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Fall comes with many changes to our lives and the building industry - by David O'Sullivan

October 29, 2021 - Spotlights

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Fall comes with many changes to our lives. The leaves change colors, the air turns brisk and crisp and we start thinking about preparations for the coming winter. The building industry seems to change in the fall as well. Gone are the summer vacations when it is spotty to get everyone together for meetings, the public meetings resume on a more regular schedule and everyone suddenly wants to know when this project will be approved, those permit drawings will be done or if that study is complete. What is really in store for us this fall?

There is ever increasing pressure to address certain issues through additional regulations and initiatives on the state and local levels. The growing awareness of climate change and its effect on us is translated into new concerns that will alter our way of thinking and working in the industry.

Boston and Cambridge are often on the forefront of new regulations with the state and other municipalities following later. One example which I was participating in was a hearing for Boston's new Zero Net Carbon zoning proposal. This is different from many because it is being done in conjunction with another initiative that requires existing buildings in the city to achieve the same results on an ever increasing scale over the next 20 years. The goal is to have all new buildings over 20,000 s/f and all existing large buildings to work toward the goal of Net Zero Carbon emissions. They showed examples of buildings in approvals and recently built that meet these standards now. These pilot projects serve as learning examples to guide future development.

The business of design for buildings has gotten more involved and looks to increase in complexity in the future. The fees required and the approvals needed now involve more professionals with different areas of expertise. Where we used to have an architect, site engineer, traffic engineer, lawyer and maybe a landscape architect for a typical project, now cities and towns want more information up front for approvals. This is especially true on larger projects of over 20,000 gross s/f but even smaller projects may need additional consultants. The big addition seems to be related to energy usage but may include a LEED professional, construction consultant, fire prevention engineer, envelope consultant, code consultant, sound consultant and the list can go on from there.

The impact on development is a need for more decisions upfront and more time to complete the approval process. There is also fees related to the approvals which add to development costs needed. On the construction side these additional regulations bring new costs which make projects, especially housing less affordable. The upside of these regulations is reduced operating costs in energy savings. Hopefully we can balance the cost of regulations with the benefits to consumers all the while helping the environment.

This relates to another subject where there is big discussions. Housing affordability is in the forefront of every political discussion. Rising land costs are only one factor causing the housing affordability crisis. The additional lengthy approval process, the additional information needed during approvals and the costs of the additional regulations all contribute. Many towns and cities are imposing ever-increasing requirements for developers to provide larger affordable housing units in their developments. In the city of Boston both mayoral candidates are talking of increasing linkage funds and higher percent of affordable units. Bills in Congress in Washington are looking at allocating additional monies to provide affordable housing as well.

Luckily, the housing market continues to be strong and housing starts are up 38% year to year and have been generally rising for the last year. Moreover, the number of multifamily units, often with an affordable component, are currently at 701,000, the most since July of 1974. The low interest rates have assisted in this continued housing boom. Job growth is also providing people with jobs allowing them to buy more homes.

So, as we look to the fall of 2021 we see continued growth in the construction segment and more work for consultants as additional regulations. Hopefully, working together we can continue to build housing meeting the needs of the people while not contributing to the global warming.

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