

News from the State

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US Census Data - Building Permits For Oregon MSAs

	Oregon		Bend		Corvallis		Eugene		Medford		Portland		Salem	
	Total	SF	Total	SF	Total	SF				SF	Total	SF	Total	SF
Jan-16	1233	675	126	124	4	4	43	33	37	34	928	506	138	20
Feb-16	1258	909	151	145	10	10	59	54	42	34	944	637	44	33
Mar-16	1851	951	169	127	6	6	63	63	52	52	1709	729	59	45
Apr-16	1529	969	187	136	5	5	103	49	104	38	1118	710	39	39
May-16	1830	924	241	163	6	6	350	61	57	39	1297	670	36	34
Jun-16	1271	998	158	148	10	10	67	49	75	51	1002	740	56	42
Jul-16	2128	890	168	130	50	22	77	47	51	43	1670	561	120	38
Aug-16	1982	1002	265	175	3	3	84	62	79	50	1389	680	206	35
Sep-16	1520	845	225	153	5	5	62	54	44	44	1207	553	51	49
Oct-16	1529	944	218	165	5	5	49	49	63	63	1161	580	34	32
Nov-16	1514	820	203	145	7	7	48	46	53	43	1127	490	89	29
YTD-16	17644	9927	2011	1611	111	83	1005	567	657	491	13552	6856	872	396
Total-15	17510	10255	2227	1550	142	138	721	578	717	604	13697	7102	1297	807
Total-14	16645	8573	1330	1274	451	119	1316	506	747	590	12356	5462	944	712
Total-13	14969	8850	1317	1204	256	86	939	478	645	556	11512	5640	832	534
Total-12	10608	6342	727	667	348	51	740	349	482	342	7277	4203	546	290
Total-11	7663	4854	457	455	328	30	716	384	361	253	5190	3133	360	248
Total -05	31024	23840	4460	3893	388	220	2261	1492	2036	1707	17175	12728	1671	1384

The information above was the report OHBA gave at the NAHB meetings at the International Builders' Show in January. While it's good to see our permit numbers growing, we are still underbuilding relative to demand, which is exacerbating our already grim affordability situation.

In other news:

A Republican was elected statewide for the first time since statehood! Ok, it hasn't been quite that long

but it's been 15 years, and that was for the US Senate, not a state position. Dennis Richardson, a former legislator from southern Oregon, was elected Secretary of State in what was one of the most surprising (and welcome) electoral results this cycle.

Voters rejected what would have been the largest corporate tax in the country. It only took over \$20 million in campaign funds, mostly from businesses

and business lobby groups, but the campaign against a government-union sponsored initiative was successful – the tax increase went down by almost 20 points.

Republicans picked up a seat in the Senate, held serve in the House. Due to the tragic death of a D state senator, a special election was held and the Republican candidate won. The significance of that victory is that the Ds are now without super-majorities in either chamber, making their path towards tax increases a bit more difficult.

OHBA's new political fundraising effort did very well. As reported earlier, we decided to hire a professional fundraiser to help us raise PAC money, and while we didn't get to our admittedly-aggressive targets, we did raise about \$140,000 of new money, which allowed us to be much more effective in our state and local political efforts this past cycle. We were successful in six of the nine legislative races we targeted, and we also were able to contribute significantly towards the anti-tax campaign. Going forward, we will be continuing this effort with the objective of dramatically increasing our political presence on both the state and local levels.

We will be starting our local association circuit rider in 2017. By the time caucus meets, we will know if we received a grant from NAHB to hire someone to work with three or four of our smaller associations to get them back on their feet. But even if NAHB declines to participate, we will be moving forward – using a dues increase and other funds – to put a state association staff person on the road to serve as a traveling EO. We think this will be successful in growing local and state membership and look forward to reporting on the program in the future.

As stated before, Oregon politics continue to mostly suck. Our legislative session starts the first of February, and we know we'll be talking about:

- Increased regulations on diesel fueled off-road machinery
- More employer mandates, such as:
 - Mandatory family leave, to go with our already mandatory sick leave
 - Flexible scheduling rules
 - Wage theft
- Rent control, I mean, "rent stabilization", which of course is way different
- Limitations on no-fault evictions

- Taxes. The voters' rejection of the above-mentioned ballot measure notwithstanding, the Ds are going to be pushing for additional revenue, which will put the mortgage interest deduction into the crosshairs.

As always, let me know if you have any questions or observations.

Green Building

Howard Asch

The Buzz About Net Zero Energy Homes

California has set a target for all new homes built after 2020 to be net zero energy homes or net zero energy ready. What do they mean when they talk about net zero energy, and how will that impact us in Oregon?

A net zero energy home is one that generates about the same amount of energy on site as it uses, usually through energy efficient construction and solar electrical generation. Most net zero houses are connected to the electrical grid and at times use power from the grid and other times put power back into the grid. Energy can also be generated with on-site wind, geothermal or hydroelectric generation.

The reason for building net zero energy houses include a desire to reduce reliance on fossil fuels, reduce carbon emissions, improve disaster resiliency and improve comfort. A net zero house insulates the owner against future cost increases for fuel and lower monthly utility costs.

A net zero home will usually have extremely well insulated walls, floors and ceilings. They may reduce the size and number of windows, and the ones that remain are extra efficient. Design and orientation on the lot will take into consideration the potential to harvest passive solar heating in the winter and reduce it in the summer and to take advantage of sheltering from the wind. Skylights or solar tubes can reduce lighting needs during the day time. Careful attention will be given to reducing air leakage.

Highly efficient appliances will be used that not

only use less energy. Heat recovery systems for waste water and waste heat from appliances may be installed to use for supplement water heating.

Energy is most often generated from solar electrical panels on the roof. When the panels generate more electricity than is being used on site it is sent through the meter to the utility company. The solar panels will be sized to average enough generating capacity to equal energy usage throughout the day.

Technology to build a net zero house is readily available. But thicker walls, tighter construction and efficient design require different construction methods and skills. Special attention to detail is necessary to avoid moisture problems. A builder and their subs will need to clearly understand this is not an ordinary house and expect to take a little longer to complete the work when building their first net zero house.

What about net zero energy homes in Oregon? What California does is likely to trickle into Oregon. California's emphasis on reducing energy use and carbon release is likely to embolden energy conservation activists in Oregon. Well-funded groups are likely to push for new rules or regulations to require greater efficiency. It may not be a matter of *if* net zero gets to Oregon, but *when*.

Codes Update

Howard Asch

Building codes need to be updated regularly to provide for new materials and methods of construction and developments that can improve building safety. Oregon is in the midst of a major code update.

Last summer Building Codes Division (BCD) published notice that it was initiating a code update and that it was accepting proposals for changes to the residential structures, plumbing and electrical codes. This provided an opportunity for everyone to submit their ideas for improving the code.

Several proposals were submitted for each code. BCD reviewed those proposals to be sure they met the basic requirements such as identifying the code

section to be changed, the proper wording of the proposal, and answers to a number of questions to explain why the proposed change was needed and what the safety and financial impact of the proposal would be if it was approved.

The state uses boards composed of people involved with or affected by the code to help design the rules BCD enforces, including the codes. These boards appoint individuals with code knowledge to serve on a committee to review potential code changes and make a recommendation to the board whether or not to adopt the changes. The committees include people who administer the codes, contractors, building designers and building operators. The committees carefully review every change to assess if it is needed, if it is worded correctly, if it improves the code and if the level of safety provided comes at a reasonable cost. Anyone can attend a review committee meeting and provide comment on any change.

Code review committees have begun their work. Electrical, plumbing and electrical review committees have already reviewed the first chapters of their respective codes. The review is expected to be completed in February. Once the committees have completed their review they will report their recommendations back to their respective board and the board will make a recommendation to the director of BCD whether or not to include the changes in the next edition of the code.

BCD will then prepare the new code with all its changes for publication. It will be printed and made available before the new code goes into effect. It is the intent of BCD for the codes currently under review to become effective in October of this year. Often a grace period is allowed to provide time to become familiar with the changes and some transition time is provided before the new code must be followed.

The Oregon Home Builders Association is involved in the code change process including making proposals, sitting on review committees, providing testimony and monitoring all the review hearings. Once the codes have been finalized information on the changes will be provided for home builder associations to help with the transition to the new code.