

Memorandum

City of Lawrence

Planning & Development Services

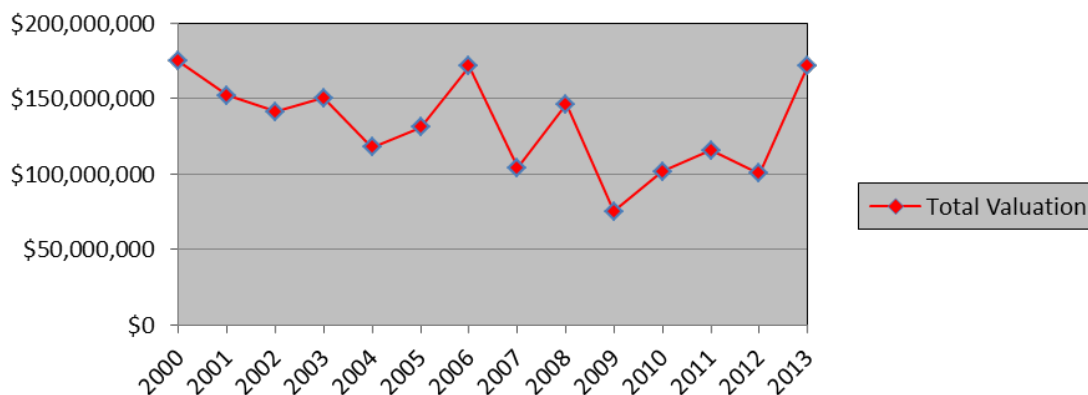
TO: David L. Corliss, City Manager
FROM: Barry Walthall, Building Codes Manager
Kurt Schroeder, Asst. Director Planning & Development Services
CC: Scott McCullough, Planning & Development Services Director
Date: May 29, 2014
RE: 2013 Building Permit Trends

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, Baldwin City, and Eudora, as well as Emporia, Lenexa, Manhattan, Olathe, Overland Park, Salina and Topeka.

Total Permit Valuation

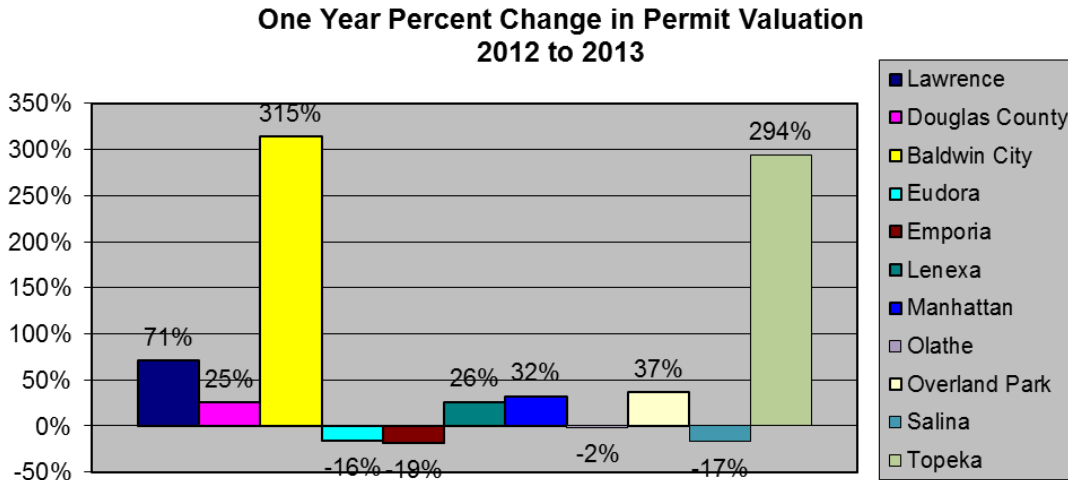
The total value of construction projects increased by 71% in Lawrence, \$171.9M in 2013 compared to \$100.6M in 2012. The \$171.9M in construction valuation is the second highest annual total ever recorded; construction valuation was \$175M in 2000.

Total Value of Construction 2000-2013

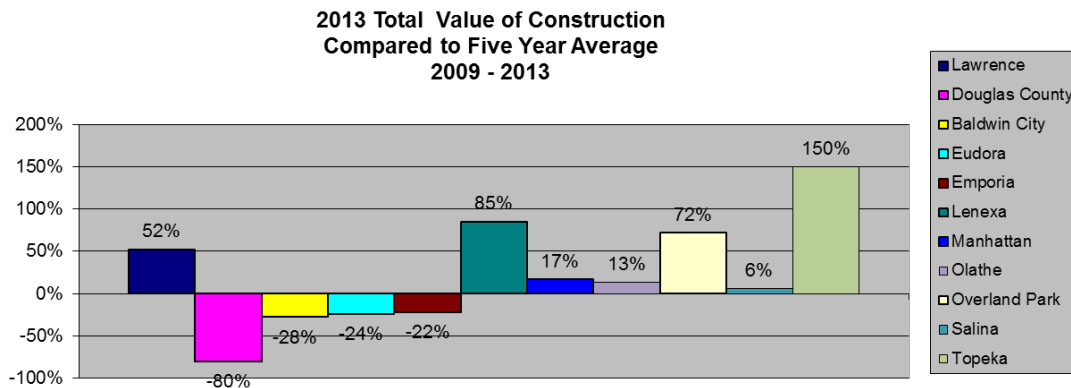


Six (6) of the ten area permit agencies surveyed also reported increases in valuation for 2013, with Baldwin City (315%) and Topeka (294%) reporting the largest increases from 2012. Baldwin City reported \$1.4M valuation in 2012 compared to \$4.8M in 2013; Topeka reported \$87.4M in 2012 compared to \$344.6M in 2013. Lawrence experienced the third highest increase (71%). Emporia reported the largest decrease (-19%). Baldwin City's construction valuation more than quadrupled from \$1.1M in 2012 to \$4.8M in 2013. The 2012 total valuation was a 10-year low for Baldwin City. The large

increase for Topeka, from \$87.4M in 2012 to \$344.6M in 2013, was the result of an unusually large project for Mars Chocolate of North America, which totaled \$250M. This project consisted of a main factory building of approximately 500,000 square feet and 5 smaller auxiliary buildings. Removing the Mars Chocolate project yields an increase in valuation of \$7.2M (or 8%) for Topeka from 2012.



The average annual valuation of permits issued over the past five years for Lawrence was \$113M. Permit valuation for 2013, \$171.9M, was 52% above average when compared to the five year period from 2009 through 2013. Six (6) of the ten surveyed agencies reported permit valuation in 2013 that exceeded the average for the previous five-year period, including Topeka (150%), Lenexa (85%) and Overland Park (72%). Four permit agencies had total valuation below their 5-year average, including Douglas County (-80%). 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.



Large Projects Permit Valuation

Based on permit valuation, the ten largest Lawrence projects in 2013 accounted for \$100,456,117 or 58.4% of the total value of construction. In 2012 the ten largest projects, based on permit valuation, accounted for \$30,269,203, or 30% of the total value of permits issued. The ten largest projects in 2013 were:

2013 Ten Largest Projects - Project Valuation			
	Address	Project Description	Project Value
1	6100 Rock Chalk Dr	Rock Chalk Park	\$31,000,000
2	900 New Hampshire St	Marriott TownPlace Hotel	\$13,800,000
3	5100 W 6th St	Apartments on 6th	\$13,060,626
4	101 George Williams Way	Recreation Center	\$10,500,000
5	707 Vermont St	Lawrence Public Library Addition	\$9,909,509
6	2029 Becker Dr	BTBC Incubator Lab Phase II	\$6,650,425
7	525 Congressional Way	Camson South Apartments	\$5,527,060
8	101 McDonald Dr	Hallmark Cards building modifications	\$4,508,497
9	2727 Iowa St	Dicks Sporting Goods tenant remodel	\$3,000,000
10	1216 Biltmore Dr	Neuvant House of Lawrence	\$2,500,000
		Top 10 projects valuation:	\$100,456,117
		Total valuation:	\$171,995,682
		Top 10 project % of total valuation:	58.4%

The valuation of the ten largest projects and ratio of these projects to total valuation are the highest totals for the last five years, when tracking of these statistics began. Valuation for all other projects ("Other Valuation") was also the highest total for the last five years.

Year	Ten Largest Projects Valuation	Other Valuation	Total Permit Valuation	Largest Projects Percentage of Total Valuation
2009	\$31,159,697	\$44,216,747	\$75,376,444	41%
2010	\$39,015,541	\$62,847,095	\$101,862,636	38%
2011	\$63,004,325	\$52,731,787	\$115,736,112	54%
2012	\$30,269,203	\$70,386,928	\$100,656,131	30%
2013	\$100,456,117	\$71,539,565	\$171,995,682	58%

City Projects

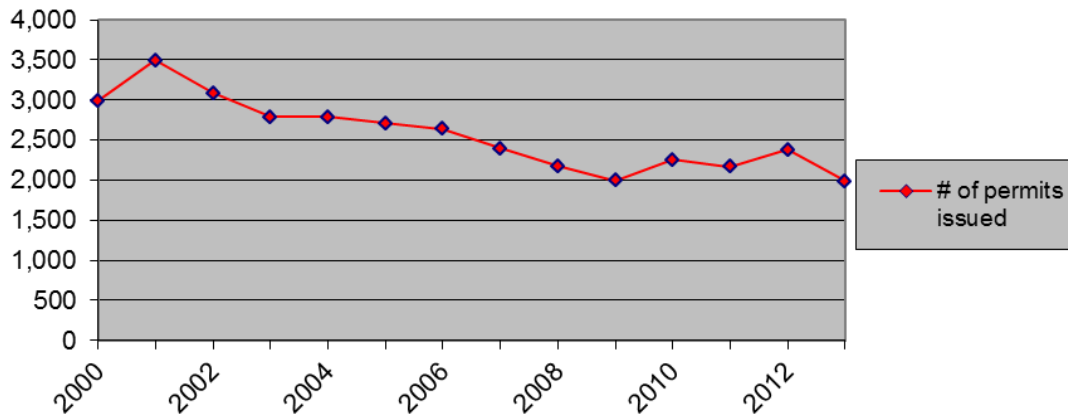
Valuation for 2013 City building permit projects totalled \$30,564,434, compared to \$8,971,027 in 2012. Nearly 88% of the valuation of City projects was accounted for by three (3) projects: (1) the recreation center at 101 George Williams Way accounted for \$10,500,000 or 34.3% of the value; (2) the renovation and addition to the Lawrence Public Library, 707 Vermont Street accounted for another \$9,709,509, or 31.7%; and (3) the addition to the BTBC Incubator at 2029 Becker Drive accounted for \$6,650,425, or 21.7%. Annual statistics for City projects for which tracking began in 2008 are provided in the following table.

Year	City Projects Valuation	Number of Permits
2008	\$10,642,761	9
2009	\$7,010,333	46
2010	\$16,857,602	17
2011	\$7,968,156	24
2012	\$8,971,027	31
2013	\$30,564,434	34

Total Number of Permits

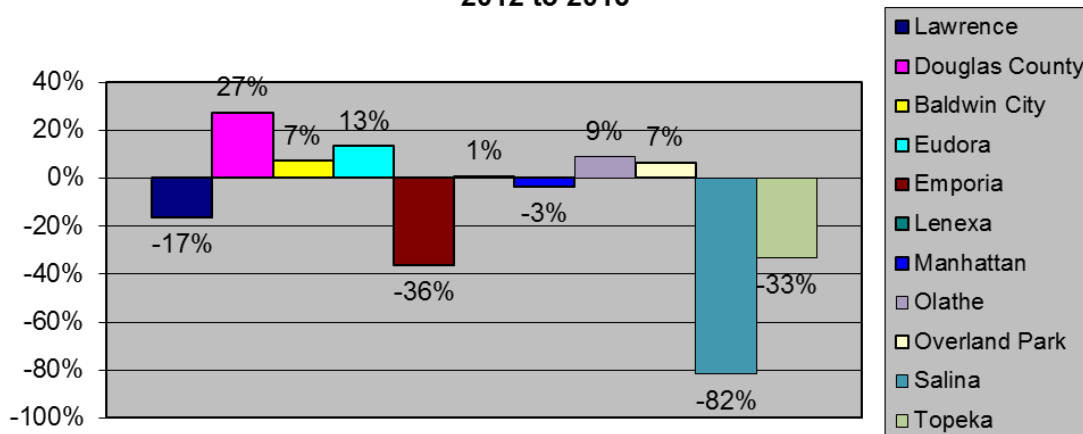
The trend in number of permits issued annually had been steadily decreasing since 2000 and reached a decade long low in 2009 when 1,998 permits were issued. Permits issued had been trending up from the low in 2009 to 2,377 in 2012, but dropped to 1,984 in 2013, a decrease of 17% from 2012. Permit activity reached an all-time high in 2001 when 3,498 permits were issued. The line graph below shows the trend for permits issued in Lawrence since 2000.

Total Permits Issued, 2000-2013

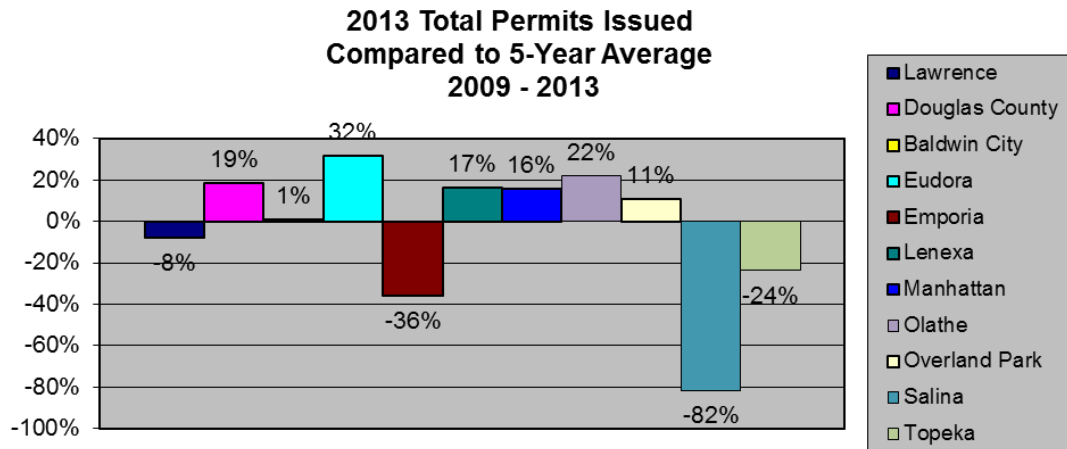


The 17% decrease in permits issued in Lawrence from 2012 to 2013 was the fourth largest decrease in permits issued among the surveyed permitting agencies. The largest decreases were reported by Salina (-82%), Emporia (-36%), and Topeka (-33%). Douglas County reported the largest increase in permit activity (+27%).

**1-Year Percent Change in Total Permits Issued
2012 to 2013**

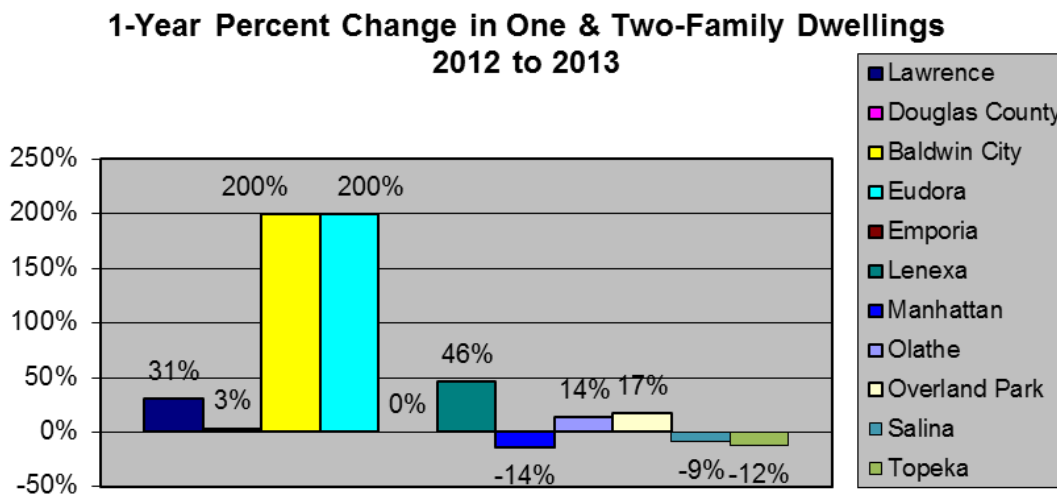


The comparison of permits issued in 2013 to the five year average number of permits issued is another tool to compare permit activity. The average number of permits issued in Lawrence over the past five years (2009 through 2013, inclusive) was 2,157; the 1,984 permits issued in 2013 were 8% below the average for this time period.



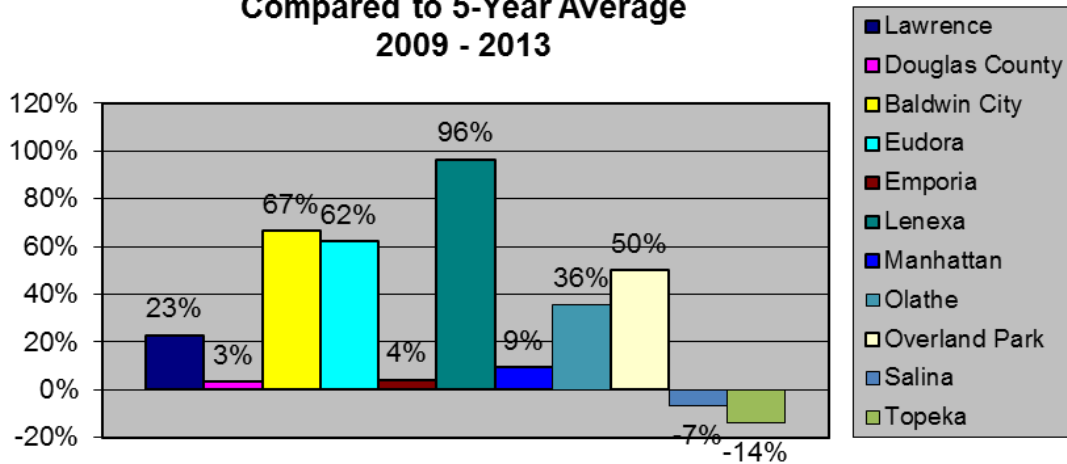
New Residential Permits

The number of permits issued for new one and two-family dwellings increased in 2013, from 126 permits issued in 2012 to 165 in 2013, an increase of 31%. The only jurisdictions reporting decreases in one and two-family dwelling permit activity were Manhattan (-14%), Topeka (-12%), and Salina (-9%). Baldwin City (200%, from 1 permit in 2012 to 3 in 2013), Eudora (200%, from 4 permits in 2012 to 12 in 2013) reported the highest percent increases, followed by Lenexa (46%, from 146 permits in 2012 to 213 in 2013).



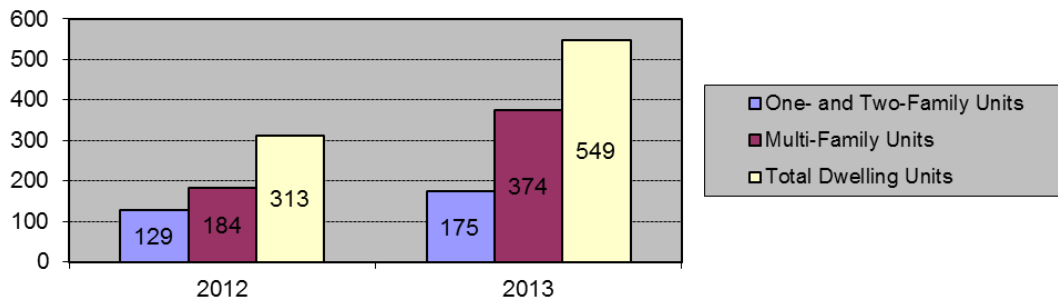
The percent difference for 2013 compared to the five-year average (2009 through 2013) for number of permits issued for one and two-family dwellings was 23%, with an average of 134 permits issued the last five years compared to 165 permits in 2013. Lenexa (96%) had the highest percentage of permits issued above their five-year averages; Topeka (-14%) and Salina (-7%) were the lowest, and the only jurisdictions reporting totals under their 5-year average.

2013 One & Two-Family Permits Issued Compared to 5-Year Average 2009 - 2013



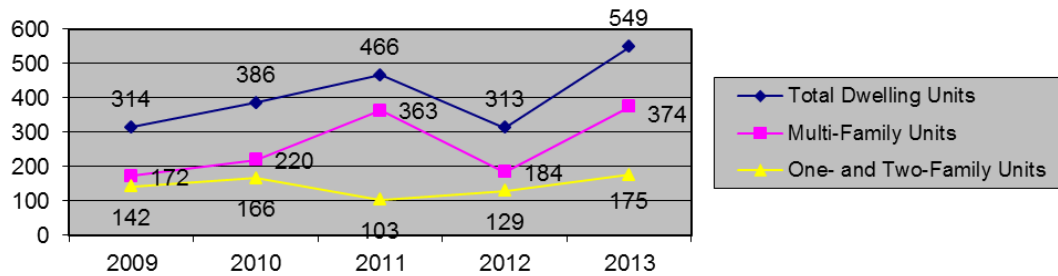
Permits were issued for 374 multi-family dwelling units in 2013, a five year high that contributed to a 75% increase in the total number of dwelling units constructed in Lawrence, from 313 in 2012 to 549 in 2013. Total dwelling units includes dwelling units of all types, including single-family, duplex, and multi-family.

Comparison of New Dwelling Units 2012 - 2013

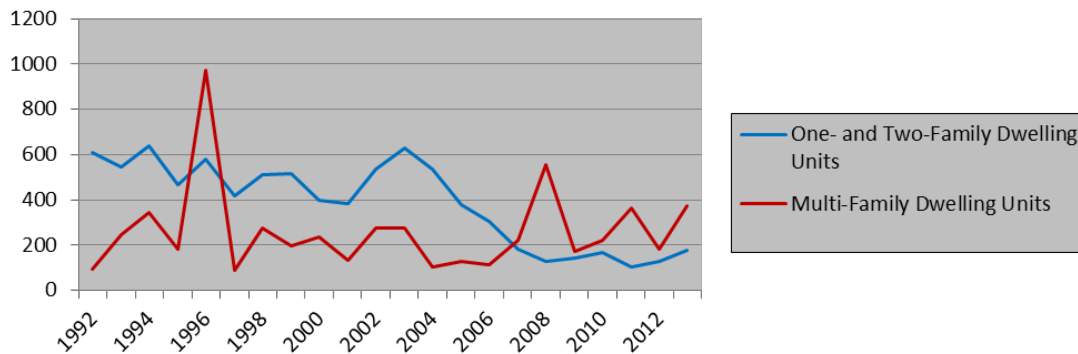


The total number of dwelling units constructed in Lawrence in 2013 was 35% higher than the average number of units constructed over the last five years, with 549 units constructed in 2013 compared to the 405 units averaged for the years 2009 through 2013.

5-Year Trend Multi-Family versus Total Dwelling Units 2009 - 2013



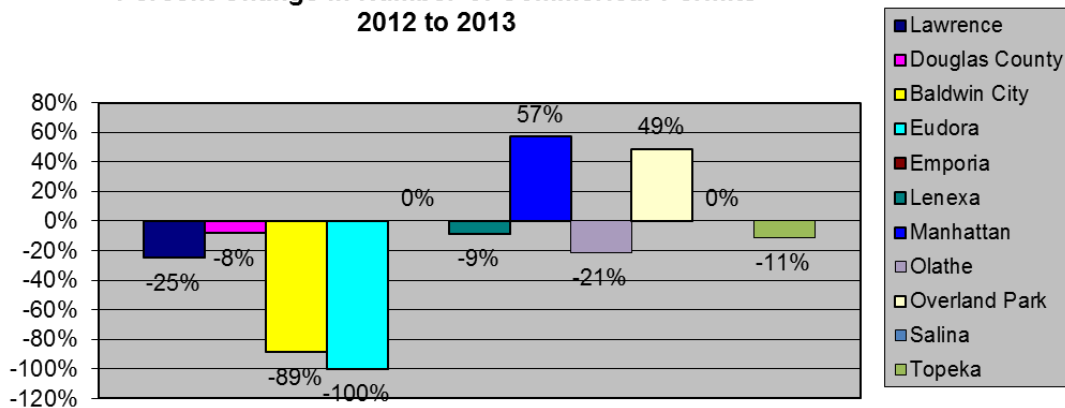
Historically, more one and two-family dwelling units are constructed annually than multi-family units; however, 2013 was the seventh consecutive year in which the number of multi-family dwelling units exceeded one- and two-family units.



New Commercial Permits

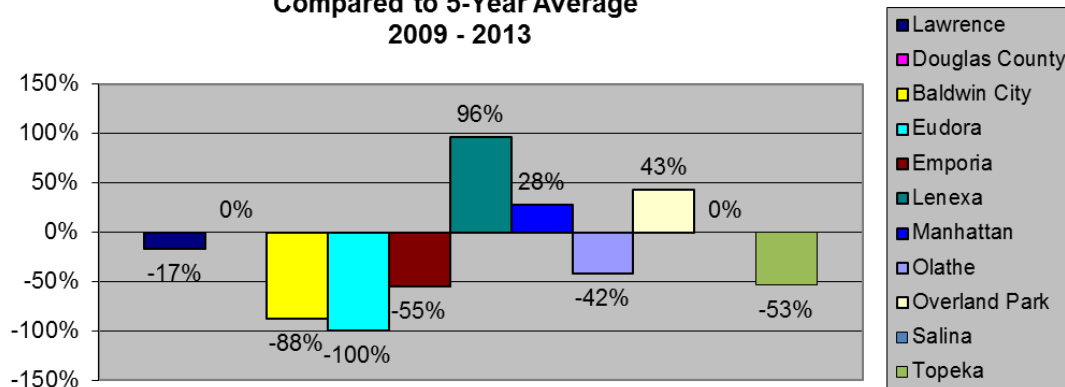
There were 25% fewer permits issued for new commercial projects in 2013 (12 in 2012 compared to 9 in 2013). Only two agencies reported increases in 2013, Manhattan (57%, from 14 to 22) and Overland Park (49%, from 35 to 52). The highest decreases were reported by Eudora (-100%, from 2 to 0), and Baldwin City (-89%, from 9 to 1). Many permitting agencies include multi-family dwelling permits in the commercial permits totals. If permits for multi-family dwellings were included as commercial permits for Lawrence, the count for 2013 would be 32 compared to 34 in 2012.

Percent Change in Number of Commerical Permits 2012 to 2013



The nine (9) new commercial permits issued in 2013 is 17% lower than the 5-year average of 10.8. Lenexa reported the highest percent increase (96%) of new commercial permits issued over their 5-year average despite a decrease in the number of permits issued from 2012 to 2013. The only other agencies reporting percentage increases over their 5-year averages were Overland Park (43%) and Manhattan (28%).

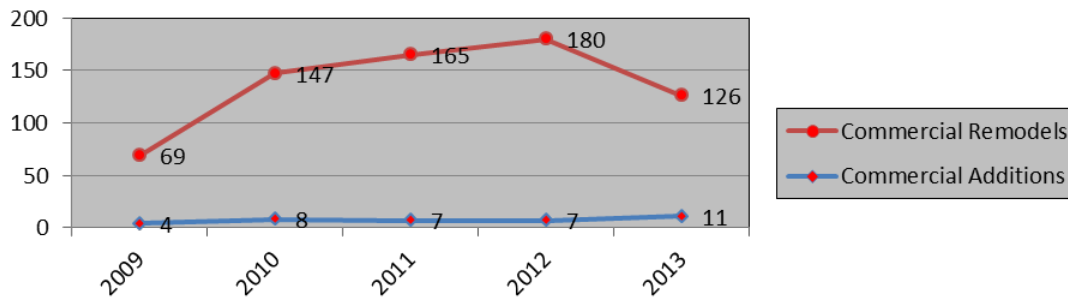
2013 Commercial Permits Issued Compared to 5-Year Average 2009 - 2013



Remodel/Addition Permits

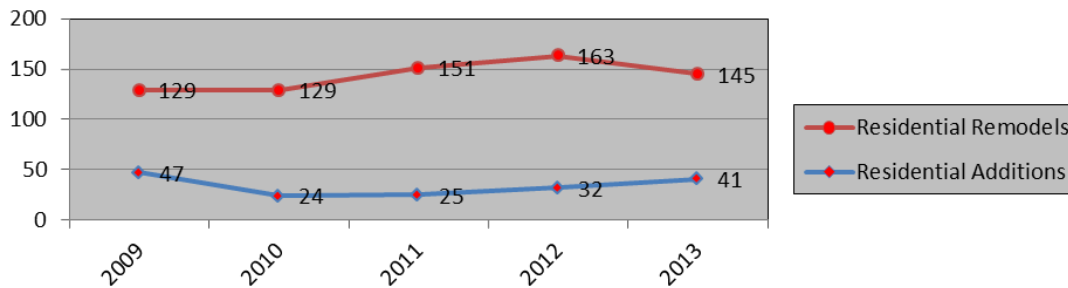
The number of commercial remodel permits declined 30% in 2013, from 180 in 2012 to 126 in 2013. The number of commercial addition projects rose 57%, from 7 to 11.

Trend for Commercial Remodels and Additions 2009 - 2013



The number of residential remodel permits decreased 4% from 2012, from 163 to 145. The number of residential addition permits increased 28% from 32 to 41.

Trend for Residential Remodels and Additions 2009 - 2013



Summary

To assist with comparison of the various jurisdictions, population information based on 2012 estimates by the US Census Bureau, along with 2013 permit statistics for each of the categories evaluated in this report is provided below. Lawrence ranks fourth (4th) in population among the surveyed permitting agencies. Based on population, permit activity in Lawrence in 2013 generally reflected the population ranking. The statistic that stands out for 2013 compared to population rankings is for new multi-family permits, which ranked second (2nd) to Overland Park. The statistical category that did not compare favorably for 2013 was for new commercial projects which ranked eighth (8th), ahead of Emporia, Baldwin City, and Eudora.

Jurisdiction	Estimated Population	Total Valuation	Total Permits	One & Two-Family Permits	Multi-Family Permits	New Commercial Permits	Addition & Remodel Permits
Overland Park	178,819	\$539,658,710	3,902	403	70	52	3,377
Olathe	130,045	\$245,580,744	1,003	497	10	37	388
Topeka	127,939	\$344,639,668	456	85	0	24	295
Lawrence	89,512	\$171,995,682	1,984	165	23	9	313
Manhattan	56,069	\$119,901,316	451	161	1	22	219
Lenexa	49,398	\$228,115,817	2,088	213	0	31	1,308
Salina	48,045	\$45,489,002	414	60	0	15	213

Emporia	24,958	\$11,538,204	897	10	0	2	351
Douglas County	12,638	\$16,520,627	260	30	0	22	51
Eudora	6,184	\$4,511,687	246	12	0	0	228
Baldwin City	4,530	\$4,824,937	89	3	0	1	84

Throughout this report, Lawrence's permit activity has also been compared to previous years' activity. For 2013, statistics for total permit valuation, number of permits for one and two-family dwellings and number of permits for multi-family dwellings exceeded recent activity. Permit valuation was largely driven by large projects started in 2013; more than 58% of the total valuation was generated by the ten largest projects, based on project valuation. Three (3) of the ten largest projects were City projects. New residential construction has increased each of the last three years and in 2013 the most permits were issued since 2007 for one- and two-family construction, and since 2008 for multi-family projects.

Despite the high total permit valuation for 2013, which is the second highest annual total for which records exist, the number of permits for new commercial projects and the total number of permits issued decreased. The number of addition and remodel permits also decreased from 2012 to 2013, but were above the five year average number of permits issued.

	Percent Change 2012 to 2013	Percent Above/Below Five-Year Average
Total Valuation	70.8%	52.0%
Total Permits	-16.5%	-8.0%
One & Two-Family Permits	30.9%	22.7%
Multi-Family Permits	4.5%	35.2%
New Commercial Permits	-25.0%	-16.6%
Addition & Remodel Permits	-9.2%	7.9%