

Sacramento Area Homebuyers Pay Fees Twice as High as Comparable Areas

Homebuyers pay dramatically different fees to local governments for the same house depending on where they live.

How much more expensive are fees per home in Sacramento?

Transit/Transportation	\$7,500 – \$10,000
Affordable Housing Fees	\$4,000
Parks, Recreation, Trails	\$5,000 – \$7,500
Schools	\$7,500
Water Facilities	\$4,000 – \$6,000
Wastewater Facilities	\$4,000 – \$5,000

Sacramento fees are higher in almost every category, including essential infrastructure, transportation, parks and affordable housing.



Sacramento Region



\$95,000
REGIONAL FEES

18%
OF HOUSE PRICE

Central Valley



\$55,000
REGIONAL FEES

12%
OF HOUSE PRICE

Riverside/
Inland Empire



\$55,000
REGIONAL FEES

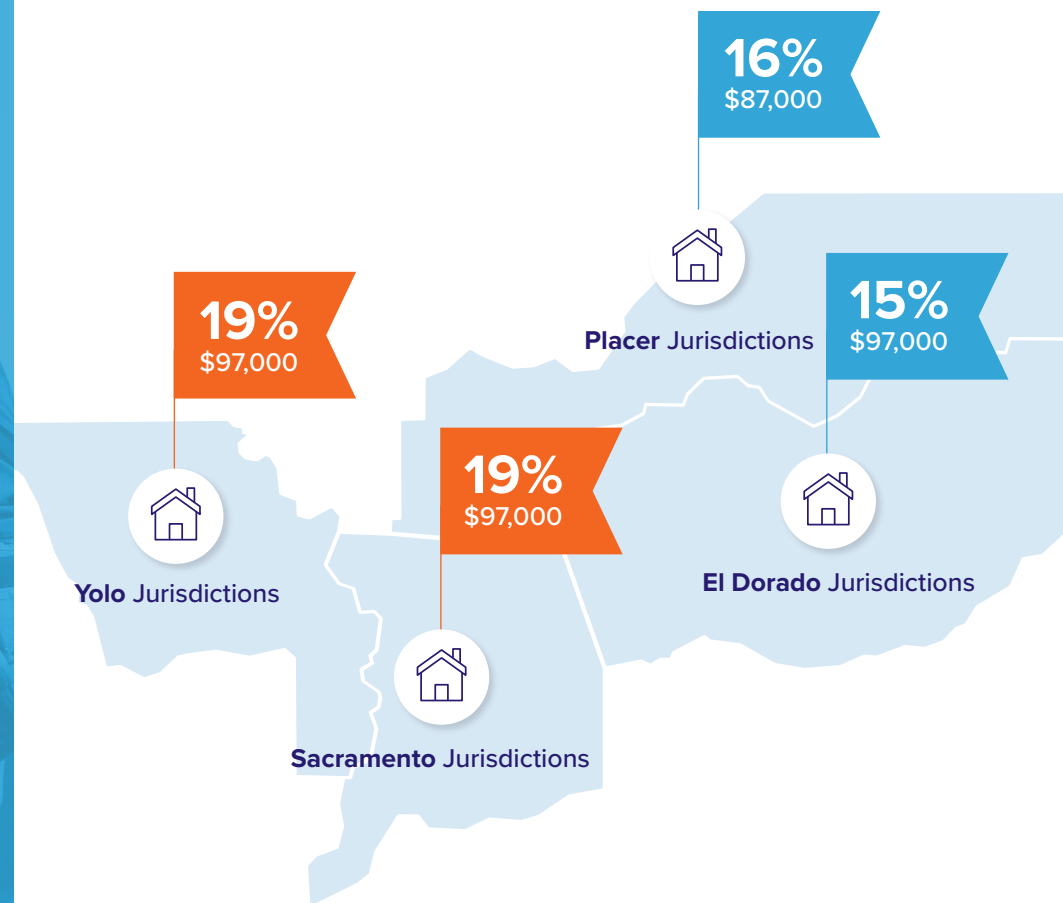
10%
OF HOUSE PRICE

Government Fees Are Nearly 20% of Local Home Prices

When fees approach 20%, it affects the potential feasibility of constructing and bringing new housing to the market, according to housing economics experts.

Many projects in the Sacramento area are much closer to this infeasible threshold than comparable markets of California. In the Central Valley and Riverside, fees are 10–12% of home prices.

At 19% of home price, fees in Sacramento and Yolo jurisdictions are proportionately higher than Placer and El Dorado jurisdictions, which have fees closer to 15%.



Key Report Finding: “Fee burdens for housing in the Sacramento Region are nearly twice as high as certain comparable California regions. In the Sacramento Region, fees average about \$95,000 per house whereas fee burdens in the Central Valley and Inland Empire average about \$55,000 per house.”

Added Costs Price Out Local Families

In the Sacramento region, every \$1,000 price increase keeps out 936 families from affording an average home.

The \$40,000 in higher fees in the Sacramento region means 37,000 local families are shut out of the new home market.

Source: NAHB Priced Out Estimates for 2021, Na Zhao, Ph.D., Page 13.

When financing a new home, an additional **\$40,000** in fees costs homebuyers:



\$175
per month



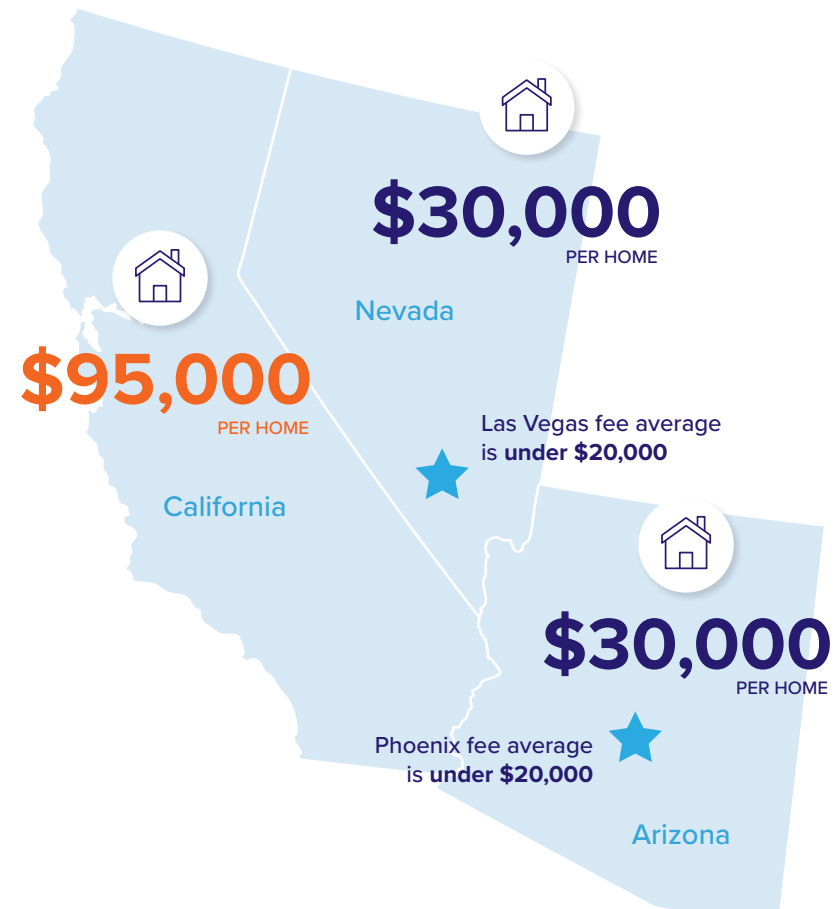
\$2,000
per year



\$60,000
over a 30-year mortgage



California Fees vs. Neighbor States



In neighboring Nevada and Arizona, fees are under \$30,000 per home on average. Fees in Las Vegas and Phoenix average under \$20,000.