



# Affordability Impact Statement

## 2024 International Residential Code & Local Amendments

Date: 7/1/2024

### Proposed Regulation

The proposed adoption of the 2024 International Residential Code (IRC) and associated local amendments. These codes would replace the current 2021 IRC and corresponding local amendments. The IRC is a model code published by International Code Council (ICC), a non-profit entity with a robust democratic process for weighing the costs and benefits of code changes.

The Development Services Department has the stated goal of minimizing the number of 2024 local amendments to the IRC and deferring to the model codes whenever possible. When amendments are made it is generally because they are mandated by council, responding to business needs, clarifying language, and improving the City's Insurance Services Office (ISO) rating.

### Land Use/Zoning Impacts on Housing Costs

The proposed changes would likely have a **neutral** impact on housing costs via land use and zoning.

### Impact on Development Cost

The proposed changes would likely have a **neutral** impact on development costs.

2024 Model Code Update: The University of Florida researched the cost impact of updating from the 2023 Florida Building Codes to the 2024 International Codes ([Issa et al. 2024](#)).<sup>1</sup> The 2023 Florida Building Code adopts the 2021 IRC as one of its model codes, so it may be a helpful baseline to understand the overall cost impact of the changes from the 2021 IRC to the 2024 IBC. The State of Florida does adopt [amendments](#) to the model codes, but they have the closest available comparison to understand the cost impacts of adopting the 2024 IBC. The University of Florida study models the adoption of the 2024 International Codes on seven different building types, including small office, retail, primary school, small hotel, mid-rise apartment, 1-story residence, and 2-story residence. The average net change in cost estimate between all the building types is +0.45% according to their report. The IRC applies to “detached one- and two-family *dwelling*s and *townhouses* not more than three *stories above grade plane* in height” (see Section R101.2 of the IRC), so the 1-story and 2-story residences from the Issa et al. report are the most informative cost impact models.<sup>2</sup> The Issa et al. report estimates 1-story residences will be +10% more expensive to build and 2-story residences will be +16% more expensive to build, with both increases due to National Electrical Code (NEC) changes rather than IRC changes.

Local Amendments: The most significant change to the City of Austin’s local amendments to the IRC is perhaps the new air conditioning requirement. This amendment appears to set reasonable minimum requirements that are essential for maintaining health and safety in Austin’s hot and humid climate. Additionally, the proposed minimum air conditioning standards are already common practice. The benefits of ensuring minimum air conditioning requirements in dwellings likely outweigh the costs of meeting these standards.

The sum of the 2024 updates to the IRC and Austin’s local amendments appear to amount to relatively marginal impacts on construction. The cost increases that do occur may be cancelled out by the benefits to adopting the most recent codes and standards, such as consistency with other jurisdictions and improvements to building safety and resilience. Adopting the most recent codes contributes to the City of Austin maintaining a Class 1 ISO rating, which is the highest achievable.

<sup>1</sup> Including the IBC, International Mechanical Code (IMC), International Plumbing Code (IPC), International Fuel & Gas Code (IFGC), International Residential Code (IRC), and International Existing Buildings Code (IEBC). The update impacts from the 2020 National Electric Code were also summarized.

<sup>2</sup> The International Building Code applies to higher density residences.

## Impact on Affordable Housing

The proposed changes would have a **neutral** impact on affordable housing. The above points about development costs also apply to affordable housing. Increasing marginal costs of construction may be balanced by the benefits of consistency and marginal improvements to safety and resilience.

## City Policies Implemented

None.

## Other Housing Policy Considerations

Building codes are important for ensuring baseline safety for structures. It is also helpful for the development process when codes are largely consistent between jurisdictions because there is less burden on builders to understand unique regulations. Consistent baseline safety standards are beneficial for Austin, but such standards inevitably create development costs. These costs put extra burden on the community and the City to ensure that everyone can afford to enjoy the benefits of safe construction.

Manager's Signature \_\_\_\_\_



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