



HOME BUILDERS ASSOCIATION
OF GREATER KANSAS CITY

Affiliated With



**National
Association
of Home
Builders**

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2021 IECC Adoption Consumer Impact

The Home Builders Association of Greater Kansas City represents more than 600 companies while supporting more than 22,000 Kansas City jobs and \$1.5 billion in annual economic activity. While the residential construction industry makes up our membership, it's the consumer that has our full and undivided attention.

The KCHBA is motivated by the wants and needs of past, current, and future home buyers. Home ownership remains one of the best ways to establish long term financial stability for the average American. By building equity and contributing to the tax base, home ownership fuels our local economies and serves as a foundation of our society. Every new directive enacted by policymakers results in a financial consequence for the consumer.

Various groups have claimed that homeowners in the state of Missouri would experience energy savings of \$657/year by adopting the unamended 2021 IECC. *(These numbers were calculated comparing the 2018 IECC to the 2021 IECC; they are not KC specific calculations)*

The KCHBA asked several builders to provide cost data for achieving the unamended 2021 IECC requirements on locally built homes. The cost breakdown is provided on the following page.

Key data points to consider:

- The average new home price in Kansas City is currently \$406,503.
- Income needed to qualify is \$103,323.
- Median income in Kansas City is \$56,179

With these code changes, there would be an additional increase in price of \$31,853. With energy cost savings of only \$657/year, the simple average payback for this would be 48+ years.

If the consumer had to finance these costs in a 30-year mortgage at 4% interest, the additional annual mortgage expense would be \$1104/year, costing them \$447 MORE than what they were saving in energy costs.

As drafted, the ordinance to adopt the 2021 IECC is not appropriate for KCMO at this time.

Further, for every \$1,000 added to the price of a home, 951 families are priced out of the market. This code update would price 30,292 families out of the Kansas City market.

Currently, newly built homes are exponentially more efficient than older homes, without the 2021 IECC code update. This was proven by blower door testing performed by Kansas City on random new homes just a few years ago. The test results led to KC not adopting additional requirements.

Mandating this code and its associated price increases will substantially decrease new home

affordability. Fewer new homes results in more people staying in “old” homes. By lowering the replacement rate of old for new, the rate at which actual environmental improvement occurs will slow as well. The HBA and its members want to put as many people as possible into new homes, which will have the greatest overall positive impact on our climate and energy efficiency. Adopting this new code is not the way to do so.

Cost Analysis of Implementing the 2021 IECC vs the KCMO current 2012 IECC

Item	Reference House: 2434 Sq Ft 2 story
Certificate: Additional Required Info	\$99
*Frame wall: R0c.i. to R10c.i. (2x4)	\$18,137
Slab edge: R10/2 to R10/4	\$993
Ceiling insulation R49 to R60	\$1,366
Attic access hatch: no direct cost; cost of additional insulation	\$13
Baffles at attic access	\$12
Air seal narrow framing cavities	\$156
Air seal rim (basement; unvented crawlspace)	\$1,252
Air seal rim (slab, vented crawlspace)	\$417
Air seal electrical & communication outlet boxes	\$369
Removes exception for duct test (basement, unvented crawl)	\$247
Adds requirement to test whole-dwelling ventilation	\$62
Updates ventilation fan efficacy (affects bath EF)	\$66
Lighting: 100% high-efficacy; controls (slab)	\$49
Lighting: 100% high-efficacy; controls (basement, crawl)	\$60
Lighting: exterior controls	\$25
Insulation certificate if no manufacturer mark (i.e., blown)	\$15
Additional Energy Package: Ventilation, Gas House	\$3206
Cost to Builder	\$26,544
TOTAL PRICE TO CONSUMER	\$31,853

* Reflects the additional local cost of a double-wall home, a requirement to meet 2021 IECC

Note: The numbers above reflect a combination of locally sourced costs, as well as costs verified by Home Innovation Research Labs (HIRL), and reported in similar fashion as the “2021 IECC Residential Cost Effectiveness Analysis” report published in June 2021 by HIRL.