

My name is Mike Oleck and I am the New Castle County Vice President for the Home Builder's Association of Delaware. My full time job is Production Manager for NVR, working under the Ryan Homes brand, and I am currently dedicated to Building Communities in New Castle County.

I am a lifelong Delawarean, born and raised. I started my homebuilding career as an intern with NVR in 2004. For 21 years now, I have dedicated myself to building homes and communities for families right here in Delaware.

I understand the need to adopt new energy codes, and I support adopting the 2024 IECC, but I have concerns with the amendments being proposed. Recently the News Journal ran an article citing that "most families earning under 120% of the state's median income of \$80,000 cannot afford to buy a home."

I am sure we all remember a time when this was not that case. In fact, prior to the global pandemic of 2020, I always felt that it was affordable to buy a home and raise a family in the State of Delaware.

As a construction professional, a husband of a registered nurse here in Delaware and father of 4 who has deep roots here, I worry about the direction of home affordability here in our State. When my kids start their careers, and if they choose to stay here and pursue nursing or construction as their occupations, will they be able to afford a home here in their home state?

According to the National Association of Homebuilders, 1/3 of the cost of a new home goes into the cost of compliance with regulation, so we need to be balanced and fair when adopting new codes and regulations. This month, my company did a study that revealed that 10% of homebuyers who mortgaged their home with NVR last year would be priced out of qualification of their new home if this Energy Code proposal was adopted as written. Statewide, that would be 550 new homes that wouldn't be sold or built.

Studies differ but show that each Residential Building Permit creates between 2.9 and 4.1 direct jobs in the local economy. This implies that Delaware stands to lose between 1,600 to 2,255 jobs from reduced permit activity with the adoption of this proposal. The NAHB estimates that the local impact of each permit is \$111,000 in taxes, fees and local revenue. With 550 fewer permits, local Delaware economies would stand to lose just over \$61 million dollars in spending.

The housing affordability issue is at it's core a supply and demand issue. We have a national and statewide shortage of housing. Until we solve that problem, prices will remain high. I urge DNREC to continue working with stakeholders to improve it's energy code and adopt the 2024 IECC unamended. It is important that we balance good energy policy with

economic growth and affordability. Energy savings is great, but we can't make housing a luxury good in the process and it is important to remember that before a family can take advantage of energy savings, they have to be able to afford the home.