

# The "Cost" of Residential Fire Sprinklers

By Fred Benn

The president of Advanced Automatic Sprinkler Company in Hayward, California, has developed a presentation that helps demonstrate the affordability of owning a residential fire sprinkler system.

When Brentwood city council members were considering a residential fire sprinkler ordinance, Fred Benn's presentation came in handy. "The council had created a task force to determine the costs involved with requiring a residential sprinkler ordinance," stated Benn. "When the task force presented its conclusion that sprinklers were too expensive, we were ready with a slide presentation and handouts."

Benn first broke down the mortgage information for a \$400,000 home, the average price for a 3,000 square foot home in his area. The cost to install the system was estimated to be \$3,000. Using a 7.75% interest rate on a 30-year mortgage, Benn calculated the \$3,000 sprinkler system cost would increase the monthly mortgage by \$20.47.

Next, Benn figured the tax and insurance savings for installing a residential system. With 28% federal income tax and 5% California state income tax, a tax credit of \$6.10 per month resulted from the deduction of the interest portion of the additional \$20.47. Benn contacted insurance companies to gather the premium discount provided to homeowners with residential sprinkler systems. Six insurance companies gave quotes. The premium reduction for having a residential fire sprinkler system ranged from \$90 to \$165 per year. Using the middle quote of \$136 per year, Benn calculated the savings to be \$11.33 per month.

Adding all the credits together gives a total of \$17.43 per month. Subtracting that from the monthly mortgage increase of \$20.47 leaves an increase of only \$3.04 per month for the protection of a residential fire sprinkler system.

"Basically, for the price of a Happy Meal or a Starbuck's coffee, your family can be protected by a residential sprinkler system," Benn commented. His efforts paid off when the Brentwood City Council passed a residential ordinance that same day.

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