



Building Industry Association of Washington
300 Deschutes Way SW, Ste. 300
Tumwater, WA 98501
(360) 352-7800 | BIAW.com

August 25, 2021

The Honorable Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98505-0002

Dear Governor Inslee:

Thank you for your leadership during the tumultuous period Washington has faced the past 18 months. Despite much success, however, it's clear COVID is going to continue disrupting our lives and economy well into the foreseeable future.

The choices that Washington employers have had to make are unprecedented. All are facing long-term effects on the cost of operations – and those costs must be passed on to consumers. Nowhere have the consequences of these additional costs been demonstrated more than in construction.

The Building Industry Association of Washington (BIAW) urges you to address the increased cost of building Washington's housing by temporarily pausing the new requirements from the implementation of the recent Washington State Energy Code as adopted by the Washington State Building Code Council (SBCC) in RCW 19.27A.

Since the implementation in February, homebuilders have seen an average of \$15,000 to \$20,000 in increased costs per home, all of which add to the price buyers pay on their future residences. These cost increases are due, in part, to enormous and unprecedented supply chain delays for building materials, many of which are needed for compliance with the new residential energy code. For example:

- Windows compliant with the new code are taking up to 30 weeks for delivery, as there is only one NW manufacturer producing them. Windows compliant with the previous code are available in just 8 weeks. Prices for the new code-compliant windows are also 40-50 percent higher.
- Supplies of heat pumps compliant with the new code are also behind. Delivery times have increased from 30 to 90 days and costs for those new systems have increased up to \$6,900.
- Finally, builders are struggling to source the 400-amp service panels now required due to all the additional electrical components and delivery times are no longer even being provided by manufacturers.

Given the reality of these supply chain delays – and the additional costs caused by the operational setbacks – BIAW urges you to provide relief to Washington's future home owners by pausing the new residential energy code through March 31, 2022. Our state's housing crisis needs real solutions and a pause will provide relief while supply chains across the globe recover from shutdowns and slowdowns.

All Washington businesses require time to organize, adjust to and overcome the challenges facing them daily throughout the global health crises. Home buyers deserve the consideration of this extension.

A pause until April will benefit local governments that are facing strained revenue and staffing shortages, businesses related to the supply chain of residential home building, and the burgeoning affordable housing deficit. Granting this pause allows builders and industry leaders to make the necessary adjustments to their operations without hasty decision-making and less than thorough implementation, saving time and money.

Washington needs to take serious steps to combat the supply shortage and increased price of housing at all levels. Already the average new home price is over \$522,000—meaning roughly three-quarters of families are priced out. For every \$1,000 increase 2,500 families are priced out of new home ownership opportunities.

Thank you for your consideration of this request to help address the housing supply crisis in Washington so that working families can access affordable home ownership opportunities.

Sincerely,



Tracy Doriot
2021 BIAW President



Greg Lane
BIAW Executive Vice President