

Dec. 15, 2021

Malvern Borough Council  
1 E. First Ave.  
Malvern, PA 19355

Dear Malvern Borough Council Members:

The Suburban Realtors Alliance, which represents more than 14,000 Realtors in the suburbs around Philadelphia, is opposed to the proposed increase to the current realty transfer tax levied by Malvern Borough.

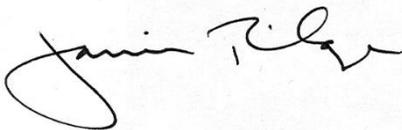
We oppose the increase for the following reasons:

- 1) As the transfer tax is levied only on buyers and sellers of property, the burden per taxpayer is much greater than the burden from a more broad-based tax designed to generate the same amount of revenue. This extra burden is levied on sellers and buyers each time they transact in the borough, whether they remain in the home for five years or the national average of 13 years.
- 2) Malvern Borough already has a low home ownership rate at 56.2%. The substantial increase Malvern Borough is proposing will discourage home ownership by having a higher transfer tax rate than any other municipality in Chester County, other than Coatesville. For a median priced home of \$425,000 in Malvern Borough, the combined Realty Transfer Tax would increase by 25 percent, from the current \$8,500 to \$10,625 (Municipal 1%; School 0.5%; PA 1% = 2.5%).
- 3) The transfer tax adds a considerable burden on first-time home buyers already struggling to save for a down-payment and covering closing costs. As the cost of housing has increased significantly in our region and across the country over the past year, this added expense would make housing in Malvern Borough even less accessible and attractive for this important segment of home buyers.
- 4) The amount of revenue earned from the realty transfer tax fluctuates greatly as supply and demand for housing vacillates due to economic conditions. As an unstable source of revenue, earnings gained from the realty transfer tax should not be attached to a general operating budget of either state or local government.

As an industry that understands the importance of tax policy for local governments, we would request that our members be included in conversations about the realty transfer tax moving forward.

Please don't hesitate to contact me if you have any questions about our concerns prior to voting on this important issue.

Sincerely,



Jamie Ridge  
President/CEO  
[jsridge@suburbanrealtorsalliance.com](mailto:jsridge@suburbanrealtorsalliance.com)

1 Country View Road, Suite 201  
Malvern, PA 19355  
610-981-9000  
[www.suburbanrealtorsalliance.com](http://www.suburbanrealtorsalliance.com)