



HOME BUILDERS
ASSOCIATION
of
METRO DENVER®

June 20, 2022

Scott W. Berg, AIA
Chief Building Official
City of Aurora
15151 East Alameda Parkway
Aurora, CO 80012

Dear Mr. Berg:

On behalf of the more than 20 HBA members actively building homes in the City of Aurora, the HBA of Metro Denver is respectfully requesting an extension for the implementation of the 2021 International Residential Code ("IRC") and International Energy Conservation Code ("IECC").

The HBA was notified earlier this year that the City would be extending the implementation date of the 2021 IRC and IECC through October 31, 2022. However, in light of several extenuating circumstances in recent months that were out of our industry's control, we are requesting an additional extension until June 30th 2023, to allow all current and new master plans and all permits submitted in advance of this date to be considered under the 2015 IRC and IECC.

As you are aware, supply chain disruptions and delays have continued to severely impact the housing industry. Many economists and industry experts had previously forecasted that most of these disruptions and delays would significantly improve by this summer. However, material shortages and disruptions remain systemic and are now not expected to improve over the next year. For example, significant shortages in insulation have been pervasive and will be compounded under the 2021 model codes which require more insulation and more types of insulation to be used in residential construction. Additionally, continued COVID lockdowns overseas and other geopolitical hostilities have severely impacted the construction industry's ability to access the global supply chain to an unprecedented degree.

Furthermore, housing attainability across the front range has only become more elusive given our recent environment of rising interest rates coupled with rampant inflation. Both of these issues have only become more concerning today than when the 2021 model codes' were initially adopted last year. Mortgage rates have increased from 3.1% at the start of the year to 5.09% as of early June – making it the largest magnitude increase for mortgage costs in decades. The two Home Innovation Research Lab's reports, in June 2021 and January 2022, estimated cost impacts of the 2021 IRC code changes will increase prices for a typical single-family home by as much as \$5,700 for provisions not related to energy efficiency. When the costs to comply with Chapter 11 of the 2021 IRC is included, the cost increases for typical single-family homes by as much as \$17,700.

The majority of the Front Range of Colorado is Climate Zone 5. For a modest home with our weather topography, the IECC cost comparison study indicated a cost increase between \$8,695 and \$11,900 with a maximum annual energy savings of \$321 for a move from the 2018 IECC to the 2021.

This nearly \$30,000 increase will only continue to leave the housing market further out of reach for a larger number of aspiring homeowners. According to the NAHB, for every \$1,000 increase in price, an additional 2,373 households are priced out of the market in the State of Colorado. Additionally, every quarter point increase in interest rates prices out an additional 1.3 million Americans of the housing market.

Given the precarious environment that the residential construction industry finds itself, as well as the considerable financial challenges currently being confronted by thousands of Aurora residents – a temporary code extension will go a long way to bolstering our local economy, relieving the inflationary pressures from hardworking families as they prepare for the increasing likelihood of an economic downturn.

Thank you for your time and consideration of our request.

Sincerely,



Ted Leighty
Chief Executive Officer
Home Builders Association of Metro Denver