CHBA POLICY POSITION

Changes to Canada's Building Codes

Construction codes are foundational to safe, affordable, and climate-aligned housing. When the code development system functions well, it enables cost-effective building practices across the country supporting the productivity of the sector.

When a code system becomes overloaded or unbalanced, it can however reduce sector productivity, undermine housing affordability, increase risk for builders and limit the ability of builders and renovators to deliver needed housing.

CHBA has observed that Canada's recently renewed building code development system is showing significant gaps and is advocating for a pause on all building code changes (as has been done in Australia for the same reasons) to restore the system, resolve outstanding issues, and ensure future code development supports safe homes, climate goals, affordability and housing objectives.

National Harmonized Construction Codes

- *National Building Code of Canada*
- *National Energy Code of Canada for Buildings*
- *National Fire Code of Canada*
- *National Plumbing Code of Canada*
- *National Farm Building Code of Canada (1995)*

These codes are published by the National Research Council and developed under the authority of the Canadian Board of Harmonized Construction Codes.

CHBA generally supports regulatory processes that rely on rigorous impact analysis and evidence-based decision making – where regulation is proven, by a solid policy case demonstrating the best route to address a specific issue, where a national process offers the opportunity to develop – and assess appropriateness of – effective building regulations and serves the best interests of Canadians by minimum level national codes serving as the model for building regulations across the country.

CHBA also strongly supports the voluntary efforts of our members who use new techniques, technologies, products and materials that offer improved performance and cost-effective solutions that comply with local building codes. CHBA supports building codes as enablers of such innovation, increasing the ability of our members to meet the aspirations of Canadians for housing that fulfills their needs, wants and budgets.

The Need for Course Correction in the National Building Codes System

During the last two code development cycles, the national building code process has gotten away from applying good regulatory principles. The accelerated pace and volume of code changes, reduced transparency in decision-making, and the absence of a formal affordability mandate have created undue pressure on housing delivery and construction productivity. This is in part due to the fact that the residential sector is underrepresented in governance and committee structures while new compliance areas are rapidly expanding.

A focused pause on building code changes should be implemented until unresolved issues with 2020 and 2025 codes are addressed and practical guidance is available. That pause would allow decision-makers to restore transparency, complete unresolved technical work, and re-establish a manageable and evidence-based process that supports both affordability and climate outcomes.

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Strengthening Residential Representation and Restoring Coherence

With the Standing Committee on Housing and Small Buildings discontinued, residential construction stakeholders have lost a central forum that ensured coordinated and practical solutions for low-rise homes. Work is now spread across more than a dozen committees and over 50 task groups, making meaningful participation for the residential construction industry difficult, which reduces the ability to maintain coherence and language consistency for Part 9.

Meaningful residential representation needs to be restored through a coordinating committee dedicated to the low-rise residential industry sector and through allowing CHBA participation at all meetings of the Canadian Board of Harmonized Construction Codes.

Slowing Down Pace, Volume and Complexity

Building code changes representing significant expansions of scope (such as operational GHG emissions and accessibility for dwelling units) are being implemented at a time when provinces and territories are still in the process of progressing to more ambitious energy efficiency performance levels. The high volume of new compliance areas and the high pace at which these significant subjects are being developed without national training or industry capacity support is not only impeding the federal priority to build 500,000 homes per year, it also leaves unfinished and often unclear provisions to builders and officials to solve in the field further reducing current levels of productivity.

The volume and pace of code changes should be planned and laid out such that it leaves sufficient time for proper review, simplification and resolution of outstanding constructability or affordability concerns by those who are most affected – the residential construction industry, including building officials.

Making Affordability a Formal Objective/Principle

Canada's housing crisis requires that cost impacts and housing affordability be central considerations in the national building code development system. To this day, the National Model Codes still have no formal housing affordability mandate, and impact analyses do not consistently account for cumulative costs, constructability, regional differences, or the capacity of small businesses. There is no limit how much each code change can add to new houses. CHBA estimates the 2025 code changes may add over $100,000 to the cost of a typical 2,500 ft^2 home depending on prov. energy targets (see Appendix).

Housing Affordability needs to be embedded as a formal objective or principle into the national code development system requiring full cost and cumulative impact analyses with set limits before major decisions proceed.

Aligning Code Development with Evidence, Not Directives

Recent building code changes have been driven by political mandates rather than technical evidence. Examples include operational GHG requirements, which were approved without any stated benefits and without recognition of known zero-emission technologies such as rooftop solar.

Restore the neutrality of the National Research Council and ensure an arms-length relationship for the Federal Government to model provincial regulation.

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Restoring Transparency in the Building Code Development Process

Final decisions are now made behind closed doors, often without due consideration for industry stakeholder concerns and without publishing the rationale from in-camera or public CBHCC meetings. This does not only apply to approving many technical code changes, it also applies to all policy development decisions and all decisions on code change requests (what committees should and should not work on). Knowing the rationale for these decisions has helped CHBA in the past to better inform the code development process and to inform and communicate the path forward to our members. Worse, the illustrated guide and intent statements for new code changes are not available until 18 to 24 months after code publication, which makes it impossible to quickly communicate and learn the rationale and background for code changes.

Important policy decisions should be accompanied by clear explanations and a published rationale, allowing industry to understand, plan for, and communicate next steps. Illustrated guides and intent statements should be published at the same time as the codes themselves.

Restoring Robust Regulatory Development Principles for All Code Changes

The mandate of the harmonized national construction codes is to establish provisions that reflect the minimum acceptable level of performance for all regions of Canada within the context of the objectives of the codes. The determination of minimum acceptable levels must depend, in large parts, on establishing the costs associated with potential changes to requirements in relation to the benefits generated. Consideration must also be given to industry capacity, product availability, enforcement implications, maintenance costs and other costs that would be handed down to consumers. In short, the development of code changes needs to allow sufficient time for due diligence and to avoid unintended consequences.

CHBA supports changes to the codes where those changes:

- **improve performance without compromising housing affordability for Canadians**
- **provide options for compliance, including prescriptive pathways**
- **are cost neutral or - if cost is added, the respective benefits exceed them**
- **are developed with sufficient time for committees to do their due diligence and consult**
- **resolve only identified issues or gaps, where all other non-regulatory policy options have been exhausted or found unsuitable**
- **do not expand the scope and application of the codes without a strong policy case supporting it**
- **are grounded in real life data and experience**
- **are supported by research that is available well in advance of approving new code requirements**
- **can be easily understood and interpreted consistently by those responsible for compliance and enforcement**
- **are supported by industry (by following the above) and are developed in an open and transparent manner.**

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Appendix: Cost Estimates of 2025 Code Changes

CHBA conducted an initial analysis done by CHBA on the cost increases of the 2025 code changes for a typical 2500ft^2 home. The estimate combines the incremental construction cost for compliance with key 2025 code changes and adds costs for compliance with the energy targets (from the 2020 codes) that have not been incurred yet, because provinces have not mandated the higher targets.

Assumptions and Calculation Method

Cost estimates were tallied for each code change subject using the Codes Canada impact analysis for the respective proposed change forms. These values were applied to a 2500 ft^2 CHBA home archetype (see illustration to the right).

Given the impacts of material and labour price increases in recent years, where applicable, a 39% adjustment, based on Statistics Canada's Building Construction Price Index, was applied to align the assumed labour and material cost from 2021 to today's cost – this also importantly includes the cost for equipment, overhead and profit to construct a new home, which are what end up in the actual price for consumers.

Table 1 – Overview of Total Cost Estimate for 2025 Codes – Including Energy Efficiency Tiers

Codes Canada Cost Estimates (Costing data: 2021)	Energy Efficiency	All Other Changes	Subtotals	CHBA Adjusted Cost (Costing data: 2026)
Tier 1 (Base Code)	$ -	$ 30,798.00	**$ 30,798.00**	**$ 56,364.00**
From Tier 1 to Tier 2	$ 3,800.00		**$ 34,598.00**	**$ 62,064.00**
From Tier 1 to Tier 3	$ 6,384.00		**$ 37,182.00**	**$ 65,940.00**
From Tier 1 to Tier 4	$ 13,563.00		**$ 44,361.00**	**$ 76,709.00**
From Tier 1 to Tier 5	$ 38,377.00		**$ 69,175.00**	**$ 113,930.00**

Notes:

1. *In some cases, CHBA has adjusted estimates for the archetype's simplicity or for regional applicability or based on industry feedback.*
2. *CHBA only applied costs relevant to new construction and did not include any estimates for the changes on alteration to existing buildings (new NBC Part 10).*
3. *Codes Canada's cost estimates do not include administrative cost, such as staff training, additional construction time for new trade sequencing nor administrative costs and time for newly created permits and inspections.*

While estimating cumulative cost is challenging, having real world estimates is critical. It should be noted that CHBA's cost estimates remain generally conservative. Even estimating cost for a single specific code change varies by the location of the home, the home type/design and by the finishing quality applied. For example, CHBA is hearing from members in British Columbia that engineering costs alone are tens of thousands more dollars than CHBA's "average" provided below. Despite the challenges, cumulative costing is absolutely necessary when considering the impact of code changes to housing affordability and CHBA has noted for a long time that Codes Canada cost estimates for proposed changes tend to be on the low side, compared to reports from industry; and there has been no assessment by Codes Canada of the full cost of all the cumulative changes in an updated code release.

The detailed qualitative estimate and CHBA's adjustments reflect a reasonably realistic cost estimate for how a single-family home would be affected by the changes in the 2025 codes.

Table 2 - Detailed View of Sub-totals for Each 2025 Code Change Subject

Code Change Subject Name	Applied Cost		
	Codes Canada	CHBA	Commentary
Adaptability, *Visitability, Accessibility*	$994	$2,085	• CHBA assumed a cost of $1,500 for the adaptability changes and applied a 39% Labour and Material Adjustment according to the BCPI • The cost estimates do not include the cost for the 2025 Visitability changes for dwelling units (as these are only required in multi-unit residential buildings providing barrier-free entrances and hallways).
Required sill protection	$0	$355	• CHBA assumed $105 for Materials and $250 for labour (for the 9 openings in the CHBA archetype)
Radon - Passive stack	$1,000	$2,085	• CHBA assumed a cost of $1,500 and applied a 39% Labour and Material Adjustment according to the BCPI
Overheating mitigation for energy efficient homes	$0	$6,950	• CHBA cost is based on a builder survey including a 39% Labour and Material Adjustment according to the BCPI • CBHCC deferred the decision on mandatory AC for the 2025 code, but CHBA assumes it may become an interim change to the 2025 code. • The 2025 code performance path recognizes installing AC as an option to comply with the peak cooling criterion
Energy Efficiency for new Homes	Tier 1: $0 Tier 2: $3,800 Tier 3: $6,384 Tier 4: $13,563 Tier 5: $38,377	Tier 1: $0 Tier 2: $5,700 Tier 3: $9.576 Tier 4: $20,345 Tier 5: $57,566	• CHBA had applied the adjusted Industrial Product Price Index in a previous study (last meeting of the SCEE in 2023) to estimate the increased costs of higher energy tiers • A 50% factor was applied to the original Codes Canada values
GHG Emissions	$21,750	$30,232	• CHBA applied a 39% Labour and Material Adjustment according to the BCPI
Lateral Loads	$2,956	$10,559	• CHBA did not use the Codes Canda estimate and instead applied 50% of an estimate from a BC builder to account for more complexity in the estimated archetype compared to the CHBA archetype
Future climate data (to 2070)	$4,889 * 0.5 = $2,445	$2,445	• CHBA applied 50% of the Codes Canada estimates because this change does not affect all locations, some of the costs will affect a few locations in the entire country
Higher design loads for wind and snow	$3,306 * 0.5 = $1,653	$1,653	• CHBA applied 50% of the Codes Canada estimates because this change does not affect all locations, some of the costs will affect a few locations in the entire country
	$30,798	**$56,364**	