

Apartment industry contributes millions to California's economy

By Alan Pentico

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The apartment industry is a job generator and a major economic engine, according to a new report released earlier this month by the National Multi Housing Council (NMHC) and the National Apartment Association (NAA).

The report says apartment operations, construction and apartment residents contributed \$191 billion to California's economy in 2011, supporting 4.4 million jobs.

In San Diego, the rental industry supports good paying local jobs like pest control, administrative positions, landscaping, laundry, carpentry and online marketing services to name a few.

"As apartment construction becomes more sophisticated, often with structured parking, the economic multiplier moves closer to that of a single family home," said SDCAA member and economist Alan Nevin, principal at London Group Realty Advisers in San Diego. "Traditionally, a single family home creates two man-years of labor while traditional two-story apartments creates a third of that. That gap is closing and apartments are now seen as a powerful economic force in the construction industry."

The apartment industry contributes more than jobs to the economy. Residents support businesses and communities daily with the purchase of goods and services. This spending supports economic growth.

In 2011, California's apartment residents spent \$76 billion on goods and services within the state, supporting 4.1 million jobs and creating a total economic impact of \$159 billion.

"For the first time we're able to quantify the tremendous economic impact of apartment residents across the country, in addition to the powerful contributions from apartment construction and operations," said NAA Chairman of the Board Alexandra Jackiw. "It truly shows a comprehensive view of the industry's critical role not just in housing, but to the economy."

For information, or to download the report "The Trillion Dollar Apartment Industry", visit WeAreApartments.org.

Pentico is executive director of the San Diego County Apartment Association (SDCAA).