

# BUSINESS

## Real estate powers S.A. growth

Study says sector  
accounts for 1/3 of the  
area's economy.

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San Antonio's real estate development industry is a \$19.4 billion economic engine for the city, according to data released Wednesday, a statistic some industry leaders say should surprise San Antonio.

The sector, which includes home, apartment and commercial construction, created more than 131,000 direct and indirect jobs in the San Antonio area and provided \$4.4 billion in labor income in 2005, according to a study commissioned by the Responsible Growth Alliance, a real estate industry association.

"This sector rivals any other in San Antonio," said Jon Hockenyos, managing director of the economic consulting company Texas Perspectives, who spoke about his study's findings to The Real Estate Council of San Antonio, a member of the alliance, on Wednesday morning at the Petroleum

### ECONOMIC IMPACT

- In 2005, the real estate development industry had a \$19.4 billion economic impact on the city.
- It created 131,000 direct and indirect jobs in the San Antonio area last year.
- The industry generates more than \$163 million in local tax revenue each year, accounting for one-sixth of the economy in San Antonio's Metropolitan Statistical Area.
- Home sales increased 13.9 percent, from 20,493 in 2004 to 23,349 in 2005

Source: Texas Perspectives Inc. study for Responsible Growth Alliance

Club. "It's been a stabilizing force across the San Antonio economy."

The industry generates more than \$163 million in local tax revenue each year, accounting for one-sixth of the economy in San Antonio's Metropolitan Statistical Area. "It includes lots of different-sized businesses, employs people across

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## Real estate's S.A. impact almost \$20 billion a year

CONTINUED FROM 1E

all parts of the city and includes a wide range of skill sets," Hockenyos said. "There are literally people all over the city working in this industry."

The Real Estate Council commissioned the study to draw attention to the real estate industry, which the group feels has not received as much attention as higher-visibility industries such as tourism, which generated \$8.7 billion in economic impact — less than half the impact of real estate.

"I don't think the average person understands, and I don't think the politicians understand that \$20 billion is a pretty big shot to the economy," said Michael Moore, vice president of The Real Estate Council. "We're providing lots of jobs and lots of tax and lots of impact on the entire economy."

The report is among the latest staking an industry near the top of San Antonio's economic heap. By one measure, health care and biosciences could rank the highest, but by another financial services

might have the greatest economic impact.

Hockenyos said real estate development should continue to keep pace with the overall growth of the San Antonio economy this year. Building permits rose 16 percent, from 12,029 to 13,965, between 2004 and '05. Home sales increased 13.9 percent, from 20,493 in 2004 to 23,349 in '05.

The availability of low-interest financing and citywide job growth have created an ideal environment for growth, Hockenyos said. "It's kind of a perfect storm for development," he said.

Moore also said that increasing wages in the San Antonio area have helped spur development.

"We've gone from being one of the poorest-paid cities in the country to moving up the ladder," Moore said. "We're not up with Austin or Dallas or Houston yet, but we're moving closer. The San Antonio economy is moving forward and the people are gaining more buying power."

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