth pays for itself.

Endnotes

1 US Census Bureau, 2025 Building Permits Data for Each State.

2 Nexus Realty, Market Trends in North Carolina Real Estate in 2025. Land values are not included in studies of the economic impact of construction because land is not created by the construction.

3 Such households could create additional economic impact, particularly in public revenues, if the newly constructed dwelling unit is valued higher than that of the household's previous home in the state. Data are not available for this potential impact to be estimated.

4 Nexus Realty Inc.

5 Bankrate.

6 US Census.

7 NC Association of Educators.

8 US Census.

9 Triumph Modular.

10 Building Design + Construction.

11 Calculator.net.

12 State of North Carolina Demographer.

13 NC Department of Transportation.

14 US Census and National Multi-Family Housing Counsel.

15 US Census

16 North Carolina Association of Educators.

17 US Census and Realtor.com.

18 Latestcost.com.

19 Realtor.com.

20 Institute for Family Studies.

About the Author

Michael Walden, Ph.D., is a William Neal Reynolds Distinguished Professor Emeritus at North Carolina State University and President of Walden Economic Consulting, LLC. During his 43 years on the faculty at NC State, Walden became recognized as an expert on the state economy and public policy. He is the author of fifteen books and over 330 articles and reports, and he has made over 3,300 personal appearances. Walden is also a frequent contributor to the national and state media and has appeared on all the major national news networks and in the major national newspapers. He writes a biweekly newspaper column distributed throughout North Carolina and produces a monthly leading economic indicator for the state. Walden has served on several public committees and commissions, including the "Governor's Covid Business Advisory Group" and the "NC FIRST Transportation Commission." He has won numerous awards, including two Champion-Tuck Awards for Excellence in Broadcasting, the UNC Board of Governors Award for Excellence in Public Service, the Holladay Medal for Excellence from North Carolina State University, and the Order of the Long Leaf Pine presented by North Carolina Governor Perdue. His upcoming book about the future North Carolina economy will be published by the University of North Carolina Press in Fall 2026. Walden is a member of the North Carolina Economic Development Association, and he resides in Raleigh with his wife, Mary.