

# Economic Impacts of New Residential Construction on the Northshore

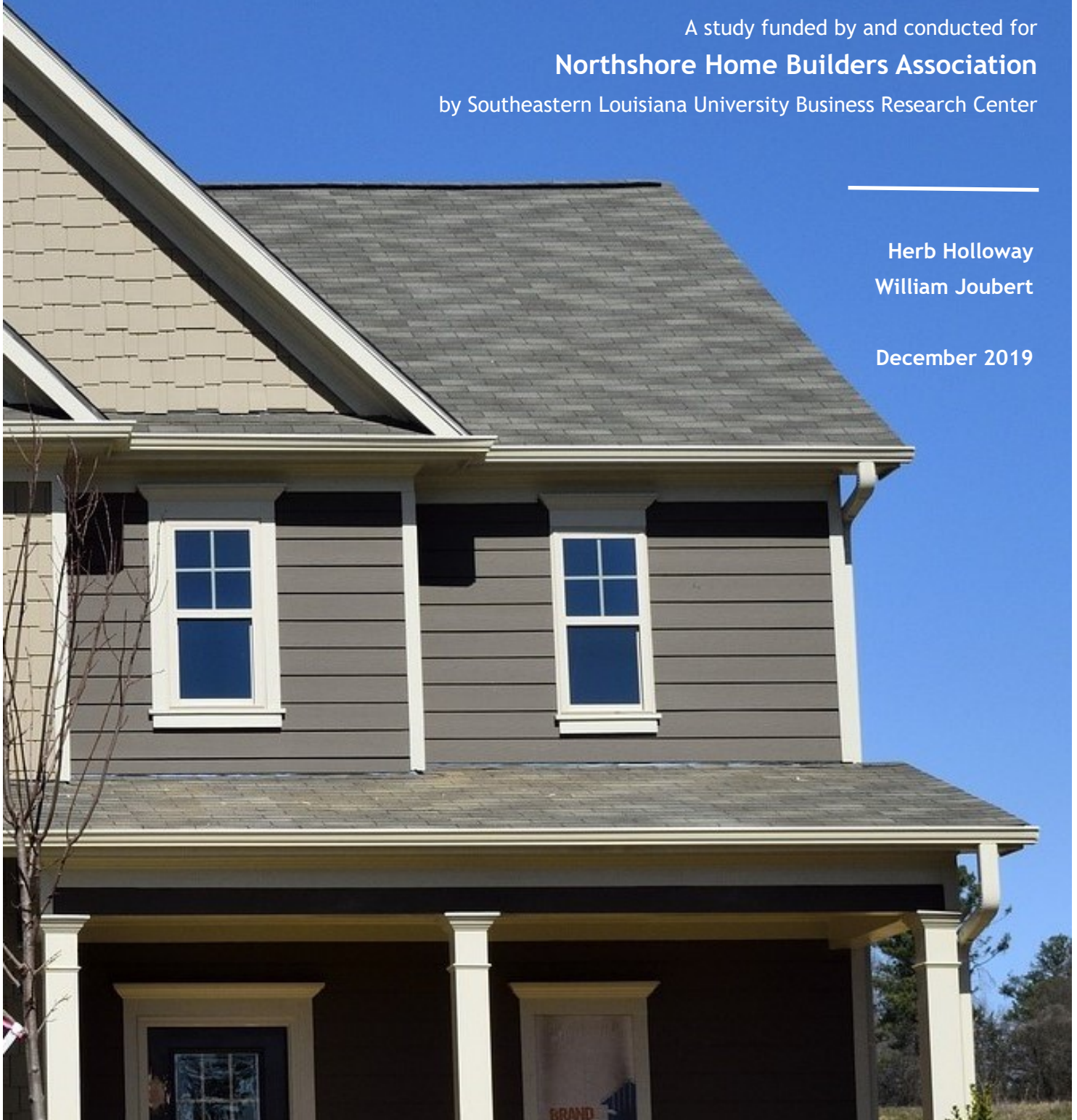
## 2018

A study funded by and conducted for  
**Northshore Home Builders Association**  
by Southeastern Louisiana University Business Research Center

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Herb Holloway  
William Joubert

December 2019





December 13, 2019

The Southeastern Louisiana University Business Research Center (BRC) is jointly operated by the Southeast Louisiana Business Center and the Southeastern College of Business. The BRC provides applied economic analyses and research studies that aid business and economic development efforts for the five-parish Northshore region of southeast Louisiana. The Center represents one aspect of the University's commitment to economic development in the region.

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The following study was commissioned and funded by the Northshore Home Builders Association, and was conducted using generally accepted research methods, models, and techniques.

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Sincerely,

A handwritten signature in black ink that reads 'William Joubert'. The signature is fluid and cursive, with a long horizontal stroke at the end.

William Joubert  
Director  
Business Research Center

**Southeastern Louisiana University Business Research Center**  
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## Executive Summary

This study analyzed the estimated economic impacts of new residential construction permitted during 2018 on the three Northshore parishes of St. Tammany, Tangipahoa, and Washington.

Reported and estimated construction values from new residential construction permits in the three parishes were used to estimate economic impacts accruing from new residential construction. (St. Tammany Parish impact fees and multi-family permit counts and values were not available.)

All economic impacts other than property tax impacts were estimated using an input-output model with Northshore economic structural data in IMPLAN® Professional 3.0 software. Property tax impacts were estimated using total permit values for new construction multiplied by representative millage rates for the parishes and municipalities.

The estimated number of jobs supported by Northshore residential construction in St. Tammany, Tangipahoa, and Washington parishes in 2018 were 4,580, 2,297, and 203, respectively, for a three-parish total of 7,080.

The 2,587 jobs directly supported by residential construction in 2018 in St. Tammany Parish falls somewhat below *Finance & Insurance* (2,956 jobs<sup>1</sup>) and *Transportation & Warehousing* (2,955 jobs<sup>1</sup>) and ahead of *Other Services* (2,370 jobs<sup>1</sup>).

The 1,454 jobs directly supported by residential construction in Tangipahoa Parish in 2018 would rank between *Administrative and Support and Waste Management and Remediation Services* (1,484 jobs<sup>1</sup>) and *Finance & Insurance* (1,149 jobs<sup>1</sup>).

The 128 jobs directly supported by residential construction in Washington Parish in 2018 falls between *Other Services* (142 jobs<sup>1</sup>) and *Agriculture, Forestry, Fishing & Hunting* (124 jobs<sup>1</sup>).

Total employee compensation and proprietor income equaled an estimated \$231 million of earnings in St. Tammany Parish, \$83 million in Tangipahoa, and \$7 million in Washington Parish, for a total of \$320 million in the region.

Estimated local sales taxes generated in 2018 by new residential construction equaled \$17.1 million in St. Tammany Parish, \$7.9 million in Tangipahoa Parish, and \$625,000 in Washington Parish, totaling \$25.6 million for the Northshore region.

Included in these estimated sales tax totals are estimated allocations of \$11.3 million for schools, \$6.8 million for municipalities, \$5.7 million for general parish government and public works, and \$1.0 million for law enforcement.

Estimated additional annual property taxes generated by new homes and apartments permitted in 2018 equal approximately \$3.5 million in St. Tammany Parish, \$1.0 million in Tangipahoa, and \$124,000 in Washington, totaling \$4.6 million of additional annual property tax revenues for Northshore governments and agencies.

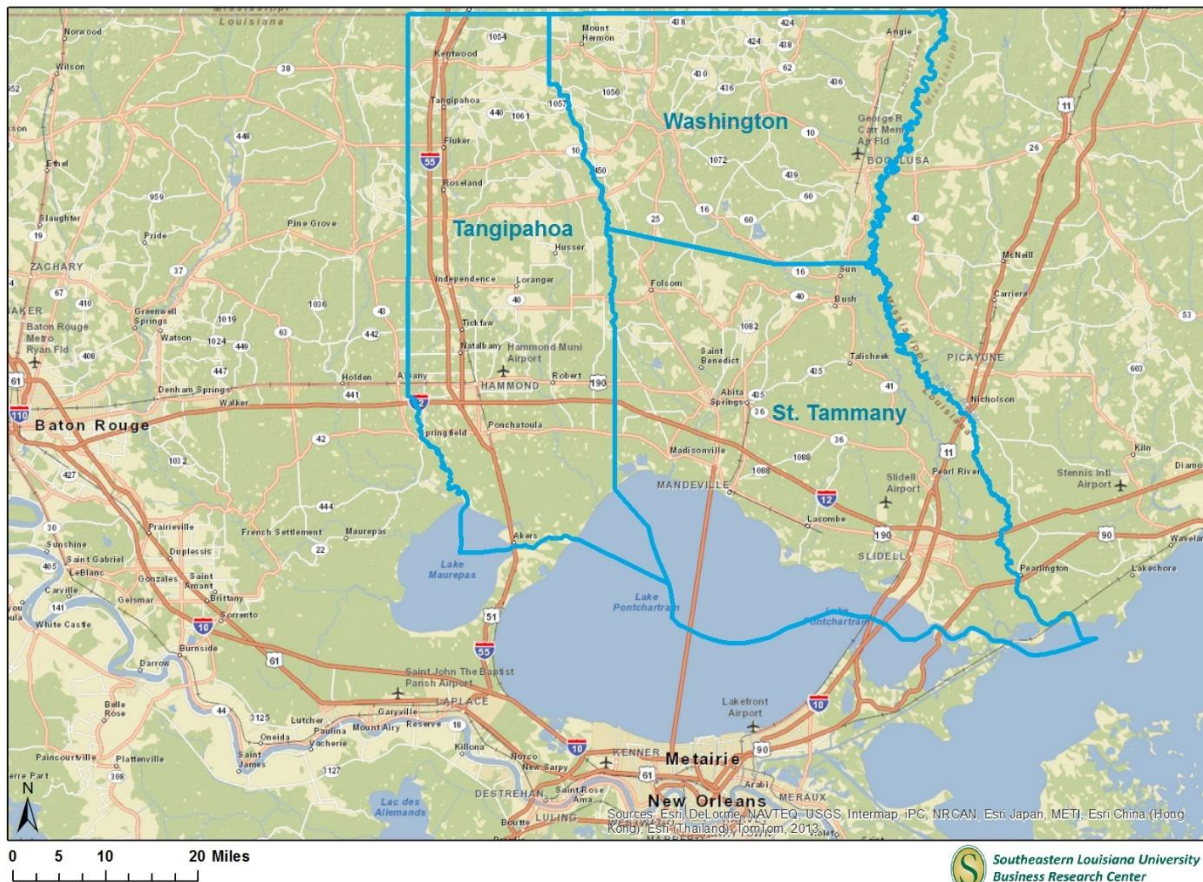
Included in these estimated property tax totals are estimated allocations of \$1.8 million for schools, \$0.8 million for fire protection, and \$0.5 million for law enforcement.

## Introduction

The Northshore region of Louisiana, so named because of its location on the northern shore of Lake Pontchartrain, is located east of Baton Rouge and north of New Orleans, Louisiana.

This study will focus specifically on the three Northshore parishes of St. Tammany, Tangipahoa, and Washington (Figure 1). These three parishes had a combined population of 402,005 in the 2010 Census<sup>1</sup>, which grew to an estimated 438,470 in 2018<sup>2</sup>.

**Figure 1. Three Parish Study Area**



St. Tammany and Tangipahoa parishes have been among the fastest-growing parishes in Louisiana for the last several decades, resulting in significant residential construction activity in the area.

## Analysis Methodology

This analysis utilized the input-output method to estimate the economic impacts of residential new construction in 2018 on the economies of St. Tammany, Tangipahoa, and Washington parishes and the three-parish region as a whole. The input-output method is based on the economic linkages between

<sup>1</sup> U.S. Census Bureau, Census 2010 Summary File 1.

<sup>2</sup> U.S. Census Bureau Quick Facts (accessed 8/20/2019).



various sectors and industries, which cause every dollar of expenditures to “ripple through” the study area’s economy. This results in expenditures being “multiplied” to various degrees, causing a larger economic effect than the original amount of the expenditure. These “ripple” or “multiplier” effects continue to contribute to the economic impact of the expenditure until the effects leave the study area or become too small to measure.

The total economic contribution of an activity or industry consists of *direct*, *indirect*, and *induced* effects.

*Direct* effects are the immediate effects on business activity in the area occurring as a direct consequence of the activity being studied.

*Indirect* effects occur in sectors that supply materials, goods, and services to the directly-affected industry. For example, a contractor who builds a home is *directly* impacted by the sale of the home. Building material suppliers that provide lumber to the contractor are *indirectly* impacted when the contractor purchases lumber to use in the construction of the home. In turn, businesses that provide goods and services to the building material suppliers, such as fuel for their delivery trucks, are indirectly impacted from the increased sales of the building material suppliers. These indirect impacts continue to contribute to the economic impact until the subsequent expenditures become too small to measure or leave the study area, e.g. if the fuel supplier purchases their bulk fuel from outside the study area, that portion of the impact chain would stop. However, other expenditures by the fuel supplier, such as repairs on their equipment, may continue to accrue to the study area.

*Induced* effects are created by the increase in consumer spending generated by increased payrolls in the directly and indirectly impacted industries. In the example above, the contractor has employees and their associated wages, the building material supplier will hire employees (or increase the work hours of existing employees) to handle the sales and deliveries to the contractor, and the fuel supplier will hire workers to handle the fuel sales to the building material supplier. All of these employees in the various industries will then spend their wages on food, housing, entertainment, etc., creating further economic benefits in the region. The sum of all of the impacts deriving from increased payroll spending is the induced effect.

The sum of the direct, indirect, and induced effects represents the total economic impact. The total economic impact divided by the direct effect yields the economic impact *multiplier* of the activity or industry in question.

IMPLAN Version 3.0<sup>®</sup> software and structural matrices were utilized to complete the analysis of the estimated economic impact of 2018 new residential construction activities on the three-parish study area.

## Data, Assumptions, and Model Construction

### *Data Used in Study*

In order to estimate the volume of new residential construction for impact calculations, construction values from new residential construction permits issued in 2018 by the three parish governments and

applicable municipalities were used. In some cases, the values were estimated or imputed by the U.S. Census Bureau.

Where actual values or Census Bureau estimates were not available, values were (conservatively) estimated by the authors.

### ***St. Tammany Parish Properties and Values included in Study***

The St. Tammany Parish Department of Planning & Development/Permits issued 1,303 new single-family residential construction permits in 2018 with a total estimated construction value of \$309,782,110. Data on multi-family permits were not available.

The seven permit-issuing municipalities issued an additional 124 permits for 128 units with total estimated construction value of \$39,255,640, yielding a combined parish-wide total of 1,431 units with a total estimated value of \$349,037,750. This equals an average construction cost per unit of \$243,912.

Table 1 details the distribution of new construction permits in St. Tammany Parish by municipality/area.

<u>Municipality/Area</u>	<u>Units</u>	<u>Est. Construction Value</u>	<u>Average \$/unit</u>
Abita Springs	21	\$ 5,062,000	\$241,048
Covington	31	\$ 10,404,790	\$335,638
Folsom	8	\$ 1,875,780	\$234,473
Madisonville	7	\$ 2,866,000	\$409,429
Mandeville	38	\$ 14,909,240	\$392,348
Pearl River	13	\$ 2,398,750	\$184,519
Slidell	10	\$ 1,739,080	\$173,908
Unincorporated Areas	<u>1,303</u>	<u>\$309,782,110</u>	\$237,745
Total	1,431	\$349,037,750	\$243,912

In addition to the lack of data on multi-family permits (except for Abita Springs), data were also unavailable regarding the amount of impact fees paid by developers and builders of residential housing in St. Tammany Parish. Therefore, neither the value of construction of multi-family properties in the unincorporated areas of the Parish nor impact fees of any type are included in the impact analysis.

### ***Tangipahoa Parish Properties and Values included in Study***

The Tangipahoa Parish Permit Office issued 716 new residential construction permits for 725 units in 2018, with an estimated total construction value of \$101,775,540. Municipalities in the parish issued an additional 199 permits for 519 units with construction values totalling \$14,856,900, yielding a combined parish-wide total of 1,244 units with a total estimated value of \$167,381,940.

The 882 single-family home permits had an average value of \$136,616 and the 362 multi-family units averaged \$105,157 per unit.

Table 2 details the distribution of new construction permits in Tangipahoa Parish by municipality/area.

<u>Municipality/Area</u>	<u>Units</u>	<u>Est. Construction</u>	
		<u>Value</u>	<u>Average \$/unit</u>
Amite	1	\$ 423,900	\$ 423,900
Hammond (Single Family)	95	\$ 13,602,540	\$ 143,185
Hammond (Multi-Family)	344	\$ 37,146,960	\$ 107,985
Ponchatoula	79	\$ 14,433,000	\$ 182,696
Unincorp. Areas (Single Family)	707	\$100,855,540	\$ 142,653
Unincorp. Areas (Multi-Family)	<u>18</u>	<u>\$ 920,000</u>	<u>\$ 51,111</u>
Total	1,244	\$167,381,940	\$ 134,551

### ***Washington Parish Properties and Values included in Study***

The Washington Parish Permit Office issued 77 new residential construction permits with total construction value of \$14,376,980 in 2018 (average = \$186,714).

Location information for Washington Parish new construction permits was not available.

### ***Three-parish Totals of Properties and Values included in Study***

As shown in Table 3, the estimated construction value of the 2,752 permitted new residential units in the three-parish study area in 2018 totalled over half a billion dollars (\$530,796,660), with an average construction value per unit across the area of \$192,877.

	<u>St. Tammany</u>	<u>Tangipahoa</u>	<u>Washington</u>	<u>3-parish Totals</u>
New construction permitted units	1,431	1,244	77	2,752
Estimated construction value	\$349,037,750	\$167,381,940	\$14,376,980	\$530,796,660
Average construction value/unit	\$243,912	\$134,551	\$186,714	\$192,877

### ***Impact Estimation Procedures***

All economic impacts (other than property tax impacts) of Northshore residential construction activities in 2018 were analyzed using IMPLAN® Sector 59 – *Construction of new single-family residential structures* (all three parishes) and IMPLAN® Sector 60 – *Construction of new multifamily residential structures* (Tangipahoa Parish only).

Multi-region input-output (MRIO) analysis was used in IMPLAN® to calculate the economic impacts of construction on the parish where the construction took place as well as impacts on the other two parishes. (Because of linkages between the economies of the three parishes, construction in St. Tammany Parish has impacts in Tangipahoa and Washington parishes, and vice-versa.)

Property tax impacts in St. Tammany and Tangipahoa parishes were calculated by multiplying estimated construction values by representative millages for the various municipalities issuing permits and for the unincorporated areas of the parishes. Property tax impacts in Washington Parish were based on construction values multiplied by average Washington Parish property tax millages.

## Economic Impacts of New Residential Construction Activities

### St. Tammany Parish

Economic impacts (excluding property tax impacts) from the estimated \$349 million of new residential construction activities in St. Tammany Parish in 2018 are summarized in Table 4. Tables 5 and 6 detail the estimated impacts of residential construction in Tangipahoa and Washington parishes on the St. Tammany Parish economy, and Table 7 combines the impacts from all Northshore residential construction (Tables 4-6) on the St. Tammany economy.

As discussed in the **Analysis Methodology** section, *direct impacts* accrue from the direct activities of the residential construction contractors, *indirect impacts* from the activities of their sub-contractors, suppliers, and associated industries, and *induced impacts* from the personal spending of the employees of both the direct and indirect industries.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ 93,864,458	\$34,481,371	\$ 32,383,856	\$160,729,685	
Proprietors Income	\$ 53,339,723	\$ 7,913,728	\$ 7,716,002	\$ 68,969,453	
Total Earnings	\$147,204,181	\$42,395,100	\$ 40,099,858	\$229,699,138	
Other Property-Type Income	\$ 29,902,840	\$16,395,115	\$ 26,053,264	\$ 72,351,219	
Sales Taxes	\$ 7,617,749	\$ 2,581,960	\$ 6,822,454	\$ 17,022,163	
Total Value-Added	\$184,724,770	\$61,372,175	\$ 72,975,576		\$319,072,520
Employment (jobs supported)	2,586.9	964.1	1,011.0		4,562.1
Sales (Output)	\$349,037,750	\$121,530,938	\$128,436,629		\$599,005,325

\* Includes dividends, interest, rents, and corporate profits.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ -	\$ 385,902	\$216,499	\$ 602,401	
Proprietor Income	\$ -	\$ 51,553	\$ 36,356	\$ 87,908	
Total Earnings	\$ -	\$ 437,455	\$252,855	\$ 690,310	
Other Property-Type Income	\$ -	\$ 148,013	\$110,576	\$ 258,590	
Sales Taxes	\$ -	\$ 9,460	\$ 8,825	\$ 18,285	
Total Value-Added	\$ -	\$ 594,928	\$372,256		\$ 967,184
Employment (jobs supported)		0.0	7.3	4.7	12.0
Sales (Output)	\$ -	\$1,161,384	\$677,070		\$ 1,838,454

\* Includes dividends, interest, rents, and corporate profits.

**Table 6. Estimated economic impacts of Washington Parish residential construction activities on the St. Tammany Parish economy: 2018.**

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ -	\$ 123,440	\$ 34,172	\$ 157,612	
Proprietor Income	\$ -	\$ 26,800	\$ 7,995	\$ 34,796	
Total Earnings	\$ -	\$ 150,241	\$ 42,167	\$ 192,408	
Other Property-Type Income	\$ -	\$ 47,000	\$ 25,954	\$ 72,954	
Sales Taxes	\$ -	\$ 10,398	\$ 2,278	\$ 12,676	
Total Value-Added	\$ -	\$ 207,639	\$ 70,399		\$ 278,038
Employment (jobs supported)	0.0	4.5	1.0		5.6
Sales (Output)	\$ -	\$ 398,545	\$ 130,141		\$ 528,686

\* Includes dividends, interest, rents, and corporate profits.

**Table 7. Estimated economic impacts of all Northshore residential construction activities on the St. Tammany Parish economy: 2018.**

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ 93,864,458	\$34,990,714	\$ 32,634,526	\$161,489,698	
Proprietor Income	\$ 53,339,723	\$ 7,992,081	\$ 7,760,353	\$ 69,092,157	
Total Earnings	\$147,204,181	\$42,982,795	\$ 40,394,880	\$230,581,856	
Other Property-Type Income	\$ 29,902,840	\$16,590,129	\$ 26,189,794	\$ 72,682,763	
Sales Taxes	\$ 7,617,749	\$ 2,601,818	\$ 6,833,557	\$ 17,053,124	
Total Value-Added	\$184,724,770	\$62,174,742	\$ 73,418,230		\$320,317,742
Employment (jobs supported)	2,586.9	975.9	1,016.7		4,579.6
Sales (Output)	\$349,037,758	\$123,090,867	\$129,243,840		\$601,372,465

\* Includes dividends, interest, rents, and corporate profits.

As shown in Table 7, Northshore residential construction supported approximately 4,580 St. Tammany Parish jobs in 2018 with estimated earnings of \$231 million. *Other property-type income* (dividends, interest, rents, and corporate profits) totaled an additional \$73 million.

Local sales taxes, including direct taxes paid by contractors as well as indirect and induced sales taxes paid by suppliers and employees, totaled an estimated \$17.1 million.

The combined value-added impacts, which represent the best estimate of new residential construction's contribution to St. Tammany's gross parish product in 2018, equaled approximately \$320 million.

Using the 2018 percentages of total parish-wide sales tax collections, the \$17.1 of sales taxes would have been allocated as shown in Table 8.

To calculate estimated property tax impacts, representative millages were used for each of the municipalities and the unincorporated balance of the parish. Each new home was assumed to qualify for the homestead exemption, so that estimated property tax bills were based on the construction value minus \$75,000. Any second homes, rental properties, etc. would not qualify for the homestead exemption, so this is a somewhat conservative approach to estimating property tax impacts.

Table 9 details the estimated property tax impacts by category for new homes permitted in 2018 in each municipality and the unincorporated areas of the parish.

**Table 8. Example allocation of 2018 St. Tammany Parish sales taxes generated by residential construction.**

<u>Type of Sales Tax</u>	<u>2018 Percentage of Total</u>	<u>Allocation</u>
Schools	44.3%	\$ 7,558,369
Municipal	23.7%	\$ 4,036,608
General Parish Government/Public Works	22.2%	\$ 3,788,381
Law Enforcement	5.5%	\$ 944,705
Jail Expansion/Courthouse	2.7%	\$ 467,669
Tourism/Economic Development	1.3%	\$ 229,622
Recreation District/Northshore Harbor Center	0.2%	\$ 27,771
<b>Total</b>	<b>100.0%</b>	<b>\$17,053,124</b>

**Table 9. Estimated St. Tammany Parish property tax impacts from new residential construction permitted in 2018.**

<u>Category</u>	Abita							Unincorp. Areas		<u>Total</u>
	<u>Springs</u>	<u>Covington</u>	<u>Folsom</u>	<u>Madisonville</u>	<u>Mandeville</u>	<u>Pearl River</u>	<u>Slidell</u>			
School Taxes	\$ 22,460	\$ 52,042	\$ 8,217	\$ 15,078	\$ 77,674	\$ 9,170	\$ 6,371	\$1,365,860	\$1,556,872	
Fire Protection	\$ 11,919	\$ -	\$ 3,774	\$ 4,804	\$ 31,354	\$ 6,004	\$ 3,462	\$ 625,993	\$ 687,308	
Law Enforcement	\$ 4,076	\$ 9,445	\$ 1,491	\$ 2,737	\$ 14,097	\$ 1,664	\$ 1,156	\$ 247,895	\$ 282,562	
Library	\$ 2,117	\$ 4,904	\$ 774	\$ 1,421	\$ 7,320	\$ 864	\$ 600	\$ 128,719	\$ 146,720	
Recreation District	\$ 3,414	\$ -	\$ 1,276	\$ 2,201	\$ 8,803	\$ -	\$ -	\$ 118,964	\$ 134,657	
Mosquito Control	\$ 1,412	\$ 3,272	\$ 517	\$ 948	\$ 4,884	\$ 577	\$ 401	\$ 85,883	\$ 97,894	
Public Health	\$ 617	\$ 1,430	\$ 226	\$ 414	\$ 2,134	\$ 1,249	\$ 867	\$ 86,943	\$ 93,881	
Coroner	\$ 1,137	\$ 2,634	\$ 416	\$ 763	\$ 3,931	\$ 464	\$ 322	\$ 69,131	\$ 78,798	
FP Juvenile Center	\$ 959	\$ 2,222	\$ 351	\$ 644	\$ 3,316	\$ 392	\$ 272	\$ 58,316	\$ 66,471	
General Parish Taxes	\$ 502	\$ 1,163	\$ 369	\$ 337	\$ 1,737	\$ 205	\$ 142	\$ 61,285	\$ 65,740	
Assessor	\$ 903	\$ 2,093	\$ 330	\$ 606	\$ 3,123	\$ 369	\$ 256	\$ 54,923	\$ 62,604	
Council on Aging/STARC	\$ 670	\$ 1,551	\$ 245	\$ 449	\$ 2,315	\$ 273	\$ 190	\$ 40,715	\$ 46,409	
Drainage	\$ 617	\$ 1,430	\$ 226	\$ 414	\$ 2,134	\$ 252	\$ 175	\$ 37,534	\$ 42,783	
Animal Shelter	\$ 286	\$ 663	\$ 105	\$ 192	\$ 989	\$ 117	\$ 81	\$ 17,389	\$ 19,820	
Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,950	\$ 14,950	
Northshore Harbor Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107	\$ 74	\$ 2,651	\$ 2,832	
Municipal Taxes	<u>\$ 8,028</u>	<u>\$ 21,850</u>	<u>\$ -</u>	<u>\$ 2,450</u>	<u>\$ 13,881</u>	<u>\$ 2,394</u>	<u>\$ 4,683</u>	<u>\$ -</u>	<u>\$ 53,287</u>	
<b>Total</b>	<b>\$ 59,116</b>	<b>\$104,700</b>	<b>\$18,316</b>	<b>\$ 33,459</b>	<b>\$177,693</b>	<b>\$ 24,100</b>	<b>\$19,054</b>	<b>\$ 3,017,149</b>	<b>\$3,453,588</b>	
Avg. Property Taxes per Home	\$ 2,815	\$ 3,377	\$ 2,290	\$ 4,780	\$ 4,676	\$ 1,854	\$ 1,905	\$ 2,316	\$ 2,413	

New residential construction permitted in St. Tammany Parish in 2018 will contribute an estimated \$3.5 million per year in property taxes, with the largest amounts going to parish schools (\$1.6 million) and fire protection (\$0.7 million).

Average estimated total property taxes per home ranged from \$1,854 in Pearl River to \$4,780 in Madisonville, with a parish-wide average of \$2,413.

### ***Tangipahoa Parish***

Economic impacts (excluding property tax impacts) from the estimated \$167 million of new residential construction activities in Tangipahoa Parish in 2018 are summarized in Table 10. Tables 11 and 12 detail the estimated impacts of residential construction in St. Tammany and Washington parishes on the Tangipahoa Parish economy, and Table 13 combines the impacts from all Northshore residential construction (Tables 10-12) on the Tangipahoa economy.

As shown in Table 13, Northshore new residential construction is estimated to have supported approximately 2,300 Tangipahoa Parish jobs in 2018 with estimated earnings of \$82.5 million. *Other property-type income* (dividends, interest, rents, and corporate profits) totaled an additional \$26.3 million.

<u>Type of Impact</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Sub-Totals</u>	<u>Totals</u>
Employee Compensation	\$ 34,092,989	\$13,941,556	\$ 9,439,238	\$57,473,783	
Proprietors Income	<u>\$ 19,567,623</u>	<u>\$ 3,213,020</u>	<u>\$ 1,967,866</u>	<u>\$24,748,508</u>	
Total Earnings	\$ 53,660,612	\$17,154,576	\$11,407,104	\$82,222,292	
Other Property-Type Income	\$ 10,188,080	\$ 7,049,683	\$ 8,963,289	\$26,201,051	
Sales Taxes	<u>\$ 4,967,059</u>	<u>\$ 1,823,688</u>	<u>\$ 1,133,955</u>	<u>\$ 7,924,702</u>	
Total Value-Added	\$ 68,815,751	\$26,027,947	\$21,504,347		\$116,348,045
Employment (jobs supported)	1,453.9	474.8	362.1		2,290.8
Sales (Output)	\$167,381,940	\$52,053,660	\$41,635,708		\$261,071,312

\* Includes dividends, interest, rents, and corporate profits.

<u>Type of Impact</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Sub-Totals</u>	<u>Totals</u>
Employee Compensation	\$ -	\$ 142,695	\$ 76,222	\$ 218,917	
Proprietor Income	<u>\$ -</u>	<u>\$ 7,986</u>	<u>\$ 8,466</u>	<u>\$ 16,452</u>	
Total Earnings	\$ -	\$ 150,681	\$ 84,688	\$ 235,369	
Other Property-Type Income	\$ -	\$ 57,456	\$ 41,432	\$ 98,888	
Sales Taxes	<u>\$ -</u>	<u>\$ 3,590</u>	<u>\$ 4,424</u>	<u>\$ 8,014</u>	
Total Value-Added	\$ -	\$ 211,727	\$130,544		\$ 342,271
Employment (jobs supported)	0.0	2.8	2.1		4.9
Sales (Output)	\$ -	\$ 415,610	\$269,073		\$ 684,682

\* Includes dividends, interest, rents, and corporate profits.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ -	\$ 39,343	\$ 13,376	\$ 52,719	
Proprietor Income	\$ -	\$ 9,133	\$ 2,003	\$ 11,136	
Total Earnings	\$ -	\$ 48,476	\$ 15,378	\$ 63,855	
Other Property-Type Income	\$ -	\$ 24,784	\$ 12,483	\$ 37,267	
Sales Taxes	\$ -	\$ 3,458	\$ 1,068	\$ 4,526	
Total Value-Added	\$ -	\$ 76,719	\$ 28,929		\$ 105,648
Employment (jobs supported)	0.0	1.3	0.4		1.7
Sales (Output)	\$ -	\$ 130,398	\$ 51,622		\$ 182,020

\* Includes dividends, interest, rents, and corporate profits.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ 34,092,989	\$ 14,123,594	\$ 9,528,835	\$ 57,745,419	
Proprietor Income	\$ 19,567,623	\$ 3,230,139	\$ 1,978,334	\$ 24,776,097	
Total Earnings	\$ 53,660,612	\$ 17,353,734	\$ 11,507,170	\$ 82,521,515	
Other Property-Type Income	\$ 10,188,080	\$ 7,131,923	\$ 9,017,204	\$ 26,337,206	
Sales Taxes	\$ 4,967,059	\$ 1,830,736	\$ 1,139,447	\$ 7,937,242	
Total Value-Added	\$ 68,815,751	\$ 26,316,392	\$ 21,663,820		\$ 116,795,964
Employment (jobs supported)	1,453.9	478.9	364.6		2,297.4
Sales (Output)	\$ 167,381,944	\$ 52,599,668	\$ 41,956,403		\$ 261,938,014

\* Includes dividends, interest, rents, and corporate profits.

Local sales taxes, including direct taxes paid by contractors as well as indirect and induced sales taxes paid by suppliers and employees, totaled an estimated \$7.9 million.

The combined value-added impact, which represents the best estimate of new residential construction's contribution to Tangipahoa's gross parish product in 2018, equaled approximately \$117 million.

Using the 2018 percentages of total parish-wide sales tax collections, the \$7.9 million of sales taxes generated by residential construction would have been allocated as shown in Table 14.

Type of Sales Tax	2018 Percentage of Total	Allocation
Schools	45.0%	\$ 3,573,296
Municipal	31.5%	\$ 2,499,161
General Government/Public Works	22.5%	\$ 1,786,341
Fire Protection	1.0%	\$ 78,443
Total	100.0%	\$ 7,937,242

To calculate estimated property tax impacts, representative millages were used for each of the municipalities and the unincorporated balance of the parish. Each new single-family home was assumed



to qualify for the homestead exemption, so that estimated property tax bills for single-family homes were based on the construction value minus \$75,000. Any second homes, single-family rental properties, etc. would not qualify for the homestead exemption, so this is a somewhat conservative approach to estimating property tax impacts.

No homestead exemption was applied to multi-family units.

Table 15 details the estimated property tax impacts by category for new homes and apartments permitted in 2018 in each Tangipahoa Parish municipality and the unincorporated areas of the parish.

New residential construction permitted in Tangipahoa Parish in 2018 will contribute an estimated \$1.0 million per year in property taxes, with the largest amounts going to law enforcement (~\$180,000) and parish schools (~\$160,000).

Average estimated total property taxes per unit ranged from \$482 for multi-family units in the unincorporated areas of the parish to \$3,023 for the one home permitted in Amite, with a parish-wide average of \$818.

	<u>Amite</u>	Hammond <u>SF*</u>	Hammond <u>MF**</u>	<u>Ponchatoula</u>	Uninc. <u>SF*</u>	Uninc. <u>MF**</u>	<u>Total</u>
Law Enf.	\$ 621	\$11,536	\$ 66,159	\$ 15,153	\$ 85,186	\$1,639	\$ 180,294
Schools	\$ 142	\$14,289	\$ 81,946	\$ 3,454	\$ 57,086	\$1,098	\$ 158,015
Fire Prot.	\$ 523	\$ -	\$ -	\$ -	\$ 92,672	\$1,783	\$ 94,978
Recreation	\$ 523	\$ 6,478	\$ 37,147	\$ 11,911	\$ 27,802	\$ 535	\$ 84,395
Drainage	\$ 174	\$ 6,439	\$ 36,924	\$ 8,457	\$ 21,902	\$ 421	\$ 74,317
Library	\$ 203	\$ 3,763	\$ 21,582	\$ 4,943	\$ 27,790	\$ 535	\$ 58,816
Garbage							
Collection	\$ -	\$ -	\$ -	\$ -	\$ 47,831	\$ 920	\$ 48,751
Assessor	\$ 163	\$ 3,025	\$ 17,348	\$ 3,973	\$ 22,337	\$ 430	\$ 47,275
Health Unit							
& Hosp.	\$ 314	\$ 2,591	\$ 14,859	\$ 3,403	\$ 22,122	\$ 426	\$ 43,714
Mosquito							
Control	\$ -	\$ 3,239	\$ 18,573	\$ 4,254	\$ 11,958	\$ 230	\$ 38,254
FP Juv. Ctr.	\$ 96	\$ 1,781	\$ 10,215	\$ 2,340	\$ 13,153	\$ 253	\$ 27,839
Genl. Parish							
Taxes	\$ 53	\$ 991	\$ 5,683	\$ 1,302	\$ 14,636	\$ 282	\$ 22,947
Lighting	\$ -	\$ -	\$ -	\$ -	\$ 6,773	\$ 130	\$ 6,903
Municipal							
Taxes	<u>\$ 209</u>	<u>\$28,620</u>	<u>\$ 78,157</u>	<u>\$ 23,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,830</u>
Totals	<u>\$3,023</u>	<u>\$82,753</u>	<u>\$388,594</u>	<u>\$ 83,033</u>	<u>\$451,245</u>	<u>\$8,680</u>	<u>\$1,017,328</u>
Avg./unit	\$3,023	\$ 871	\$ 1,130	\$ 1,051	\$ 638	\$ 482	\$ 818
* Single-Family							
** Multi-Family							

## Washington Parish

Economic impacts (excluding property tax impacts) from the estimated \$14,376,980 of new residential construction activities in Washington Parish in 2018 are summarized in Table 16. Tables 17 and 18 detail the estimated impacts of residential construction in St. Tammany and Tangipahoa parishes on the Washington Parish economy, and Table 19 combines all of the impacts from Northshore residential construction (Tables 16-18) on the Washington Parish economy.

As shown in Table 19, Northshore new residential construction supported approximately 200 Washington Parish jobs in 2018 with estimated earnings of \$6.9 million. *Other property-type income* (dividends, interest, rents, and corporate profits) totaled an additional \$2.6 million.

Local sales taxes, including direct taxes paid by contractors as well as indirect and induced sales taxes paid by suppliers and employees, equaled an estimated \$624,875.

The combined value-added impact, which represents the best estimate of new residential construction's contribution to Washington Parish's gross parish product in 2018, equaled approximately \$10.2 million.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ 3,138,450	\$ 683,611	\$ 421,617	\$4,243,677	
Proprietors Income	\$ 1,728,124	\$ 68,109	\$ 80,786	\$1,877,019	
Total Earnings	\$ 4,866,574	\$ 751,720	\$ 502,402	\$6,120,696	
Other Property-Type Income	\$ 999,831	\$ 425,627	\$ 473,261	\$1,898,718	
Sales Taxes	\$ 461,235	\$ 85,079	\$ 56,196	\$ 602,510	
Total Value-Added	\$ 6,327,640	\$1,262,426	\$1,031,859		\$ 8,621,924
Employment (jobs supported)	128.3	33.7	21.6		183.5
Sales (Output)	\$14,376,980	\$3,308,110	\$2,266,588		\$19,951,678

\* Includes dividends, interest, rents, and corporate profits.

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ -	\$ 476,931	\$ 100,334	\$ 577,265	
Proprietors Income	\$ -	\$ 15,953	\$ 10,141	\$ 26,094	
Total Earnings	\$ -	\$ 492,884	\$ 110,475	\$ 603,359	
Other Property-Type Income	\$ -	\$ 542,957	\$ 77,797	\$ 620,754	
Sales Taxes	\$ -	\$ 11,170	\$ 6,528	\$ 17,698	
Total Value-Added	\$ -	\$1,047,011	\$ 194,800		\$ 1,241,811
Employment (jobs supported)	0.0	9.4	3.9		13.3
Sales (Output)	\$ -	\$2,539,617	\$ 420,987		\$ 2,960,604

\* Includes dividends, interest, rents, and corporate profits.

**Table 18. Estimated economic impacts of Tangipahoa Parish residential construction activities on the Washington Parish economy: 2018.**

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ -	\$ 144,896	\$ 50,771	\$ 195,666	
Proprietors Income	\$ -	\$ 5,229	\$ 4,055	\$ 9,284	
Total Earnings	\$ -	\$ 150,125	\$ 54,825	\$ 204,950	
Other Property-Type Income	\$ -	\$ 78,578	\$ 32,190	\$ 110,768	
Sales Taxes	\$ -	\$ 2,312	\$ 2,355	\$ 4,667	
Total Value-Added	\$ -	\$ 231,014	\$ 89,371		\$ 320,385
Employment (jobs supported)	0.0	4.2	1.9		6.2
Sales (Output)	\$ -	\$ 516,007	\$ 185,412		\$ 701,419

\* Includes dividends, interest, rents, and corporate profits.

**Table 19. Estimated economic impacts of all Northshore residential construction activities on the Washington Parish economy: 2018.**

Type of Impact	Direct	Indirect	Induced	Sub-Totals	Totals
Employee Compensation	\$ 3,138,450	\$1,305,438	\$ 572,721	\$5,016,608	
Proprietors Income	\$ 1,728,124	\$ 89,291	\$ 94,982	\$1,912,397	
Total Earnings	\$ 4,866,574	\$1,394,729	\$ 667,703	\$6,929,005	
Other Property-Type Income	\$ 999,831	\$1,047,162	\$ 583,248	\$2,630,240	
Sales Taxes	\$ 461,235	\$ 98,561	\$ 65,079	\$ 624,875	
Total Value-Added	\$ 6,327,640	\$2,540,451	\$1,316,030		\$10,184,120
Employment (jobs supported)	128.3	47.3	27.4		203.0
Sales (Output)	\$14,376,980	\$6,363,733	\$2,872,987		\$23,613,701

\* Includes dividends, interest, rents, and corporate profits.

Using the 2018 percentages of total parish-wide sales tax collections, the \$624,875 million of sales taxes generated by residential construction would have been allocated as shown in Table 20.

**Table 20. Example allocation of 2018 Washington Parish sales taxes generated by residential construction.**

Type of Sales Tax	2018 Percentage of Total	Allocation
Municipal	38.2%	\$ 238,629
Schools	28.9%	\$ 180,656
General Government/Public Works	23.5%	\$ 146,595
Law Enforcement	9.4%	\$ 58,995
Total	100.0%	\$ 624,875

Estimated property tax increases due to 2018 permitted residential construction in Washington Parish were based on the permitted construction value multiplied by the average effective parish-wide millage.

Table 21 details the estimated property tax impacts by category for new homes permitted in 2018 in Washington Parish.

<b>Table 21. Estimated Washington Parish property tax impacts from new residential construction permitted in 2018.</b>	
<u>Category</u>	<u>Parishwide Total</u>
Schools	\$ 39,147
Roads	\$ 12,155
Health Unit & Hospital	\$ 9,481
Law Enforcement	\$ 9,428
Fire Protection	\$ 7,992
Assessor	\$ 4,619
Library	\$ 3,957
General Parish Taxes	\$ 2,446
Council on Aging	\$ 2,409
FP Juvenile Center	\$ 2,366
Courthouse Maintenance	\$ 886
Municipal Taxes	<u>\$ 28,968</u>
	\$123,853
Average property taxes/home	\$ 1,608

New residential construction permitted in Washington Parish in 2018 will contribute an estimated \$124,000 per year in property taxes, with the largest amounts going to schools (~\$39,000) and municipalities (~\$29,000).

Average estimated total property taxes per 2018 permitted home equal \$1,608.

### ***Three-Parish Northshore Region***

Economic impacts (excluding property tax impacts) from the estimated \$531 million of new residential construction activities in the three-parish Northshore region in 2018 are summarized in Table 22.

New residential construction supported approximately 7,080 Northshore jobs in 2018 with estimated earnings of \$320 million. *Other property-type income* (dividends, interest, rents, and corporate profits) totaled an additional \$102 million.

Local sales taxes, including direct taxes paid by contractors as well as indirect and induced sales taxes paid by suppliers and employees, totaled an estimated \$25.6 million.

The combined value-added impact, which represents the best estimate of new residential construction's contribution to the Northshore's gross regional product in 2018, equaled approximately \$447 million.

Based on example allocations, the \$25.6 million of estimated sales taxes generated by residential construction in 2018 would have supported the activities detailed in Table 23.

New residential construction activities added an estimated \$531 million of market value (\$53.1 million assessed value) to property tax rolls in the three-parish region in 2018, increasing property taxes in subsequent years by an estimated \$4.6 million per year at current values and millages (Table 24).

<u>Type of Impact</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Sub-Totals</u>	<u>Totals</u>
Employee Compensation	\$131,095,896	\$ 50,419,746	\$ 42,736,083	\$224,251,725	
Proprietors Income	\$ 74,635,470	\$ 11,311,511	\$ 9,833,669	\$ 95,780,651	
Total Earnings	\$205,731,367	\$ 61,731,258	\$ 52,569,752	\$320,032,376	
Other Property-Type Income	\$ 41,090,751	\$ 24,769,213	\$ 35,790,245	\$101,650,209	
Sales Taxes	\$ 13,046,043	\$ 4,531,115	\$ 8,038,083	\$ 25,615,241	
Total Value-Added	\$259,868,160	\$ 91,031,586	\$ 96,398,080		\$447,297,827
Employment (jobs supported)	4,169.1	1,502.1	1,408.7		7,079.9
Sales (Output)	\$530,796,682	\$182,054,268	\$174,073,230		\$886,924,180

\* Includes dividends, interest, rents, and corporate profits.

<u>Category</u>	<u>Allocation</u>
Schools	\$ 11,312,321
Municipal	\$ 6,774,398
General Government/Public Works	\$ 5,721,317
Law Enforcement	\$ 1,003,699
Jail/Courthouse	\$ 467,669
Tourism/Economic Development	\$ 229,622
Fire Protection	\$ 78,443
Parks & Recreation/Culture	\$ 27,771
Total	\$ 25,615,241

<u>Parish</u>	<u># of Units</u>	<u>Est. Construction Value</u>	<u>Est. Property Tax Increase</u>
St. Tammany	1,431	\$ 349,037,750	\$ 3,453,588
Tangipahoa	1,244	\$ 167,381,940	\$ 1,017,328
Washington	77	\$ 14,376,980	\$ 123,853
Three-parish Region	2,752	\$ 530,796,660	\$ 4,594,769

Table 25 details an example allocation by category groupings of the \$4.6 million of property taxes generated in subsequent years by new residential properties built in 2018.

<b>Table 25. Estimated allocations of property taxes generated by new residential construction permitted in 2018.</b>	
<u>Category Grouping</u>	<u>Northshore Total</u>
School Taxes	\$ 1,754,034
Fire Protection	\$ 790,278
Law Enforcement/Courts/Corrections	\$ 569,845
Parks & Rec./Library/Cultural	\$ 431,376
Public Health/Coroner/Mosquito Ctrl./Solid Waste	\$ 430,594
Municipal Taxes	\$ 213,085
Drainage/Lighting/Roads	\$ 151,108
Assessor	\$ 114,498
General Parish Taxes	\$ 91,134
Council on Aging/STARC	<u>\$ 48,817</u>
Total	\$ 4,594,769





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