



RECORDATION RATE INCREASE 2012 FROM \$2.50 PER \$500 TO \$3.00 PER \$500 TALKING POINTS

- *Upfront buyer closing costs; **recordation fees**, transfer taxes, property taxes, down payments and lender fees are the largest impediment to homeownership.*
- Over 70% of County tax revenue comes from residential taxes, 29% from business.
- Prince George's **leads** the Maryland DC Metro area in closing costs. On a median priced home of \$162,000 it is almost 3% less to close on a property in Anne Arundel County and Montgomery County, and almost 15% less in Calvert County.
- Prince George's ranks 3rd in closing cost expense statewide, besting 21 other Maryland Counties.
- In 2008, Prince George's County raised property recordation fees by nearly 14% from \$2.20 per \$500 to \$2.50 per \$500. Using the \$162,000 sale price example that's an additional \$97 in closing fees. The increase to \$3.00 per \$500 is an additional \$162 to close. In total \$259 more would be needed to close compared to 2007 (or a total increase of approximately 37 % from 2007), even more on a higher priced home.
- At 1.4% of the closing price, Prince George's **ranks 1st** in the Maryland DC metro area in transfer taxes and, using the \$162,000 home sale example, Prince George's also ranks 1st statewide* in transfer tax burden.
- Prince George's **leads** the Maryland DC metro area in property taxes. The annual property tax on a \$162,000 residential Prince George's property is \$2,137 vs. \$1,484 in Montgomery County and Anne Arundel County. Calvert County property taxes are \$1,445 at a \$162,000 assessment. Prince George's bests these jurisdictions in property taxes by 30% and 32%, respectively.
- Prince George's single family **property settlements are down 4.1%** compared to March 2011. Prince George's Condominium settlements are down 5.7% compared to March 2011. Statewide, the average and median home sale prices are down 7.8% and 9.8%, respectively from 2009 to 2011.
- PGCAR membership is down 18% from our typical average of 3,500 members.
- Prince George's efforts to attract big and small businesses as well as Federal and state agencies will be hampered in settlement cost comparisons to neighboring jurisdictions.
- Unfortunately, the County is experiencing a very challenging housing market. Foreclosures and short sales dominate the market and property values are at extreme lows compared to past values. It's expected that there will be a significant number of foreclosures entering the Prince George's marketplace in the very near future.
- Prince George's leaders should be encouraged to stabilize our market and **incentivize buyer investment** in Prince George's County, not fend buyers off (to other areas) with higher taxes and fees.

*Baltimore City and Baltimore County impose transfer taxes at 1.5% of sales price with an exemption of \$22,000.