

# SAHBA NEWS RELEASE

*Southern Arizona Home Builders Association*

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## **Impact Fees and Surcharges Add 14.5% to Sales Price of New Homes**

**Impact Fee Study Update as of December 31, 2008**

**Southern Arizona Home Builders Association©**

	<b>Pima County</b>	<b>Sahuarita</b>	<b>Tucson</b>	<b>Marana</b>	<b>Oro Valley</b>
Building Permit	\$2,378	\$ 2,556	\$2,407	\$2,446	\$2,429
Water Meter	\$ 239	\$ 342	\$ 239	\$ 360	\$ 267
Water System Development	\$1,528	- -	\$1,528	\$2,331	\$7,549
Wastewater Fee	\$5,832	\$5,832	\$5,832	\$5,832	\$5,832
CAP Replenishment	\$ 72	\$ 72	\$ 72	\$ 72	\$ 72
Impact Fee: Roads	\$4,745	- -	\$4,294	\$3,123	--
Impact Fee: Parks	- -	\$1,500	\$1,723	\$3,225	\$ 701
Impact Fee: Police, Fire	- -	- -	\$1,589	-	\$6,203
State & Local Sales Taxes	\$5,976	\$13,796	\$8,087	\$13,532	\$13,320
<b>TOTAL COST</b>	<b>\$20,770</b>	<b>\$24,098</b>	<b>\$25,771</b>	<b>\$30,921</b>	<b>\$36,373</b>

During 2008, government-imposed fees, taxes and surcharges added about 14.5% to the sales price of new homes in the Pima County area. Government surcharges now average \$27,587 per new home. Without these government fees and surcharges, the median price drops to \$189,806.

The 2008 baseline was for a typical 2,100 square-foot, new-built home at a median price of \$217,393, based on an updated study by an independent analyst.

“During this recession, government fees that raise costs on new homes have a negative, devastating impact on demand. As consumer demand falls, job losses in the housing industry accelerate and ripple through the entire community,” said SAHBA Vice President Roger Yoheim.

According to economists at the National Association of Home Builders, every \$1,000 increase in home prices puts home ownership out of reach for about 833 local citizens in the Tucson MSA.

*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 unique conditions, various ordinances and policies, or negotiated agreements. The Government Fees & Surcharges Study was conducted independent of SAHBA by Nathanson Consulting and Bright Future Business Consultants.*

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