

NAIOP: Development Economics

How Office, Industrial and Retail Development and Construction Contributed to the U.S. Economy in 2011

The value of commercial buildings is much more than the sum of their construction outlays or their assessed valuation. Commercial real estate development, construction and operations create a ripple effect in the economy. This contribution consists of annual direct spending for new development and construction and annual expenditures to operate existing buildings.

Additional important economic benefits - the ripple effect - are also derived from the re-spending of the salary and wages supported by direct construction and operating outlays and purchases of construction-related materials and services from vendors.

The combination of these direct and indirect (and induced) outlays constitutes the total output or contribution to the national economy.

The report provides a document that can be used to demonstrate the economic and fiscal importance of commercial construction to local, state and national audiences as the national economy recovers.

Dr. Fuller compares and contrasts the annual data since 2007 in previous reports emphasizing the stronger jobs connection between construction and the recovery and future growth opportunities in preparing for the next cycle.