

June 10, 2021

Dear Ambler Borough Council,

I am writing to request that you consider the following information prior to making any decisions regarding a formal Ambler Borough Residential Use & Occupancy Requirement.

Surrounding Municipalities Use & Occupancy/Property Transfer Requirements:

Lower Gwynedd

- None

Whitpain

- None

Upper Dublin

- Township curb and sidewalk inspection
- Seller Affidavit for house numbers, smoke detectors/carbon monoxide detectors, and sump pump

Horsham

- Township curb and sidewalk inspection and house numbers
- Seller Affidavit for smoke detectors

Springfield

- Township curb and sidewalk inspection
- Seller Affidavit for sump pump, floor drains, and smoke detectors

Whitemarsh

- None

Abington

- None
- Note- The following language is found on the township's website "Abington Township does not require a Use and Occupancy Permit for residential, non-business properties. Buyers are responsible for any inspections they select to conduct."

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Thoughts regarding the proposed Ambler Borough U&O Requirements:

#### Electrical Certification-

- Why? This is covered by a home inspection.
- Even the most stringent municipal U&O requirements don't require this. Lansdale, who provides their own electric to the residents, does not require this (nor do they have a residential U&O of any kind).
- Incredibly onerous to the home owner and be can be very costly.
- Getting an electrical underwriter out in a timely fashion could be a challenge that could delay settlement.

#### Curb/Sidewalk/Alley Inspection-

- Sidewalks are already required to be kept in safe condition and if they are not, homeowners can be required to correct them at any time; therefore, is it not redundant to include this as a requirement at point of sale? And, would this cause homeowners to delay any required work until moving if it's not enforced on a regularly inspected basis?
- Why is a driveway included? This is not a public area and is covered by a home inspection. If this refers to the driveway apron, this needs to be clarified.
- If the rear alley is required to be repaired, how would this be delineated? For example, the alley between Southern Ave and Park Ave is shared by both streets, would the owner of the property being sold on Park Ave only be responsible for half of the alley directly behind their home? Having this done in piecemeal by different contractors over the years, is not the best way to have a safe and properly prepared surface. Many alleys are in terrible condition, but this does not seem like the best way to handle it.

#### Sewer Lateral Inspection-

- Buyers have the option to have this done at their expense when they have a home inspection.
- Buyers are able to obtain a rider on their home owners insurance policy to cover the sewer lateral.
- This is an invasive inspection and if there is no sewer clean-out or existing access for the scope, a plumber will need to cut a hole into the lateral or remove a toilet to preform this task.
- Contractors are extremely busy right now and requiring a master plumber to scope the lateral could potentially delay settlement.

- If the scope is needed, could the Borough do the inspection, similar to North Wales? - “The North Wales Water Authority must provide a letter of adequacy approving the condition of the sewer lateral. Please contact the Authority at 215-699-4836 to schedule an inspection.”
- The sump pump discharge could be covered by a Seller Affidavit, as Upper Dublin and Springfield require.

#### Backflow Preventer Verification-

- This could be included in a Seller Affidavit.

#### Exterior Property Maintenance Inspection-

- These items are covered by a home inspection (and at times, by an appraisal).

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Additional points to consider regarding the proposed inspections:

The cost of the proposed inspections are quite costly to the homeowner, approximately a \$650-800 upfront, out of pocket expense.

- Inspection fee to the Borough: \$150
- Sewer later scope: \$350-500
- Electrical Inspection: \$150

What if required inspections/repairs are not able to be completed by settlement? Would the Borough issue a conditional U&O, which would either require funds to be held in escrow (dependent on a contractor’s proposal, which is also a potential delay) and/or the buyer to be responsible for the work after settlement?

How would some of these items be handled in the event of a distressed sale, when there is no homeowner (bank owned) and/or the owner does not have the means to make the required corrections? REO/foreclosure properties have standard operating procedure that if a municipality requires a U&O that it is the buyer’s responsibility to complete all requirements prior to settlement. Would the aforementioned be required (which is ill advised, as the buyer would be putting money into a house that they do not yet own and anything can happen prior to settlement, particularly in a foreclosure situation) or would the Borough issue a conditional U&O, which then puts the burden on the buyer to preform these tasks after settlement?

Although some inspections are being waived in the current market, the majority of buyers obtain an inspection which covers many of the proposed items. Significant issues are typically negotiated between the buyers and sellers. I have countless accounts that I am happy to share, including one very recent transaction in the Borough in which the seller credited the buyer a very significant sum for the replacement of knob and tube wiring.

Many of the homeowners in the Borough are elderly and have been in their homes 30, 40, 50 years and can barely afford to find another place to live in the current environment, let alone be responsible for the cost of required inspections and repairs prior to settlement. Due to the age of most homes in the Borough, there are often issues that come up during inspections which are negotiated and frequently result in a credit to the buyer at settlement. This alleviates the burden on the homeowner who may only have the funds as a result of the sale, not prior.

In the June 1st meeting, I heard a council person make reference to the fact that the market is strong and sellers are making a lot of money, which I do not think has any bearing on the proposed U&O. The real estate market is incredibly strong now, but like all markets, it is cyclical, and at some point it will change.

At present, there is no formal U&O required by the Borough. If a formal U&O is instituted, it would be performed by all sellers (unlike the current letter request), as a required as part of the transaction in which real estate agents and title companies are involved.

As we all know, one of the many desirable attributes of the Borough is that it is a walkable town and as such, it is important for the sidewalks to be safe for all. Understanding that the Borough does not have the financial ability to correct hazardous sidewalks, maintaining safe sidewalks is the responsibility of the homeowner. If sidewalk inspections cannot be carried out on a consistent basis, then perhaps it is not unreasonable to address this at point of sale.

If Council moves forward with a formal U&O requirement, I urge you limit the scope of the inspections so they are not overly burdensome to homeowners who have been paying taxes to the Borough for many years.

As a Borough resident and Realtor who works primarily in the Borough and its immediate municipalities, I think it is wise to consider what our neighboring

municipalities require. If point of sale is the only time that the sidewalks can be corrected, so be it. Several other items can be covered with a Seller Affidavit. I have attached Upper Dublin's Property Transfer Application, which includes the Seller Affidavit, for your review.

I truly appreciate your time and careful consideration of this matter. Please feel free to reach out to me with any questions or comments, I welcome the opportunity to discuss further.

Sincerely,

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