

Oregon Takes the Lead in Mandating Heat Pump HVAC in New Residential Construction

Many states, including California and New York, are encouraging the adoption of heat pumps for residential heating and cooling, but Oregon has released a new building code that **requires** such systems in new residential construction.

The details below are adapted from a [Homes.com](https://www.homes.com) email newsletter I received last week.

Oregon passed a suite of building code updates in February that require new residential properties to rely on a heat pump system in lieu of conventional forced-air heating and air conditioning. The state's Building Codes Division (BCD) said the change will save residents as much as \$1,490 in heating and cooling costs each year when measured against the 2025 state building code.

Oregon's new building code does not require heat pumps for existing

homes and allows for some exceptions, according to Andy Bolton, acting manager of BCD's policy and technical services.



The code provisions "include several ways to meet the energy code requirements in the proposed code," Bolton told Homes.com. "The provisions state that when a new home is furnished with split-system cooling, the system must be a heat pump that can provide both cooling and the first stage of heating. The code also provides alternative paths to meet equivalent efficiency without installing a heat pump."

The move comes amid rising utility costs throughout Oregon, with some residential customers seeing their electric and gas bills shoot up by as much as 56% since 2021, according to the Oregon Citizens' Utility Board.

"This is a smart, cost-effective step for Oregon's residential homes... lowering long-term energy bills while improving reliability and year-round comfort for households across the state," David Heslam, executive director of Earth Advantage, said in a Sierra Club statement in support of the code change.

The heat pump code update was also supported by the state's Department of Energy, which submitted a letter to the Residential and Manufactured Structures Board earlier last month, calling the heat pump mandate "a balanced approach that aligns with multiple state goals and provides homeowners and builders with fuel choice flexibility."

Of course, the code alteration was not universally beloved, with the Northwest Gas Association, an Oregon-based trade group, raising concerns over installation costs. "BCD should avoid prescriptive mandates that raise first costs where equal or better compliance can be achieved via choice-based pathways," the association's CEO Dan Kirschner wrote in a statement in November around the time the change was proposed. (My Feb. 7th column reported on a builder who saved \$3,000 per lot by not having gas.)

But design and construction professionals supporting the measure were also vocal. "Homes built today will be in service for decades. They need to perform under more extreme summer heat, smoke events, and winter weather than many older homes were designed for," stated a February letter that more than 50 such professionals in Oregon signed. "Equipment that can both heat and cool efficiently supports year-round safety and comfort."

The code update also has "long-term equity implications," the letter added, by raising "the baseline quality of the housing stock over time, reducing overall energy costs and pollution exposure across communities."

Colorado has not mandated heat pumps, but it offers tax credits for their installation in single family, multi-family and commercial buildings, and even accessory dwelling units, which must have separate HVAC systems. The tax credit is taken by the installer, who must be registered with the state for installing heat pumps. One-third of the tax credit must be credited to the buyer at the time of sale, although the contractor only receives the tax credit on his annual tax return. It can be refunded if it exceeds the vendor's tax liability.

For equipment installed on or after January 1, 2026, the Colorado tax credit per unit placed into service is:

Air Source Heat Pump: \$1,000
Ground, Water, or Combined Source Heat Pump: \$2,000
Heat Pump Water Heater: \$250

Learn more about our state tax credit at <https://EnergyOffice.Colorado.gov/hptc>.

Learn More About Heat Pumps at a 'Heat Pump Happy Hour'

If you are wondering how heat pumps work and whether they can save you money on heating and cooling your home, consider attending a "heat pump happy hour" on **Tuesday, March 10th**.

The event is from **6 to 8 pm at Bruz Beers, 1675 W. 67th Avenue in Denver**. It is an artisanal Belgian-style brewery, featuring a full line of traditional and Belgian-inspired brews, hand-crafted in small batches. At this event your first beer and pizza is free.

There will be no sales presentation — just a chance to ask questions about heat pumps, learn about Colorado rebates, hear from a Twin Lakes homeowner about their electrification experience, and see, hear, and feel heat pumps in action.

Attendees will receive a coupon for \$500 off any project ordered by April, so you don't have to commit to anything at this event.

I am a long-time (over a decade) user and proponent of heat pumps, both as retrofits for a forced-air furnace using existing ductwork, and stand-alone "mini-split" ductless systems.

Thinking of Renting? Rita and I Recommend Bel Aire.

I have reported previously on how rents are plunging even while for-sale prices of single-family homes are staying high or falling slowly. I have also written how Rita and I, in our 70s, decided to sell our single-family home in Golden and become renters, freeing us to travel the world as lock-and-leave tenants. If that approach appeals to you, we recommend joining us at Bel Aire.

We were paying \$4,200 per month for a 1,247-Sq-Ft unit at GW Apartments in Pleasant View, but moved last November into an 1,185-Sq-Ft unit at Bel Aire in Lakewood for roughly \$2,800. (Both numbers include add-ons like parking and utilities.)

There is so much over-building of rental buildings that I don't expect rents to rise any time soon, and they may keep falling.

The graphic below shows the availability of units, which surprises me, since they started renting units last September. There are 30 "studio" apartments (571 SF) starting at \$1,514, over 100 1-bedroom/1-bath units (715 to 804 SF) from \$1,713 to \$2,110, and over 100 2-bedroom/2-bath units (1,103 to 1,244 SF) from \$2,298 to \$2,719. Units with mountain views are priced higher than units facing the courtyard with its swimming

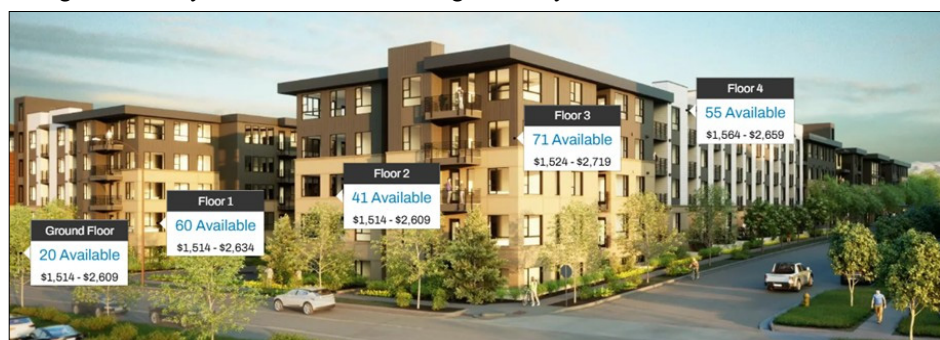
pool, which Rita and I chose. We miss the mountain views, but we love not hearing trash trucks, sirens, motorcycles, etc. And we do get nice sunset views! We also like the 10-foot ceilings and instant hot water at all faucets. All units have heat pumps. Gas is used only to heat the year-round pool.



Check out the different floor plans at www.LiveBelAire.com. If you choose to visit the leasing office, which is open every day, call me ahead of time. I work at home and would be happy to show you our unit. A 3-minute video that I shot for friends is at <https://youtu.be/WvIwpNXRhws>.

The leasing office is offering one month's free rent on a 12-month lease and 6 weeks' free rent on a 15-month lease. The security deposit starts at \$400 if you have good credit. And you have 60 days after signing to move in and begin your lease term.

I don't earn a commission, but if you name Rita Smith or me as a "resident referral" on your application, we earn a small thank-you!



If you list your home with me, it will be featured on this page and on page 3 of all 24 metro area weekly newspapers. Call me at 303-525-1851 for details!

CENTURY 21
GOLDEN
REAL ESTATE
Hometown Service Delivered with Integrity

Jim Smith, Broker
CENTURY 21 Golden Real Estate
303-525-1851
Jim@GoldenRealEstate.com



The articles in this ad are posted at RealEstateToday.substack.com.

Two decades of these columns are archived at JimSmithColumns.com.

