



March 10, 2026
The Honorable Rep. David Bennett
House Environmental and Natural Resources Committee
82 Smith Street
Providence, Rhode Island 02903

RE: AN ACT RELATING TO BUILDING PERFORMANCE STANDARDS ACT

Dear Chairman and Committee Members:

On behalf of the Rhode Island Association of REALTORS® (RIAR), we respectfully submit this testimony in opposition to H7184. RIAR represents more than 5,900 licensed real estate professionals who work every day in the listing, sale, leasing, management, and appraisal of residential and commercial real estate and who are committed to stable housing markets, to make Rhode Island a better place to call home.

RIAR's members strongly support energy efficiency improvements and policies that reduce greenhouse gas emissions. However, H7184 raises significant concerns regarding implementation, cost, regulatory clarity, and potential impacts on Rhode Island's commercial and multi-family housing markets.

Significant Retrofit Mandates Without Clear Cost Impact Analysis

H7184 requires all buildings of 25,000 square feet or more to meet established performance standards designed to reduce emissions in line with the State's net-zero goals. H7184 would impose significant retrofit obligations on existing buildings without sufficient information about the financial implications for property owners.

Key concerns include:

- Many covered buildings were constructed decades ago and may require major structural upgrades to meet new performance thresholds
- Retrofitting older buildings can involve substantial capital costs, particularly for heating systems, insulation, and electrification upgrades
- Smaller commercial properties and older multi-family housing may face disproportionate financial burdens
- A comprehensive statewide analysis of the total compliance costs for existing building stock has not yet been presented

Without clear cost projections, H7184 could place significant financial strain on property owners.

Key Compliance Standards and Penalties Left to Future Regulations

H7184 grants broad authority to state agencies to establish key components of the program through future regulations.

Under H7184, state agencies would later determine:

- Performance metrics used to measure compliance
- Building performance standards applicable to each property type
- Interim compliance benchmarks through 2050
- How condominium developments will be treated under the program

- Structure of penalties for non-compliance

Because core elements are not defined, property owners and housing providers lack the information necessary to evaluate its practical impact. Establishing sweeping regulatory obligations before standards are determined creates significant doubt for the real estate market.

Significant Administrative and Long-Term Compliance Challenges

H7184 would require extensive ongoing reporting and compliance oversight. For example:

- Building owners must demonstrate compliance with interim performance standards beginning in 2035 and every five years thereafter
- Owners may be required to submit benchmarking data, building performance reports, and potentially alternative compliance plans
- State agencies must develop new systems for data collection, enforcement, and program administration

These requirements could create substantial administrative complexity, particularly for property owners with multiple buildings or mixed-use properties.

Penalties and Cost Recovery Limitations Create Practical Concerns

H7183 authorizes penalties for property owners who fail to meet benchmarking or performance standards and prohibits passing those penalty costs on to tenants. While intended to protect tenants, this structure raises practical concerns.

- Building owners remain responsible for compliance even when tenants control energy consumption within leased spaces
- Owners of multi-tenant properties may have limited ability to influence tenant energy usage
- Restricting cost recovery may discourage investment or create unintended financial pressure on property owners

A more balanced framework should consider the shared role that owners and tenants play in building energy use, particularly in commercial and multi-family properties.

Potential Impacts on Housing Supply and Investment

Policies that impose large capital requirements on existing multi-family buildings may unintentionally affect housing availability.

Possible market impacts include:

- Reduced investment in older housing stock
- Increased financial pressure on owners of naturally occurring affordable housing
- Higher barriers for redevelopment or acquisition of older buildings
- Potential impacts on commercial property values and operating costs

Energy efficiency improvements should be implemented in a way that supports housing stability and economic growth.

Conclusion

RIAR supports efforts to improve energy efficiency and reduce emissions. However, H7184 creates a complex regulatory framework that raises significant questions about cost, implementation, and potential unintended impacts on housing and commercial real estate. For these reasons, RIAR respectfully urges the committee to hold H7184 for further study.

Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Trevor J. Chasse". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Trevor J. Chasse
Director, Government Affairs
Rhode Island Association of REALTORS®