

Memorandum

City of Lawrence

Planning & Development Services

TO: David L. Corliss, City Manager

FROM: Barry Walthall, Building Codes Manager

CC: Scott McCullough, Planning & Development Services Director

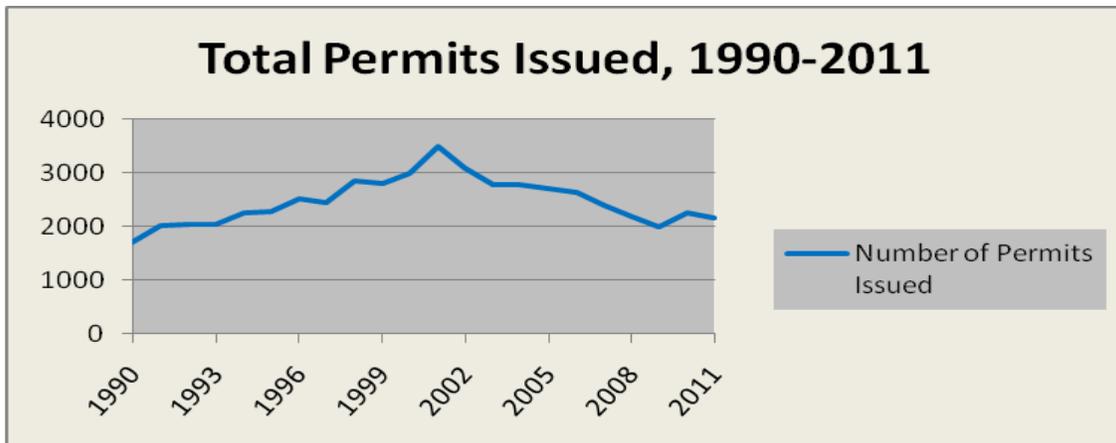
Date: April 9, 2012

RE: Building Permit Trends

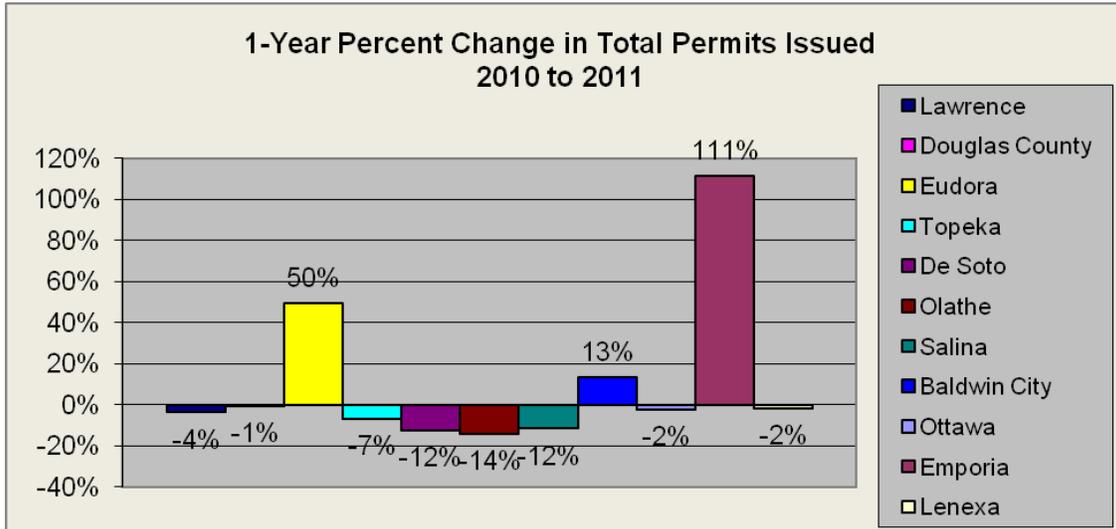
The purpose of this report is to provide information concerning trends for building permits issued compared to previous years and to other area jurisdictions. Staff surveyed the other area permit issuing jurisdictions within Douglas County, including Douglas County, Eudora, and Baldwin City as well as Topeka, De Soto, Olathe, Salina, Ottawa, Emporia, and Lenexa.

Total Number of Permits

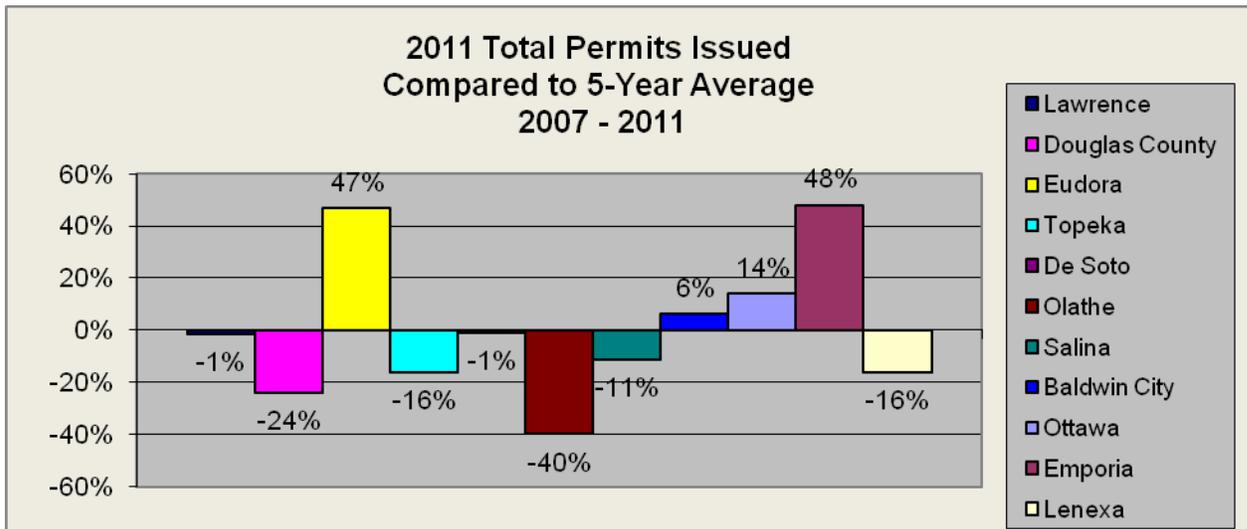
Permit activity in Lawrence stabilized over the past two years after experiencing eight consecutive years of decline from 2001 to 2009. The line graph below shows the trend for permits issued in Lawrence since 1990:



The number of permits issued in Lawrence in 2011 declined 4% from 2010, from 2,255 to 2,172. Emporia reported the largest increase in permit activity (111%), which is largely attributed to a significant number of permits issued for re-roofs and other activities related to repairing storm damage. Eudora reported an increase of 50%, due to more proactive enforcement. Baldwin City issued 13% more permits in 2011 than 2010. The other area jurisdictions surveyed reported decreases in permit activity in 2011, ranging from 1% to 14%.

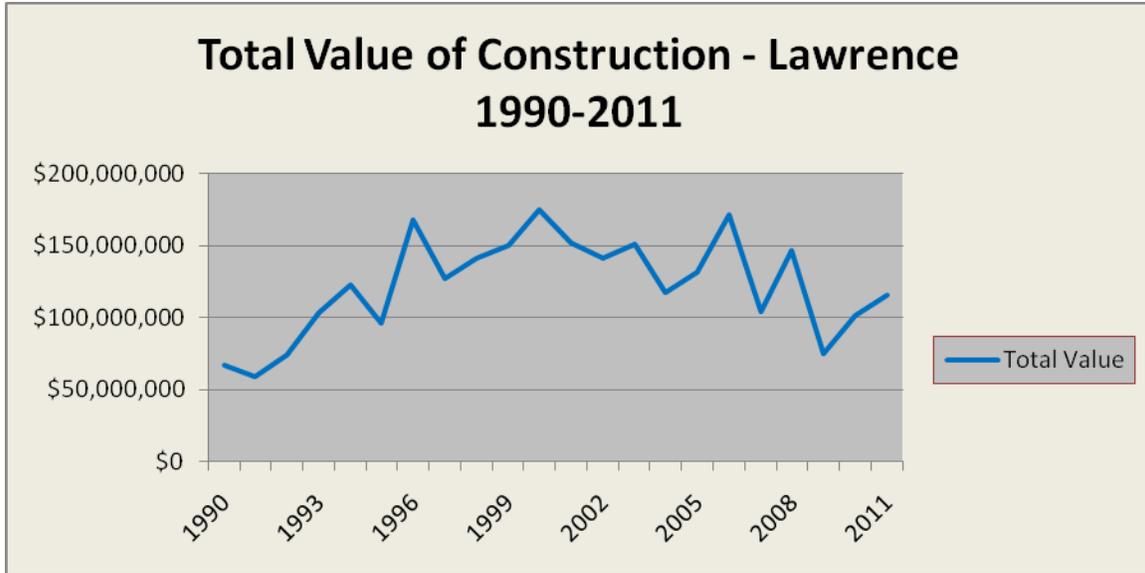


The comparison of 2011 to the 5-year average number of permits issued is another tool to compare permit activity. Increased permit activity in Emporia and Eudora in 2011 influenced the five-year percent change of average number of permits issued for those cities; Emporia was 48% and Eudora 47% above the five-year averages. Five of the area jurisdictions were more than 10% below their five-year average. The average number of permits issued in Lawrence over the past five years (2007 – 2011 inclusive) was 2,200; the 2,172 permits issued in Lawrence in 2011 was 1% below the average for this time period.



Total Permit Valuation

The total value of construction projects increased by 14% in Lawrence, \$115.7M in 2011 compared to \$101.8M in 2010. The total valuation of construction has exceeded \$100M every year since 1993, except 1995 and 2009.



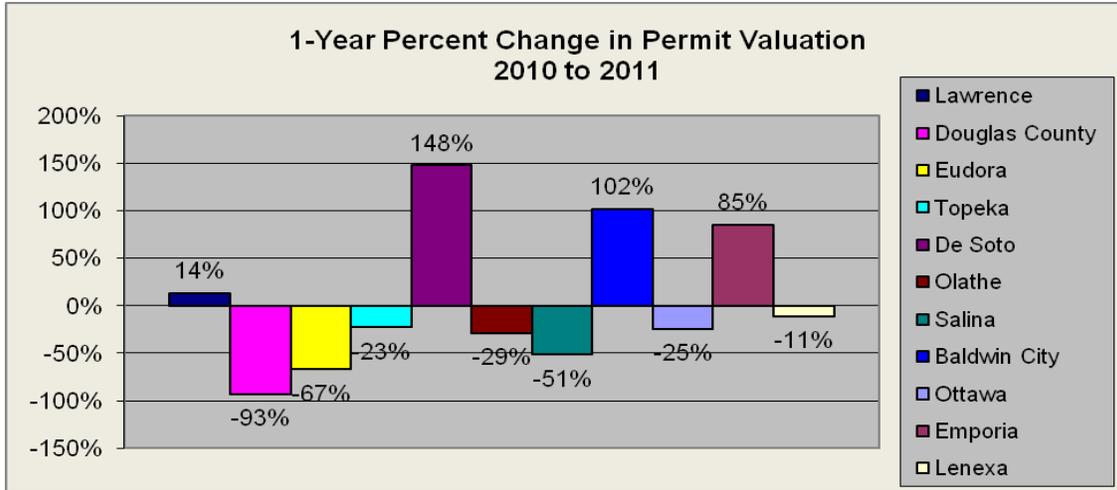
Valuation for public projects was \$7,968,156 in 2011, compared to \$16,857,602 in 2010. Improvements at Lawrence Memorial Hospital at 325 Maine Street accounted for \$3,852,000, or 48% of the value of public projects, and improvements to the Waste Water Treatment Plant at 1408 E 8th Street accounted for another \$3,130,000, or 39%.

The top ten projects in permit value for 2011 accounted for 54% of the total value of construction. In 2010 the top ten projects in permit value accounted for 38% of the total value of permits issued. The top ten projects in 2011 were:

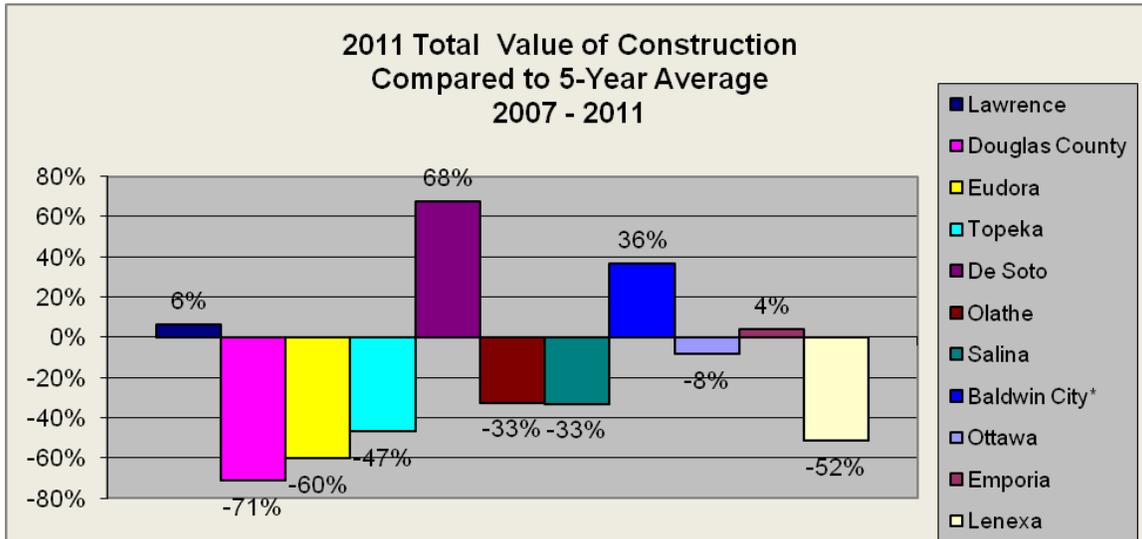
	<u>Address</u>	<u>Project Description</u>	<u>Project Value</u>
1	550 Stoneridge Dr	Hunter's Ridge Apts	\$28,577,625
2	250 N Power House Rd	Bowersock North Plant	\$11,349,295
3	619 E 8th St	Poehler Building renovation	\$4,400,000
4	1740 Massachusetts St	Dillon's	\$3,851,825
5	150 Iowa St	Comfort Inn & Suites	\$3,365,871
6	1408 E 8th St	WWTP Improvements	\$3,130,000
7	325 Maine St	LMH Food Services Remodel	\$2,677,000
8	2451 Crossgate Dr	Crossgate Casitas	\$2,117,709
9	3405 Clinton Pkwy	Hy-Vee Renovation	\$2,000,000
10	1301 W 23rd St	Vitamin Cottage/Natural Grocers	\$1,535,000

Permit Valuation

The total value of construction projects for permits issued increased 14% in 2011 compared to 2010. Only three of the other area permit agencies surveyed reported increases in valuation for 2011, with De Soto reporting the largest increase of 148% (from \$5.1M to \$12.7M). Douglas County reported the largest decrease of 93% (from \$349M to \$24.5M). The decrease for Douglas County is attributed to a permit issued in 2010 valued at \$339M for a Westar Energy project. If the Westar project were excluded Douglas County would have had an increase of approximately 140% (from \$10.5M to \$24.5M) for 2011.

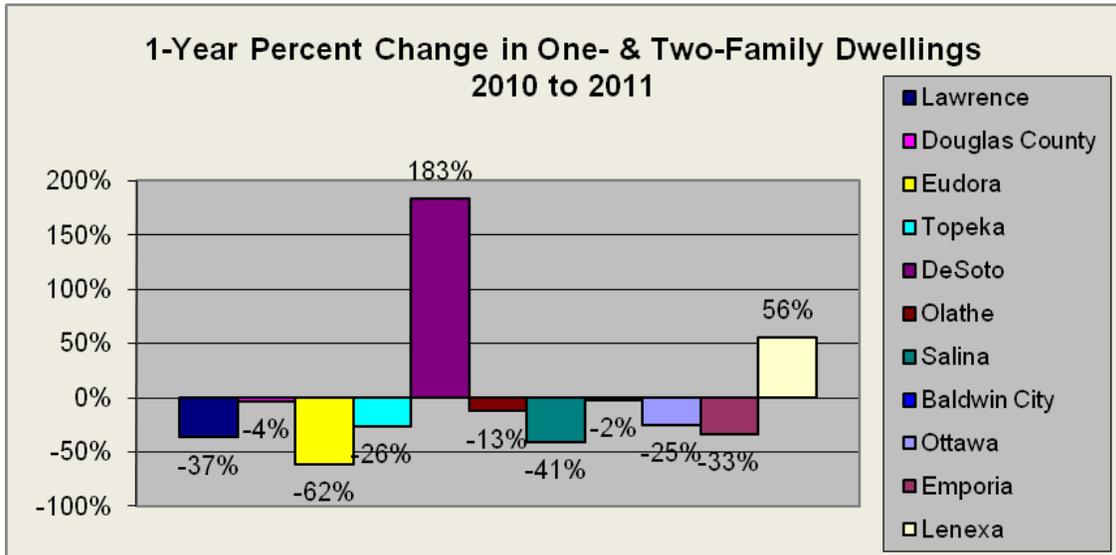


The average annual valuation of permits issued over the past five years for Lawrence was \$108.8M. Permit valuation for 2011, \$115.7M, was 6% above average when compared to the five year period from 2007 through 2011. De Soto, Baldwin City, and Emporia also exceeded their five-year averages for 2011. Unusually large projects in Douglas County (Westar Energy project valued at \$339M in 2010), and Emporia (Hills Pet Food Plant in 2009 valued at \$89.6M) influence the average annual permit valuation for those permit agencies.

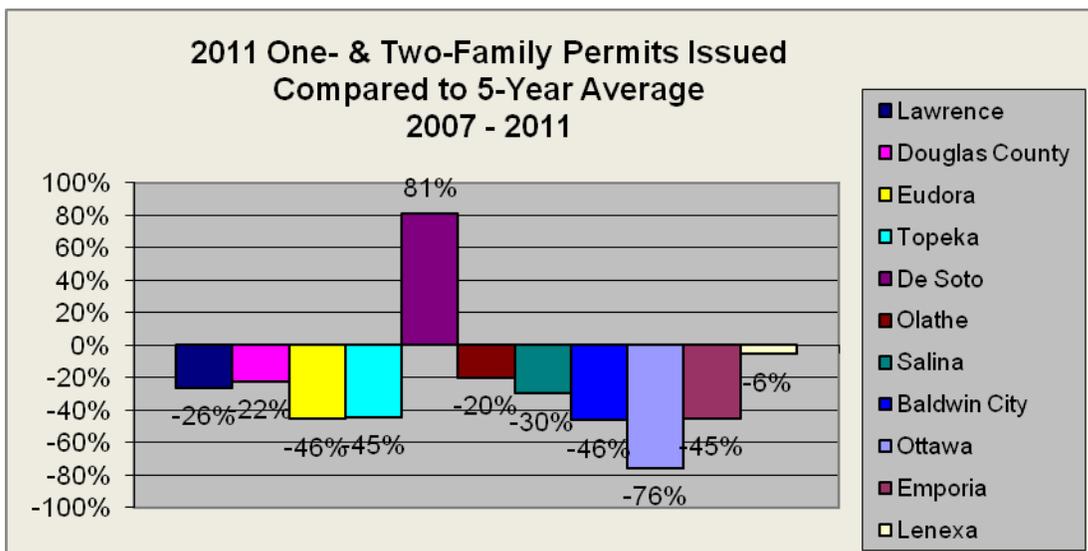


New Residential Permits

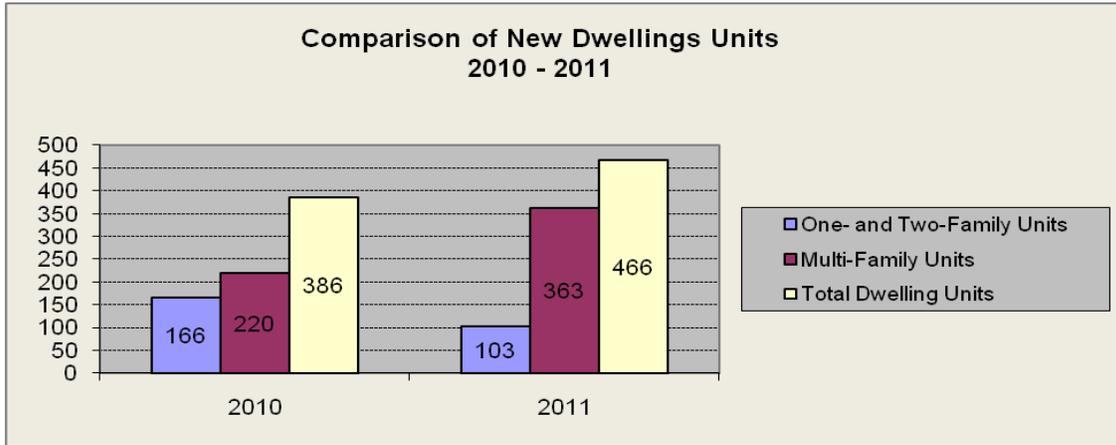
The number of permits issued for new one- and two-family dwellings decreased in 2011, from 156 permits issued in 2010 to 99 in 2011. Only two area building departments reported increased numbers of new dwellings from 2010 to 2011; De Soto reported an increase of 183% (from 6 to 17), and Lenexa reported a 56% increase (57 to 89). Eudora reported the largest percent decrease, 62% (from 13 to 5).



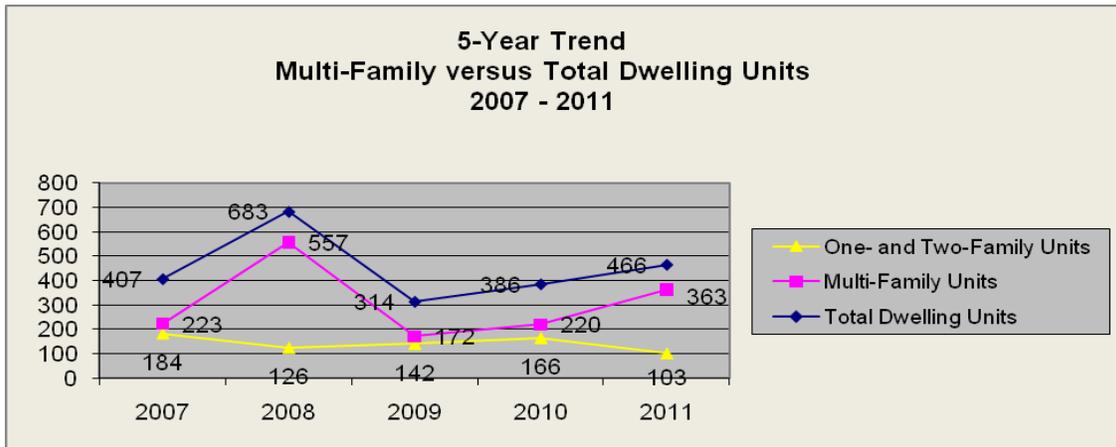
De Soto (81%) was the only permitting agency to report an increase in residential permits issued in 2011 versus their five-year average number of permits issued with 17 permits issued compared to an average of 9 permits per year from 2007 through 2011. Ottawa had the lowest negative percent difference (-76%) of permits issued in 2011 compared to the five-year average. Lawrence's percent difference for 2011 compared to the five-year average (2007 through 2011) was -26%, with an average of 134 permits issued the last five years compared to 99 permits in 2011.



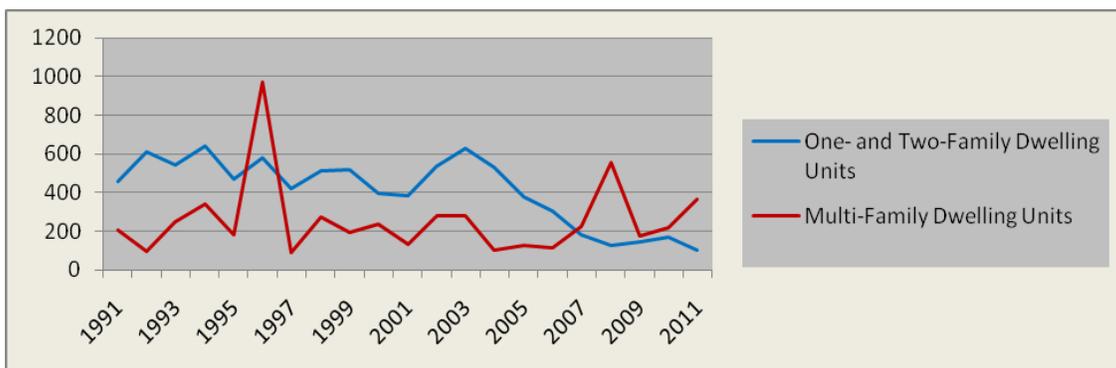
Despite the decrease in new one- and two-family dwellings, the total number of dwelling units constructed in Lawrence in 2011 increased 21% from 2010, from 386 units to 466:



Additionally, the number of dwelling units constructed in Lawrence in 2011 was 3% higher than the average number of units constructed over the last five years, with 466 units constructed in 2011 compared to the 451 units averaged for the years 2007 through and including 2011.



2011 was the fifth consecutive year in which the number of multi-family dwelling units exceeded one- and two-family units.

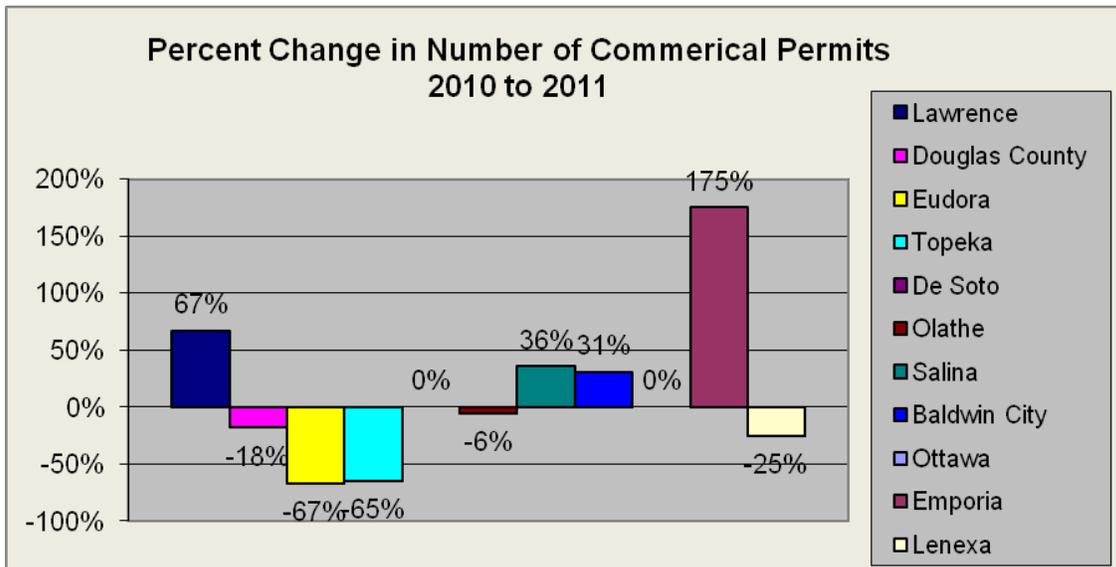


New Commercial Permits

There were 15 permits for new commercial projects in 2011, compared to 9 in 2010; which is an increase of 67%. This is the most permits issued for new commercial projects in the last five years.

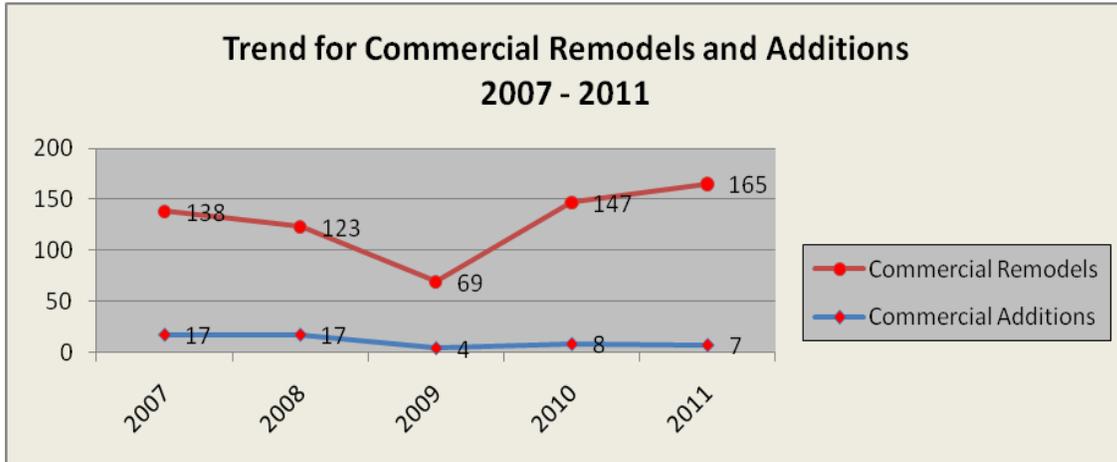


Four of the other area jurisdictions surveyed reported increases in the number of new commercial projects in 2011, De Soto (from 0 to 1), Salina (36%), Baldwin city (31%) and Emporia (175%). Emporia officials noted that the increase was due to the number of permits issued for individual self-storage buildings.



Remodel/Addition Permits

The last two years have been record years for the number of commercial remodel permits issued in Lawrence; 165 permits were issued in 2011, an 11% increase from the 147 permits issued in 2010. These rank first and second for the number of commercial remodel projects for which permits were issued in a year. Commercial building additions the past two years, however, have been among the fewest projects for which permits were issued in a year; 7 commercial additions in 2011 and 8 in 2010.



The number of residential remodel permits increased 14% from 2010, from 129 to 151. The number of permits for residential additions increased 4% from 24 to 25. Similar to commercial addition projects, the number of residential addition projects has significantly declined the last two years.

