



## **Testimony in Support of LD 2224:**

**“An Act to Reduce Certain Costs Associated with Residential Construction”**

Senator Curry, Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, my name is Montana Towers, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 2224, “An Act to Reduce Certain Costs Associated with Residential Construction.”

### **Maine’s Housing Crisis Requires Regulatory Reform**

Maine is experiencing a severe housing shortage that is driving up rents and home prices across the state. While a variety of factors contribute to this problem, including labor shortages and rising material costs, government regulations also play a significant role in increasing the cost of construction.

Over time, Maine’s building codes and regulatory requirements have grown increasingly complex and expensive. Lawmakers adopted many of these rules with good intentions, but their cumulative impact has made it significantly more difficult and costly for developers to build new housing. When the cost of building rises, fewer homes are constructed, and the price of existing housing increases.

If Maine is serious about improving housing affordability, lawmakers must be willing to examine the regulatory barriers that make housing more expensive to build.

### **Reducing Unnecessary Construction Mandates**

LD 2224 takes an important step toward reducing unnecessary regulatory burdens by removing certain building code requirements related to elevator systems and smoke partitions.

While safety must always remain a priority, policymakers should carefully evaluate whether every mandate meaningfully improves safety relative to its cost. Some requirements may add significant expense without providing proportional benefits in every type of residential construction project. In many cases, these provisions are written with either single-family homes or large commercial structures in mind. As a consequence, developments like a triplex or even an eight-unit cottage court can



unintentionally trigger "big building" standards, driving up costs and complexity to the point that they erase the economic advantages of modest-scale housing.<sup>1</sup>

Even modest regulatory changes can have a meaningful impact on overall construction costs. Developers must comply with dozens of separate code provisions during the building process, and each requirement adds material, engineering, and labor costs. Over time, the cumulative effect of these mandates can make projects financially infeasible, especially in rural communities or smaller housing markets where margins are already tight.

When these costs are passed on to renters and homebuyers, they make it more difficult for working families to find housing they can afford. By removing unnecessary or overly burdensome mandates, Maine can help lower construction costs, encourage additional housing development, and ensure that safety regulations are appropriately tailored to the types of buildings being constructed.

## **Evaluating the Cost of Residential Sprinkler Mandates**

LD 2224 also directs the Office of the State Fire Marshal to convene a working group to study the housing and life-safety impacts of residential fire sprinkler requirements and explore ways to reduce their associated costs.

Residential sprinkler mandates can add significant costs to the development of multifamily housing, typically increasing construction costs by thousands of dollars.<sup>2</sup> These costs do not disappear, they are ultimately passed on to renters and homebuyers through higher rents and higher purchase prices. At a time when Maine is experiencing a severe housing shortage, policymakers must consider how regulatory mandates are contributing to the affordability challenges facing Maine families.

While fire safety is important, it is also important that safety requirements are balanced with the need to build more housing. Ideally, Maine should pursue more immediate reforms to reduce unnecessary regulatory barriers to housing construction and not just create working groups to study these issues. However, we appreciate that LD 2224 at least begins an important conversation about the real costs associated with residential sprinkler mandates and other building requirements. A thorough review of these mandates will help lawmakers better understand their impact on housing affordability

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<sup>1</sup><https://admin.centerforbuilding.org/cfb-publication/beyond-zoninghidden-code-barriers-to-middle-scale-housing/>

<sup>2</sup>[https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/codes/fire-sprinklers/fire-sprinkler-talkin-g-points.pdf?rev=60730cd5b6014e4d8fe1771c6b976231&hash=FA5218277C3113BD49A080BADEB237E1#:~:text=Sprinkler%20Cost%20Assessment%22%20\(2008\),space%20of%204%2C118%20sq%20ft.](https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/codes/fire-sprinklers/fire-sprinkler-talkin-g-points.pdf?rev=60730cd5b6014e4d8fe1771c6b976231&hash=FA5218277C3113BD49A080BADEB237E1#:~:text=Sprinkler%20Cost%20Assessment%22%20(2008),space%20of%204%2C118%20sq%20ft.)



and identify opportunities to reduce costs while maintaining appropriate safety standards.

### **Encouraging Housing Supply Through Smarter Regulation**

Housing affordability is fundamentally tied to supply. When regulations make housing more expensive to build, fewer units are constructed. The result is a tighter housing market and higher prices for Maine residents. Rather than continuing to layer additional mandates onto the construction industry, Maine should focus on reducing unnecessary regulatory barriers and creating an environment where the private sector can respond to housing demand.

LD 2224 moves Maine in that direction by reducing regulatory burdens and encouraging a broader conversation about the impact of state mandates on housing affordability.

For these reasons, Maine Policy Institute strongly urges this committee to vote “Ought to Pass” on LD 2224. Thank you for your time and consideration.