



Pennsylvania
Association of
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*The Voice for Real Estate
in Pennsylvania*

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Pennsylvania Association of REALTORS® (PAR)

Testimony on Senate Bill 1001

Presented by Greg Herb

Good morning Chairman Gordner and members of the Senate Labor and Industry Committee. My name is Greg Herb and I have been in the real estate business for 30 years. I am currently the President of the Pennsylvania Association of REALTORS®.

On behalf of over 30,000 REALTORS® in Pennsylvania, I am here to present testimony on Senate Bill 1001. This bill allows municipalities to pass ordinances that mandate sprinkler systems in new construction. PAR recently conducted polling across Pennsylvania on the issue of sprinklers. I would like to take this opportunity to share some of the key findings of the poll and outline PAR's basis of opposition to any type of government mandate for sprinkler systems.

Housing and the Economy

The real estate market in Pennsylvania is struggling to recover from the last few years of economic recession. New home building is vital to the state's economic recovery. The state has seen building permits fall from 21,097 in July 2004 at the height of the housing boom to a mere 5,823 as of July of 2009. Any additional regulations, such as sprinkler mandates, make new homes less affordable for Pennsylvanians and will stall the recovery of the housing sector and limit growth. I would also like to add that our polling indicates that 76 percent of the respondents believe officials should focus on economic growth and expansion.

Government mandates such as sprinkler systems increase the cost of home-buying. Experts say that adopting the latest UCC will increase the cost to build a new home by thousands of dollars. This is yet another hardship that residents must endure in this recession. For every \$1,000 increase in the cost of a new, median-priced home, the National Association of Home Builders' data shows that 217,000 prospective buyers are forced out of the marketplace. This is especially important when you consider that housing represents nearly 15 percent of Pennsylvania's gross state product.

Public Safety

Mandatory sprinklers are unnecessary to protect public safety. Code advances, new technologies and improved building materials have greatly improved fire safety in recent years. Requiring sprinklers would duplicate the protections already provided by mandatory hard-wired smoke detectors, which is the proven, practical and cost-effective way to prevent fire deaths since 1999.

According to the National Fire Incident Reporting System, in Pennsylvania there is a 99.7 percent chance of surviving a fire in a one-and two-family home with an operating smoke alarm. In fact, Pennsylvania State Fire Commissioner Ed Mann, while speaking to the issue of fire safety, recently stated that "installing smoke alarms is the single most important step in order to prepare for a fire."

Consumer Choice

PAR opposes efforts to regulate consumer choice that are overly burdensome. Government authorities should not be permitted to over mandate when current regulations are sufficient. Mandating sprinkler systems infringes upon a consumers right to choose the type of safety mechanism that is right for their family. Meanwhile, the lack of choice can lead to the inability to build a home.

Our polling shows that 62 percent of voters believe that smoke alarms are a much better form of preventing the loss of life in a fire than sprinkler systems. Further, 67 percent of voters in Pennsylvania said that if they were building their own home they would choose a \$500 smoke alarm system rather than a \$5,000 sprinkler system.

PAR joins the other members of the panel in its support of legislation, like HB 1808, that would extend the 2006 building code for another three years while the legislature and other stakeholders have the opportunity to study all codes and the process by which they are adopted

In closing, I would like to thank you for giving me the opportunity to outline our opposition to mandatory fire sprinklers. After reviewing the results of our polling, it is clear to PAR that voters in Pennsylvania are not inclined to support this type of mandate because it's expensive, infringes on consumer choice and duplicates the proven protection already provided by hard-wired interconnected smoke detectors. PAR also believes that the currently struggling housing market in Pennsylvania can't support the added burden.