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Real Estate Industry Applauds Senate Leadership on Climate Change, Opposes Net-Zero Energy Code

Industry Groups Concerned Provisions Will Chill Economic Development, Increase Housing Costs

BOSTON, MA – NAIOP Massachusetts, The Commercial Real Estate Development Association (NAIOP); the Home Builders & Remodelers Association of Massachusetts (HBRAM); The Associated General Contractors of Massachusetts (AGC MA); and the Massachusetts Association of Realtors (MAR) applaud the Massachusetts Senate for recognizing that climate change is an economic development, public health, and environmental issue that affects every resident in the Commonwealth.

As the Commonwealth leads the nation in climate mitigation and adaptation, technical and economic realities cannot be ignored. Senate Bill 2477, *An Act setting next-generation climate policy* includes a proposal to enact an opt-in stretch energy code that defines net-zero building. Achieving a net-zero energy building with today's technology is not always feasible. As an example, very few net-zero lab properties or residential or office projects over 10 stories have ever been built. The projects that were able to achieve net-zero did so at a cost premium. If implemented, this net-zero code would increase the cost of the construction and maintenance of residential and commercial buildings. Current rents could not cover the increased costs associated with such requirements. In addition, the change would dramatically alter project design, in some cases preventing the project from being built at all – threatening the creation of new housing during the existing housing crisis, negatively impacting housing affordability and serving as a financial barrier to homeownership for thousands of young families seeking to purchase their first home.

In addition to increasing costs, it would have the effect of undoing the uniformity of the State Building Code by creating multiple codes – resulting in codes that would vary by community and little to no predictability for developers. This lack of uniformity threatens public safety and security by creating confusion surrounding implementation and enforcement, one of the reasons that the Board of Building Regulations & Standards was charged with implementing a statewide code.

Finally, we are concerned that some communities may adopt the net-zero code as a way to block development.

While we believe that net-zero construction may be possible in the future, we caution the Legislature against codifying timelines that are currently impossible to achieve, and instead encourage the continued investment and development of diverse technologies that will achieve our climate goals.

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