

Consultation submission form

Building Code update 2022

Transition period for the energy efficiency of housing



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H1 Energy efficiency for housing and small buildings Transition period **Error! Bookmark not defined.**

How to submit this form

How to submit this form

This form is used to provide feedback extending the transition period for the implementation of insulation settings in Acceptable Solution H1/AS1 and Verification Method H1/VM1.

When completing this submission form, please provide comments and reasons explaining your choices. Your feedback provides valuable information and informs decisions about the proposals.

You can submit this form by 5pm, Tuesday 14 June 2022 by:

- › email: buildingfeedback@mbie.govt.nz, with subject line Building Code consultation 2022
- › post to: Ministry of Business, Innovation and Employment, 15 Stout Street, Wellington 6011
or: Ministry of Business, Innovation and Employment, PO Box 1473, Wellington 6140

Your feedback will contribute to further development of the Building Code. It will also become official information, which means it may be requested under the Official Information Act 1982 (OIA).

The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it. If we receive a request, we cannot guarantee that feedback you provide us will not be made public. Any decision to withhold information requested under the OIA is reviewable by the Ombudsman.

Submitter information

Submitter information

MBIE would appreciate if you would provide some information about yourself. If you choose to provide information in the “About you” section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name: Malcolm Fleming

Email address: malcolm@nzcb.nz

B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes No

C. Are you making this submission on behalf of a business or organisation?

Yes No

If yes, please tell us the title of your company/organisation.

New Zealand Certified Builders Association (NZCB)*

**NZCB has 2400+ business members, the majority of whom build houses.*

D. The best way to describe your role is:

- | | |
|--|--|
| <input type="checkbox"/> Architect | <input type="checkbox"/> Engineer (please specify below) |
| <input type="checkbox"/> BCA/Building Consent Officer | <input type="checkbox"/> Residential building owner |
| <input type="checkbox"/> Builder or tradesperson (please specify below) | <input type="checkbox"/> Commercial building owner |
| <input type="checkbox"/> Building product manufacturer or supplier
(please specify the type of product below) | <input checked="" type="checkbox"/> Other (please specify below) |
| <input type="checkbox"/> Designer (please specify below) | <input type="checkbox"/> Prefer not to say |

Please specify here.

Membership association for trade qualified builders.

Submitter information

E. Privacy information

- The Privacy Act 2020 applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions or a summary of submissions received to MBIE's website at www.mbie.govt.nz. If you do **not** want your submission or a summary of your submission to be placed on our website, please tick the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

F. Confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential and **have stated** my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have ticked this box, please tell us what parts of your submission are to be kept confidential.

Transition period for the energy efficiency of housing

We are proposing to extend the transition period for adopting new insulation requirements for housing in Acceptable Solution H1/AS1 and Verification Method H1/VM1. The proposed change would extend the transition period for 6 months to 1 May 2023. This proposed change considers feedback received in the 2021 consultation, changing circumstances in New Zealand's building and construction sector, and the importance of New Zealand's obligations under the Climate Change Response Act 2002.

Questions for the consultation

1-1. Do you agree with the proposed extension of 6 months to the transition time so that the previous lower insulation settings can be used until 1 May 2023?

- Yes, I support the extension of 6 months (1 May 2023)
- No, the transition period should remain the same (2 November 2022)
- No, the extension should be longer (12 months to 1 November 2023)
- Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

NZCB is supportive of changes to the building code that will lead to better insulated New Zealand homes, acknowledging also that the H1 Version 5 changes represent an important first step in MBIE's Building for Climate Change programme.

NZCB members have voiced concern that they will find it difficult to be able to transition to H1 Version 5 on 2 November 2022, given the extreme pressure that the construction sector is currently experiencing. Those pressures include COVID-19 disruptions, supply-chain constraints, skills shortages, and price escalation on building materials; all of which have resulted in many builders dealing with the most difficult operating environment that they have ever experienced. NZCB believes that the need to implement H1 at this time will be detrimental to an industry that is running at capacity, and which is faced with significant headwinds.

Though a six-month deferment is less than what NZCB (with RMBA and Offsite NZ) were seeking, six months represents a compromise that NZCE can support and importantly, allows time for industry to undertake an education programme that prepares the full supply-chain for H1 Version 5 implementation.

1-2. What impacts would you expect on you or your business from the proposed change to the transition period?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

Economic: Delaying a significant increase (that H1 Version 5 compliance will create) to the cost to build a house is desirable, given the current inflationary pressures in New Zealand, and that the cost of building has increased significantly across 2022 to date. An additional increase in building costs at this time would likely accelerate a dampening of demand for new housing. With some economists forecasting that inflationary pressure will ease in 2023, the pricing increase that H1 will deliver to homeowners, will be more isolative in 2023, rather than being a component of a swell of cost escalations as would be the case in implementing H1 Version 5 in November 2022. The current level of price escalation is already extreme, adding to that price pressure is considered detrimental to both the sector and to homeowners.

Health & Wellbeing: Wages and building material cost escalation in conjunction with serious supply-chain constraints is presenting significant trading issues for builders. There is currently considerable stress and

Transition period for the energy efficiency of housing

anxiety within the broader residential building system, though it is felt most acutely by builders. H1 implementation within the current 2022 cost escalation and arduous trading conditions environment will provide additional pressures, both from a cost escalation perspective, along with a change to process and/or the potential for additional supply-chain tensions to be created.

Deferring H1 Version 5 implementation by six-months will have the effect of not contributing further to an already pressured environment. This applies to the full residential building supply-chain (design consultants, sub-contractors, suppliers etc.), not just builders.

1-3. What support would you or your business need to implement the changes by 1 May 2023 if introduced?

- Information about what the insulation changes are or what buildings they apply to
- Education material on how the new documents can be used to comply with the Building Code
- Webinars from MBIE technical experts
- Other types of support (please specify below)

If there anything else you would like to tell us about the reason for your choice(s)?

To assist in preparing our members for H1 Version 5 implementation, NZCB will be providing members with H1 Version 5 focused educational events. NZCB would welcome the opportunity to either: involve MBIE with our own H1 Version 5 educational programmes to our members; and/or promote MBIE's own workshops/seminars on the topic to the NZCB membership. MBIE's proposed six-month deferment of H1 Version 5 implementation will allow NZCB to roll out education programmes to our members, and to potentially collaborate with others in providing H1 Version preparation advice to the broader construction sector. NZCB would struggle to do this for the current November 2022 implementation, hence our support of the deferment to May 2023.

As stated in Section 1-1, NZCB is supportive of the H1 Version 5 changes, believing that the changes will both lift the thermal performance of New Zealand's housing stock, and see construction playing an active role in New Zealand meeting its climate emission reduction targets. NZCB's concerns about the current 2022 H1 implementation date lie with industry readiness to adopt at a time of extreme stress and uncertainty, not with the intent of the proposed building performance enhancements.