

South Florida Sun-Sentinel.com

Condo input lacking as state studies cost of retrofit

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Forum Publishing Group

October 15, 2009

Although the sprinkler system retrofit mandate will affect about 5,600 condos across Florida, the state has received little feedback on just what sort of financial impact the measure will have on associations.

To prepare a report requested by Gov. Charlie Crist after he vetoed Senate Bill 714, better known as the sprinkler retrofit bill, the state's Department of Business and Professional Regulation asked for feedback from condo unit owners, boards of directors, attorneys and advocacy groups to gather data about how much it would cost to retrofit sprinkler systems in older buildings. Crist asked for the report after he vetoed a bill that would have extended the deadline for buildings to complete the retrofit. The results of the report were released Sept. 28 and include the department's examination of possible insurance reductions for condos that have been retrofitted.



The department found the cost of a retrofitted sprinkler system depends on factors such as size, number of units and whether a building installs a complete or common-area-only system. The report predicts a cost of \$595 to \$8,633 per unit.

Only 13 condos — none in [Broward County](#) — responded to the department with pricing for retrofit projects. Many condos simply cannot afford to retrofit, said Donna Berger, executive director of the Community Advocacy Network.

Berger said the lack of sprinkler systems in older buildings will eventually fade out as they are replaced by newer buildings. In this economy, unit owners should not be expected to pay for a sprinkler retrofit that could possibly impact home values negatively, she said.

"In a lot of these buildings [that have been retrofitted], it looks very industrial," Berger said.

The report also found that some insurers would be willing to offer a 5 percent discount on a portion of the property insurance when a building proceeds with retrofitting.

But Dan Mason, former president of the Country Club Towers of Coral Springs, isn't impressed with the size of the discount.

"You [can] get 10 percent off your auto insurance if you take driver safety courses," Mason said.

Mason said the report also does not take into consideration foreclosures, vacancies, the loss of retirees buying into condos, the number of residents leaving the state or the state's high unemployment rate.

"The report seems to [say] there would be no real burden on unit owners," Mason said.

Mason's estimate for a 300-unit condo to retrofit is between \$1.2 and \$1.8 million. Add foreclosures and delinquencies

to the mix, and the burden falls on the remaining unit owners. While the 2014 retrofit deadline is still five years away, Berger said there is not enough time for all 5,600 condo buildings in Florida to comply, due to a lack of material, fire marshals and construction companies to perform the work.

"Even if they began tomorrow, they wouldn't get it done," Berger said.

Although unit owners may be hoping for another bill to delay the retrofit, two bills have already been vetoed by two governors – Crist and former Gov. Jeb Bush.

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