

How La Habra Benefits from New Home Construction

The positive impact of new residential construction is far-reaching, bringing benefits to families, businesses and services throughout a community immediately, as well as for years to come.

According to economists at the National Association of Home Builders, the one-year estimated local impacts of building 100 single-family homes in a typical metro area include \$21.1 million in local income, \$2.2 million in taxes and other local government revenue, and 324 local jobs. For Rancho La Habra's 443 homes, this would be \$92.8 million in local income, \$9.7 million in taxes and other local government revenue and 1,393 local jobs – but the actual numbers will likely be higher, since costs in California are higher than national average costs.

But after the homes are built, what economic benefits will be provided in the real, day-to-day lives of La Habra's residents?

Just think about it. When a family moves to a community and buys a new house, they will likely shop at local stores to buy furniture, appliances, window coverings, and accessories to decorate the home. They will purchase landscaping materials, hire landscapers and even put in a pool. A local interior designer could get new customers and subcontract to painters and others. Nationally, it is estimated that a new home buyer will spend \$12,000 on such expenses in their first year – or \$5.3 million for Rancho La Habra's homebuyers; much more, even, since the square footage of Rancho La Habra homes will exceed the national average.

They also will buy gas at local gas stations, groceries and other goods at local stores, services from local businesses, food from local restaurants, and in myriad other ways will contribute to local employment, as they use health clubs, doctors, babysitters, tutors, house cleaners, tax accountants and others.

Their new home purchase will contribute to the \$3.8 million in school fees Rancho La Habra will generate for local schools, and a share of their property taxes will go to school districts every year thereafter. When their children enroll in local schools, the districts will receive new *per diem* income from the state to pay for more teachers, janitors, cafeteria workers and other school support staff. Those kids will also join sports leagues and other activities, buy equipment and pay registration fees that provide stipends for referees and coaches.

All this economic activity will put income into the pockets of local business owners and their families, who can then afford to go out and spend money themselves, which will cycle even more money into La Habra's economy.

The new families will also pay local and state taxes. In all, Rancho La Habra will generate \$1.2 million **annually** in new tax revenues for the City of La Habra, which will help pay for a wide range of government services, including police, fire and paramedic services, parks maintenance and road repairs. And, through assessments, they will pay for the maintenance of their streets and Rancho La Habra's new 16.6-acre City Park and 4.2-mile public trail system, sparing other La Habra taxpayers of these expenses.

The families who buy a home in Rancho La Habra will enjoy all the benefits of a new home, including energy and water efficiency and floor plans designed to fit a modern lifestyle. But the advantages of new homes extend far beyond those Rancho La Habra's new residents will enjoy – the families in these new homes will directly benefit La Habra for years to come.