



# REAL ESTATE CENTER

# News Release

## REAL ESTATE TEXAS' THIRD MOST IMPORTANT PRIVATE INDUSTRY

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COLLEGE STATION, Tex. – Real estate is the third most important private industry in Texas, according to the latest data from the U.S. Bureau of Economic Analysis.

The real estate industry accounted for 7.8 percent of Texas' total gross domestic product (GDP) in 2006, ranking behind manufacturing (13.4 percent) and mining (9.8 percent).

"The GDP is the broadest measure of economic importance when looking at the overall economy," said Dr. Ali Anari, a research economist with the Real Estate Center at Texas A&M University.

Anari studied the real estate industry's role in the state's economy and compiled his findings in the Center's report, *Texas Real Estate Industry Review, 2008*.

While the GDP is an important indicator of overall economic health, Anari said other data can be just as valuable.

"For instance, local governments may be more interested in knowing about tax revenues than GDP," he said.

Other highlights from the Center's report:

- Every \$1 million of revenue in the Texas real estate industry generates just over half a million dollars of revenue in other parts of the state economy.
- Every \$1 million of revenue in the Texas real estate industry generates 5.16 jobs in the state real estate industry and five jobs in other industries.
- \$1 million of sales tax in the state's real estate industry leads to a total of \$1.26 million of sales tax in the Texas economy.
- The real estate industry has the largest proportion of self-employed persons of all industries.
- Nearly 552,000 persons, including self-employed individuals, were working in the Texas real estate industry in 2007, representing 3.9 percent of statewide employment.
- Texas commercial real estate in Texas was valued at more than \$251 billion in 2007. Texas industrial real estate was valued at more than \$85 billion.
- Taxes paid by the state's real estate industry accounted for 18.7 percent of total Texas business taxes in 2007.
- Real estate owners paid an estimated \$24 billion in school tax in 2007.

The full industry review is available on the Center's website at <http://recenter.tamu.edu/pdf/1883.pdf>.

The Real Estate Center at Texas A&M University (<http://recenter.tamu.edu>) has been providing solutions through research for 35 years. Funded primarily by Texas real estate licensee fees, the Center was created by the state legislature to meet the needs of many audiences, including the real estate industry, instructors, researchers and the general public.

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**Note to Editors**

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