

NEW YORK STATE ASSOCIATION OF REALTORS® INC

Sprinkler system debate heats up in Albany

By Michael Kelly

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New York State is currently considering revamping its residential building code to require that sprinkler systems be installed in all newly constructed one- and two-family homes as well as townhomes. In 2009, the International Code Council (ICC) provided “model” code recommendations for states to consider implementing. While many of these recommendations have been approved and included in New York’s building code, the proposal in the ICC code to require sprinkler systems installation, to date, has not.

New York State’s Fire Prevention and Building Code Council, which is under the auspices of the Department of State, has not yet approved a residential sprinkler mandate, but it’s under consideration right now. In fact, a subcommittee of the Code Council recommended mandated sprinkler system installation in newly constructed one- and two-family homes as well as townhomes in February 2013.

While many other states have considered this type of mandate, only California and Maryland require sprinkler system installation in new residential construction. It is telling that only two states have approved such a drastic addition to their building code, while 48 others have looked at the issue and rejected it.

NYSAR stakes out position

NYSAR supports fire safety measures and the installation of fire sprinklers where homebuyers make that choice on their own. It believes that the installation of a fire sprinkler system should be a consumer choice, not an unfunded mandate imposed by New York State. In fact, NYSAR worked with the New York State Builders Association over the past couple of years to get a bill passed in Albany that will provide prospective homebuyers with more information about the benefits of fire sprinkler systems and the cost to install one in their new home. The bill will require home builders to provide purchasers, before they go to contract to build their house, with a brochure describing information about fire sprinkler systems including their benefits, while specifically outlining how much it will cost to install such a system in their new home. At that time buyers will be better educated and prepared to make a determination based on their needs and financial situation. NYSAR applauds Gov. Andrew Cuomo for signing this bill into law. We await the release of proposed language that will go into the statutory required disclosure.

An inhibitor to housing

Buying a home in New York is more expensive than most other places in the country. But it’s not due to the high cost of living or even our nation-leading high property taxes. It’s our real estate closing costs!

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For years, New York, along with New Jersey and Texas, have had the highest closing costs in the country. These up-front fees and taxes are a key inhibitor for many New Yorkers looking to take the leap from renting to purchasing their own home. They include bank fees, principal and interest pre-payments, title insurance costs, mortgage recording taxes, real estate transfer taxes, attorney's fees and more.

Let's assume that the prospective homebuyer overcomes the closing cost and down payment hurdle. If a requirement is approved mandating the installation of sprinklers, they will then be faced with an additional bill totaling thousands of dollars.

Estimates of the cost of installing a sprinkler system in homes vary widely. Supporters, such as sprinkler system installers, have used a low figure of \$1.75/square foot price tag, while opponents, such as the homebuilders say that's too low, citing a figure of at least \$3 per square foot. Even using a conservative \$2-per-square-foot figure, the additional cost for a 2,000-square-foot home would be \$4,000. If the home has a basement, that space would also be required to have a sprinkler coverage, adding approximately \$2,000 to the bill. The total cost that the home buyer in New York State would have to come up with prior to closing would be an additional \$6,000 for a 2,000-square-foot home.

That figure does not include additional charges the homeowner would have to bear such as annual inspections and maintenance. It also assumes the homebuyer is on a municipal water system. In rural areas where municipal water isn't an option, the homebuyer would be required to have a tank that can hold thousands of gallons of water in order to provide the volume and pressure necessary for the sprinkler system to operate properly.

The New York State Builders Association stands alongside NYSAR in opposing this proposed mandate as they believe it would wreak havoc on the housing market. Interestingly, Habitat for Humanity understands that this proposal will drive their costs up when building homes for needy families. That's why they also have opposed these types of sprinkler systems mandates.

The most prominent supporters of a fire sprinkler mandate in New York include multiple firefighter organizations and fire sprinkler system manufacturers and installers. I'll give you one guess why the manufacturers and installers of these systems are supportive. Fire sprinkler systems save lives. No one disputes that statement. But what is up for debate is the merit of another state mandate driving up the cost of homeownership in New York.

NYSAR supports the inclusion of fire sprinkler systems in homes. We simply believe the decision to have one installed in your house should be up to you.