

# The Ripple Effect of Home Building

## ECONOMIC IMPACT OF RESIDENTIAL HOME BUILDING IN MARYLAND PER YEAR



### Industries Involved

**\$1.23 BILLION**

The jobs, wages and local taxes (including utility connection and impact fees) generated by development, construction and the sale of a home.



### Ripple Effect of Wages

**\$649 MILLION**

The wages and profits for local residents earned during the construction period are spent on other locally produced goods and services.



### Ongoing, Annual Effect

**\$420 MILLION**

The local jobs, incomes and taxes generated as a result of the home being occupied.

## MBIA 2020 PRIORITY ISSUES



### Housing Affordability

Safe, decent, housing that is affordable provide fundamental benefits that are essential to the well-being of families and communities. However, owning or renting a suitable home is increasingly out of financial reach of many households. The cost of housing is determined by many factors, including labor and material prices; interest rates and financing costs; federal, state and local regulations; and supply and demand. In today's market, a limited supply of land, a shortage of skilled labor, and rising fees are contributing to higher prices.



### Workforce Development

A skilled and capable workforce that is adequate to meet our housing demand is vital to home builders. Despite competitive pay, the home building industry continues to experience labor shortages. This translates into higher housing costs, increased home prices, difficulty completing projects on time, and lower economic growth



### Inclusionary Zoning

While the policy offers a solution for the growing need for affordable housing across the state, we must ensure there are appropriate offsets and incentives to compensate for the economic impact to builders and developers.



### Transportation/ infrastructure

Traffic congestion in the state is among the worst in the nation. We need to find practical solutions to this problem to get people to their jobs and housing in safe, timely manner.



### Adequate Public Facilities Ordinances

APFOs have emerged as a popular planning technique however local jurisdictions' attempts to reduce APF capacities artificially constrain development and negatively impacts jobs growth and economic development.



### Forest Conservation

The Forest Conservation Act should be used as one of many tools to maintain Maryland's 40% forest canopy coverage. Currently, Maryland's coverage exceeds the 40% threshold. This is a result of enforcement of the existing FCA and other policies throughout the state. This provides evidence that Maryland's tree canopy policies are working as intended and do not need to change at this time.



### Business Climate

Maryland must look for opportunities to assist businesses in navigating regulatory compliance and coordinating the complicated development approval process.