

REI 330 – Real Estate Principles
Fall 2008
Dr. Kimberly Goodwin
Homework Assignment 2

This assignment is due at the beginning of class on Wednesday, September 17. Your work should be done on a spreadsheet and then printed out to hand in to me. Please do not email me a copy of your spreadsheet. As in real estate transactions, a valid homework assignment must be written on paper and satisfy your professor's delivery requirements.

This assignment is based on the calculation of the location quotient as found in chapter 6 of your textbook. As I mentioned in class, we are using total sales dollars by industry in a given region to approximate percentage of employment by industry as mentioned in your book (this is because the data is no longer available on the census web site).

Directions:

1. Go to <http://www.census.gov>
2. Click on American Fact Finder
3. Click on data sets and choose the economic census option
4. Under 2002 Economic Census and Surveys, click on Economy-wide key statistics
5. Filter the rows by NAICS code. In the drop down box, select all sectors (2 digit) to get the broadest industry classifications. You will need to select each of these 2-digit industry codes and click "add" to place them in the "current industry selections" box at the bottom of the page.
6. Clicking on "show result" will give you the results for the whole United States. I have already provided a chart like this below for you to use in your analysis.
7. Now filter your rows by geography. Select combined statistical area as your geographic type and then pick any of the statistical areas from the list for your analysis (label which area you are using). Add this to your current geographic selection. (Note that you may want to remove the United State option so as not to have excess data points).
8. Create a chart for your combined statistical area like the one I provided for the United States. Show the industry classification, total sales dollars, and the percent of total local sales dollars the industry represents. You will likely be missing some data points in your local area. Don't worry about that and continue on with the exercise using the data that you have available.
9. Find the location quotient for each industry by dividing the percentage of local sales dollars by the percentage of national sales dollars. Note which of the industries seem to provide the economic base for your location.

| <u>United States 2002 Economic Survey Data</u> | | |
|---|--------------------------------|-------------------------------|
| <u>Industry</u> | <u>Sales (thousands of \$)</u> | <u>Percent of total sales</u> |
| Utilities | 398,907,044 | 1.49% |
| Manufacturing | 3,918,851,117 | 14.67% |
| Wholesale trade | 4,634,755,112 | 17.35% |
| Wholesale trade | 2,835,528,616 | 10.62% |
| Wholesale trade | 1,316,066,641 | 4.93% |
| Retail trade | 3,056,421,997 | 11.44% |
| Transportation & warehousing | 382,152,040 | 1.43% |
| Information | 891,845,956 | 3.34% |
| Finance & insurance | 2,803,854,868 | 10.50% |
| Real estate & rental & leasing | 335,587,706 | 1.26% |
| Professional, scientific, & technical services | 886,801,038 | 3.32% |
| Professional, scientific, & technical services | 20,553,805 | 0.08% |
| Professional, scientific, & technical services | 866,247,233 | 3.24% |
| Management of companies & enterprises | 107,064,264 | 0.40% |
| Administrative & support & waste management & remediation service | 432,577,580 | 1.62% |
| Educational services | 30,690,707 | 0.11% |
| Educational services | 8,531,101 | 0.03% |
| Educational services | 22,159,606 | 0.08% |
| Health care & social assistance | 1,207,299,734 | 4.52% |
| Health care & social assistance | 617,930,865 | 2.31% |
| Health care & social assistance | 589,368,869 | 2.21% |
| Arts, entertainment, & recreation | 141,904,109 | 0.53% |
| Arts, entertainment, & recreation | 27,969,288 | 0.10% |
| Arts, entertainment, & recreation | 113,934,821 | 0.43% |
| Accommodation & food services | 449,498,718 | 1.68% |
| Other services (except public administration) | 307,049,461 | 1.15% |
| Other services (except public administration) | 116,523,311 | 0.44% |
| Other services (except public administration) | 190,526,150 | 0.71% |
| Total | 26,710,601,757 | |