

Resolution No. 2

Date: 6/10/2023

City: Washington, DC

NAHB Resolution

Title: Facilitating Affordability, Sustainability and Regulatory Consistency through Standards for Off-site Construction
Sponsor: NAHB Building Systems Council
Submitted by: Matt Belcher

WHEREAS, there is a severe shortage of housing in the U.S.;

WHEREAS, there is an affordable housing crisis plaguing the U.S., with national housing costs rising 52 percent from 2017 to 2022;¹

WHEREAS, the building and construction sector faces further significant challenges including insufficient workforce retention and development, supply chain disruptions, inconsistencies in construction quality, and barriers to sustainability;

WHEREAS, off-site construction enables economies of scale and can ensure greater and more consistent construction quality, and enhanced sustainability through reduced waste and product spoilage;

WHEREAS, off-site construction can deliver projects 20 to 50 percent faster than traditional methods, which can provide cost savings of up to 20 percent;²

WHEREAS, there is a patchwork of compliance processes—both state to state and in some cases, locality to locality³—that exist for off-site construction, hindering some of the efficiency gains that off-site construction can provide;

WHEREAS, state and local off-site construction programs vary significantly regarding plan review and inspection requirements, and there is inconsistency in the types of projects and components covered in state off-site construction programs, where such programs exist;

WHEREAS, varying requirements increases costs for builders and the resulting variation in construction practices hinders field assembly and construction timelines;

¹ S&P/Case-Shiller U.S. National Home Price Index (2017 to 2022). <https://fred.stlouisfed.org/series/CSUSHPIA>.

² McKinsey & Company, Modular construction: From projects to products (June 2019); Galante, et. al., Building Affordability by Building Affordably: Exploring the Benefits, Barriers, and Breakthroughs Needed to Scale Off-Site Multifamily Construction, Turner Center for Innovative Housing at UC Berkley (Mar. 2017).

³ See <https://www.icc-nta.org/off-site-construction/jurisdictions-map/>.

WHEREAS, in 11 states, the absence of a statewide program leaves all responsibility of the regulatory requirements to local authorities having jurisdiction, which can present capacity and capability challenges for project approvals and project teams; and

WHEREAS, the National Association of Home Builders supports safe, affordable housing,

NOW, THEREFORE, BE IT RESOLVED that National Association of Home Builders (NAHB) support the adoption, at the federal, state, and local levels, including beneficial amendments made during the adoption process, of a coordinated set of off-site construction process standards, which includes ICC/MBI Standard 1200-2021 Off-site Construction Planning, Design, Fabrication, and Assembly and ICC/MBI Standard 1205-2021 Off-site Construction Inspection and Regulatory Compliance;

BE IT FURTHER RESOLVED NAHB support amendments or exceptions to ensure structural panels or structural products already covered by International Building Code special inspections for fabricated items or standard building department inspections are not subject to off-site construction standards, or to address other conflicts identified by NAHB's Construction, Codes and Standards Committee;

BE IT FURTHER RESOLVED that NAHB partner with the International Code Council and other affiliated stakeholders to enhance the training and education on off-site construction and the need for regulatory consistency through the implementation of off-site construction standards to ensure benefits and efficiencies are realized.

Leadership Council Action:	Approved
Resolutions Committee Action:	Recommends Approval
Construction, Codes & Standards Committee Action:	Recommends Approval
State and Local Government Affairs Committee Action:	Recommends Approval
Building Systems Council Board of Trustees Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Building Codes and Standards Subcommittee of the Construction, Codes & Standards Committee Action:	Recommends Approval