

# Government Surcharges on New Homes

## Average \$25,534

Impact Fee Study Update as of December 31, 2007  
Southern Arizona Home Builders Association©

	Pima County	Sahuarita	Tucson	Marana	Oro Valley
Building Permit	\$ 2,371	\$ 2,556	\$ 2,407	\$ 2,446	\$ 2,720
Water Meter	\$ 210	\$ 342	\$ 210	\$ 360	\$ 162
Water System Development	\$ 1,528		\$ 1,528	\$ 2,331	\$ 3,867
Wastewater Fee	\$ 6,030	\$ 6,030	\$ 6,030	\$ 6,030	\$ 6,030
CAP Replenishment	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
Impact Fee: Roads	\$ 4,595	--	\$ 4,050	\$ 1,694	\$ 3,375
Impact Fee: Parks	--	\$ 1,500	\$ 1,600	\$ 2,168	\$ 701
Impact Fee: Police, Fire	--	--	\$ 1,589	--	--
City/County/State Sales Taxes	\$ 6,556	\$12,362	\$ 8,957	\$12,873	\$12,149
<b>TOTAL SURCHARGE</b>	<b>\$21,353</b>	<b>\$22,853</b>	<b>\$26,434</b>	<b>\$27,965</b>	<b>\$29,067</b>
Cost to Finance Surcharges in 30-year mortgage	\$46,080	\$49,320	\$57,060	\$60,372	\$62,748
<b>TOTAL COST</b>	<b>\$67,433</b>	<b>\$72,173</b>	<b>\$83,494</b>	<b>\$88,337</b>	<b>\$91,815</b>

In the Pima County area, government-imposed building fees, taxes and surcharges on new, single-family homes now average \$25,534. The charges are based on an updated 2007 study by SAHBA for a typical 2,000 square-foot, new-built home at a median price of \$237,470.

### Total Costs Exceed Annual Incomes

The Median Income of Households in Pima County is \$42,984, according to the most current data (2006) from the U.S. Census Bureau. Currently, a typical 30-year fixed mortgage is 6.00%.

Within the City of Tucson, new home buyers spend 40% of their annual earnings on City-mandated fees. This financial burden conflicts with affordable housing and infill initiatives since 20% of City residents live below the federal poverty level.

Overall, when buyers roll the government surcharges into their mortgages, the total cost to pay for and finance the fees exceed the region's median income level. By municipality, citizens pay this much extra on their mortgages due to government surcharges:

\$128.00 per month in Pima County	\$167.70 per month in Marana
\$137.00 per month in Sahuarita	\$174.30 per month in Oro Valley
\$158.50 per month in Tucson	

*All surcharges apply to new, single-family homes and represent the standard fee, defined as the "most common occurrence" in each municipality. Actual costs can vary within a jurisdiction depending on various conditions, ordinances and policies. The Government Fees & Surcharges Study was conducted independent of SAHBA by Nathanson Consulting, Bright Future Business Consultants, and Nova Home Loans.*