

AN OPEN LOOK AT CLOSING COSTS

The Pennsylvania Association of Realtors® is the voice of real estate in Pennsylvania. Over the years, we have fought against increases in realty transfer taxes and recording fees.

These increases have been enacted at the local level and authorized by the state government, and justified as small increases that will not be noticed by homebuyers, and which help provide funding that local governments need.

We have commissioned research to measure just how much recording fees and transfer taxes have increased in the last 10 years. Here is what we have learned.



+79.3%

The base cost of recording fees has risen by an average of 79.3 percent in the last 10 years.

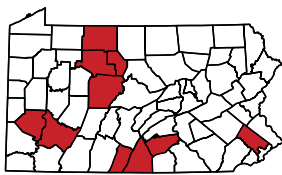
Every county in Pennsylvania has increased their recording fees since 2006, and on average, recording fees have risen by nearly 80 percent statewide – roughly equivalent to an additional \$62 per home sale. And these increases are just for the base fees for recording documents. Many counties charge an additional fee for every page of a recording document on top of the base fee.



\$329

35 municipalities have raised their realty transfer tax rates by 11.7 percent on average since 2006 – the transfer tax on a \$173,000 home costs \$329 more today.

Closing costs have risen significantly since 2006 for buying or selling a home in 35 home rule municipalities that have raised their realty transfer tax above 1 percent. In one example, a home in Pittsburgh faces a 4 percent transfer tax, on top of a minimum recording fee of \$324. So a home that sells for \$200,000 in Pittsburgh has a combined recording fee and transfer tax of \$8,324.



In 10 counties, recording fees have more than doubled. In Allegheny County alone, recording fees grew by 256 percent (\$233).

Since 2006, our research found that several counties increased fees by over 100 percent, including Westmoreland County (134 percent), Cumberland County (105 percent) and Fulton County (157 percent).



As a statewide average, recording fees have risen at a rate 3 times faster than the rate of inflation.

The Bureau of Labor Statistics estimated that Pennsylvania's consumer price index has increased by 22 percent since 2006. Recording fees in Pennsylvania rose by a rate that was three times faster than the cost of most products and services.

