

Memorandum

City of Lawrence

Planning & Development Services

TO: David L. Corliss, City Manager

FROM: Kurt Schroeder, Asst. Director Planning & Development Services

**CC: Scott McCullough, Planning & Development Services Director
Barry Walthall, Building Codes Manager**

DATE: April 15, 2015

RE: 2014 Building Permit Trends Report

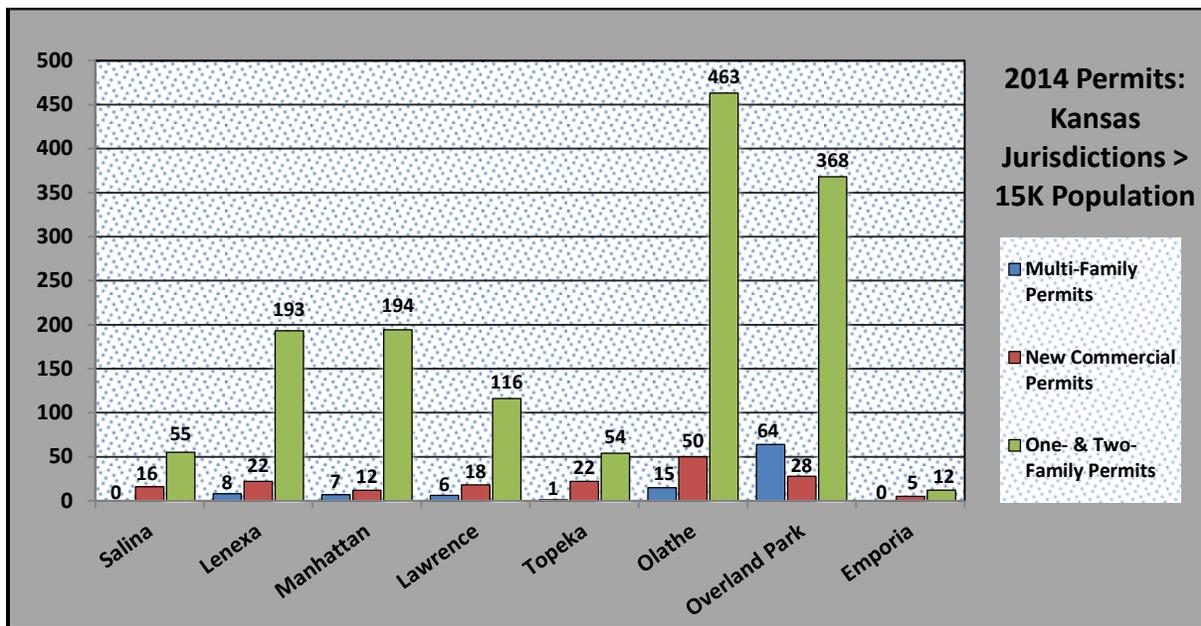
Overview

This report provides data regarding Lawrence building permits issued during 2014, as well as trends for Lawrence building permits compared to prior years. The report also compares Lawrence building permit information to regional Kansas jurisdictions and to regional peer university cities. Comparison of Lawrence building permit activity to peer university cities is new to the report this year.

Staff surveyed ten Kansas permit-issuing jurisdictions, including Douglas County, Baldwin City and Eudora in Douglas County, and other regional Kansas cities including Emporia, Lenexa, Manhattan, Olathe, Overland Park, Salina and Topeka. Below is a table summarizing 2014 estimated U.S. Census population and 2014 building permit information for each Kansas jurisdiction.

Permitting Agency	2014 Est. Population	Total 2014 Permit Valuation	Total 2014 Permits	2014 One- and Two-Family Permits	2014 Multi-Family Permits	2014 New Commercial Permits	2014 Addition & Remodel Permits
Baldwin City	4,530	\$4,026,186	104	4	2	0	98
Eudora	6,211	\$7,839,657	284	15	0	0	269
Douglas County	12,638	\$19,110,238	299	45	0	2	52
Emporia	24,799	\$20,258,194	959	12	0	5	388
Salina	47,846	\$38,964,203	1,866	55	0	16	163
Lenexa	50,344	\$277,839,223	2,912	193	8	22	2,163
Manhattan	56,143	\$88,936,714	448	194	7	12	222
Lawrence	90,811	\$99,707,903	1,930	116	6	18	364
Topeka	127,679	\$106,016,784	319	54	1	22	234
Olathe	131,885	\$389,340,176	1,022	463	15	50	415
Overland Park	181,260	\$397,070,513	4,466	368	64	28	4,006

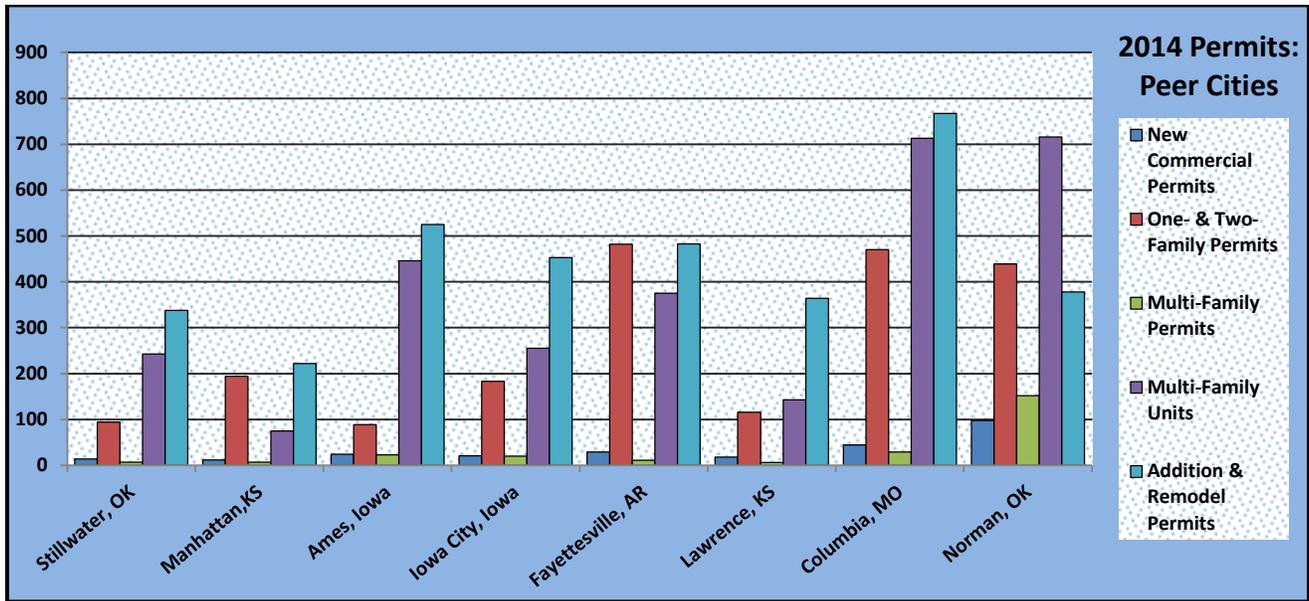
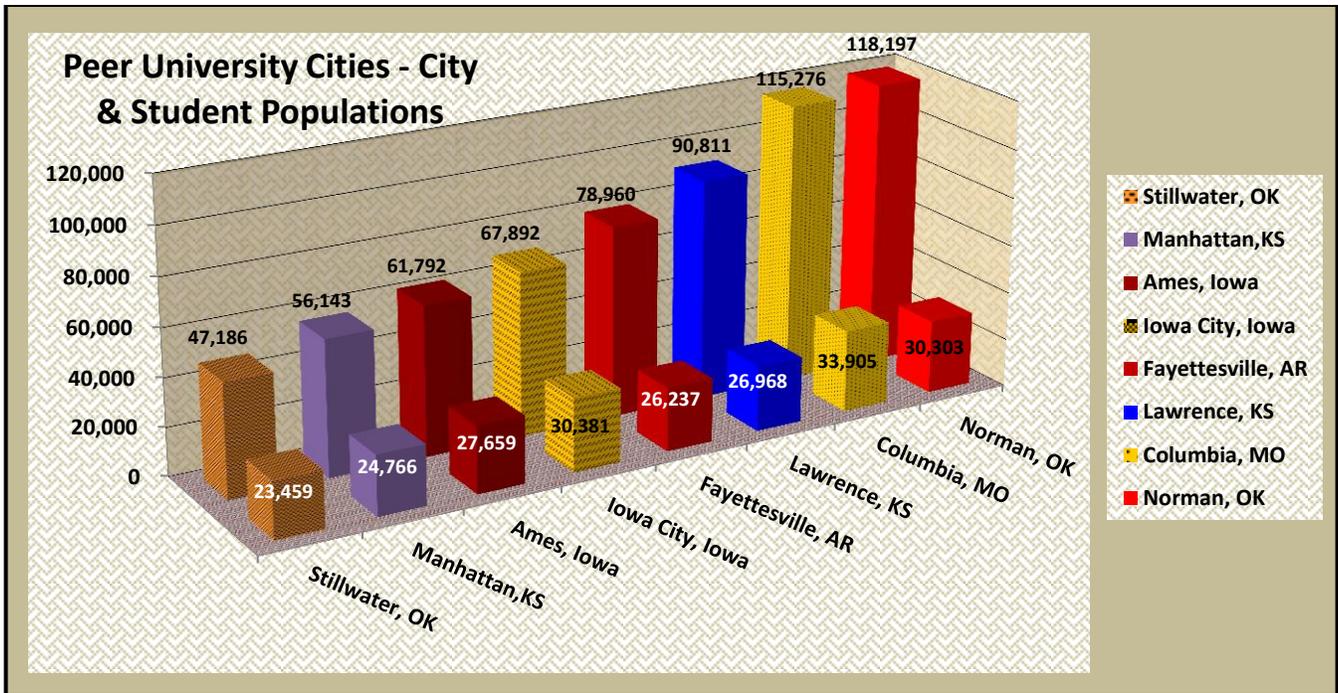
The following chart compares 2014 permits issued for new one- and two-family structures, new multi-family buildings and new "commercial" buildings (commercial, office, industrial, public and institutional uses) for Kansas regional jurisdictions with a population greater than 15,000.



Staff also surveyed seven (7) regional peer university cities (within a 350 mile radius of Lawrence) that have similar permanent resident populations, a major university similar in size to Kansas University and (except for Manhattan, KS and Fayetteville, AR) proximity to a larger metropolitan area (within 65 miles). Peer university cities include Stillwater, OK (Oklahoma State University); Manhattan, KS (Kansas State University); Ames, IA (Iowa State University); Iowa City, IA (University of Iowa); Fayetteville, AR (University of Arkansas); Columbia, MO (University of Missouri); and Norman, OK (University of Oklahoma). Below is a table summarizing Lawrence and peer university city estimated 2014 U.S. Census city population, estimated 2014 university student population, average U.S. Census homeownership rate for the period 2009-2013, and 2014 building permit data.

Permitting Agency	2014 Est. City Pop.	2014 Est. Univ. Student Pop.	City home ownership rate: 2009-2013	2014 Total Permit Valuation	2014 Total Permits	2014 One- & Two-Family Permits	2014 Multi-Family Permits	2014 New Commercial Permits	2014 Addition & Remodel Permits
Stillwater, OK	47,186	23,459	37.5%	\$59,966,326	453	94	7	14	338
Manhattan, KS	56,143	24,766	39.3%	\$88,936,714	448	194	7	12	222
Ames, Iowa	61,792	27,659	42.2%	\$226,711,446	661	89	23	24	525
Iowa City, Iowa	67,892	30,381	47.8%	\$152,579,212	703	183	20	21	453
Fayetteville, AR	78,960	26,237	41.5%	\$269,634,160	4,300	482	11	29	483
Lawrence, KS	90,811	26,968	46.1%	\$99,707,903	1,930	116	6	18	364
Columbia, MO	115,276	33,905	48.6%	\$347,258,124	1,375	470	29	44	767
Norman, OK	118,197	30,303	57.0%	\$278,201,768	8,117	439	152	98	378

Below are two (2) charts, the first showing Lawrence and peer city permanent resident city populations and university student populations, and the second reflecting the number of 2014 permits issued for new "commercial" buildings (commercial, office, industrial, public and institutional uses), new one- and two-family structures, new multi-family buildings, new multi-family units and total addition/remodel permits for Lawrence and the seven (7) peer university cities.



Report Summary and Key Observations

Lawrence:

In 2014, Lawrence saw increases in only two (2) of the seven (7) major permit categories when compared to 2013, and when compared to the City's 5-year annual averages (2010 through 2014).

- The number of permits issued in 2014 for new "commercial" buildings (office, commercial, industrial, public and institutional uses) increased by 100% over 2013 - nine (9) to eighteen (the highest annual number since 2006, when 20 permits were issued) - and was nearly 43% above the 5-year annual average of 12.6. However, total valuation for the eighteen new commercial permits issued in 2014 was 50% less than the total valuation for the nine (9) new commercial permits issued in 2013.

- The 2014 number of commercial and residential remodel/addition permits increased by 16.3% over 2013 (to 364); this was 12.8% greater than the 5-year annual average of 322.8 permits.

During 2014, Lawrence saw significant decreases in building permit activity in five (5) of seven (7) major permit categories when compared to 2013 and to the City's 5-year annual averages (2010 through 2014).

- Total 2014 building permit valuation was down 42% from 2013, to \$99,707,903; this was 15% less than the Lawrence 5-year annual average of \$117,991,693.
- The total number of permits issued in 2014 (all types) was down 2.7% from 2013, to 1,930 (the lowest number in 15 years); this was 10% less than the 5-year annual average of 2,144.
- The number of 2014 new one- and two-family permits issued was down 30.1% from 2013, to 116 (just 18 above the 15-year low of 99 permits in 2011); this was 12.5% less than the 5-year annual average of 132.6.
- The number of 2014 new multi-family units permitted (three or more units in a structure) was down 61.8% from 2013 (to 143); this was 44.3% less than the 5-year annual average of 257.
- The number of new dwelling units permitted in 2014 *of all types* (274) was 50.1% less than in 2013, and 31.1% less than the City's 5-year annual average of 398. **Note:** In 2014, the number of new multi-family units permitted exceeded the total number of one- and two-family units permitted for the eighth consecutive year.

Lawrence Compared to Regional Kansas Jurisdictions:

Lawrence's estimated 2014 population is the fourth largest among Kansas jurisdictions in this report. Lawrence's population is half of Overland Park's, 71 percent of Topeka's and about two-thirds of Olathe's. Manhattan's population is 62 percent of Lawrence's; Lenexa's and Salina's populations are each slightly over half of Lawrence's; and Emporia's population is about one-fourth of Lawrence's.

- In 2014, Lawrence ranked second on percentage increase in number of new commercial permits issued from 2013 to 2014, and ranked first on percentage increase in number of new commercial permits issued in 2014 compared to the 5-year annual averages - a positive trend.
- Lawrence ranked fourth among Kansas jurisdictions in the number of new commercial permits issued in 2014, commensurate with its population ranking.
- Lawrence ranked fifth in the number of 2014 commercial and residential remodel/addition permits issued, generally commensurate with its population ranking (exceeding the number issued by Topeka, but less than the number issued by Lenexa and Emporia). In this permit category, Lawrence ranked fifth on both percentage change from 2013 to 2014 and percentage change compared to 5-year annual averages.
- In 2014, Lawrence's total permit valuation was generally below and not commensurate with its population ranking. While Topeka's total 2014 permit valuation was only 6.3% greater than Lawrence's, Overland Park and Olathe each had 2014 total permit valuation nearly four (4) times that of Lawrence. Lenexa had 2014 total permit valuation about three (3) times that of Lawrence.
- In 2014, Lawrence ranked very low among Kansas jurisdictions on several *2013 to 2014 percentage change metrics*, including: tenth in total permit valuation; ninth in total number of permits issued; and tenth in new one- and two-family permits issued. Lawrence also ranked low on percentage change in 2014 total permits and 2014 new one- and two-family permits issued compared to the 5-year annual averages (eighth and ninth, respectively).

Lawrence Compared to Peer University Cities:

Lawrence's estimated 2014 city population is third highest among the eight (8) peer university cities. Lawrence has about three-fourths the population of Norman and Columbia. Fayetteville's population is the closest to Lawrence (87% of Lawrence population). Iowa City has three-fourths the population of Lawrence, while Ames has had about two-thirds the population of Lawrence. Manhattan and Stillwater populations are equivalent to 62% and 52% of Lawrence population, respectively.

Lawrence was just above its population rank (third) relative to the total number of permits issued in 2014 (Lawrence ranked second). Generally, however, Lawrence ranked toward the bottom in most major permit categories compared to peer university cities (especially when city population is considered).

- For 2014 permits issued, Lawrence ranked sixth or seventh in five (5) of the six (6) permit data categories compared.
- Although Lawrence ranked first on percentage increase in new commercial permits from 2013 to 2014 and percentage increase for 2014 new commercial permits compared to the 5-year annual average (2010 through 2014), the Lawrence 5-year annual average for new commercial permits (12.6) was the lowest among peer cities. Norman and Columbia issued 99 and 30.2 new commercial permits annually, on average, while Fayetteville issued 22.2 new commercial permits annually, on average. Manhattan issued an average of 19.6 new commercial permits annually during the same 5-year period.
- Relative to population, Lawrence ranked low among peer university cities with respect to the number of one- and two-family permits issued during 2014 and over the past five (5) years (on average). In 2014, Lawrence issued 116 new one- and two-family permits, with a 5-year annual average of 132.6, compared to a 2014 permit total and a 5-year annual average of 439 and 406 for Norman; 470 and 525.8 for Columbia; 482 and 358.8 for Fayetteville; 183 and 142 for Iowa City; and 194 and 186.2 for Manhattan.
- Relative to population, Lawrence ranked very low among peer university cities on new multi-family dwelling units permitted during 2014 and on average over the past five (5) years. In 2014, Lawrence issued permits for 143 new multi-family units, with a 5-year annual average of 257, compared to 2014 new multi-family unit totals and 5-year average annual new multi-family unit totals of 716 and 470 for Norman; 713 and 401.2 for Columbia; 446 and 292.4 for Ames; 375 and 289.8 for Fayetteville; 255 and 246.6 for Iowa City; 243 and 199.4 for Stillwater; and 75 and 158 for Manhattan.
- Relative to its population, Lawrence ranked low in both 2014 total permit valuation and 5-year average total annual permit valuation (2010-2014). Norman, Columbia, Fayetteville, Ames and Iowa City had 2014 total permit valuations ranging from 1.5 to 3.5 times that of Lawrence, and 5-year average total annual permit valuations ranging from 12% to 2.5 times that of Lawrence.

To assist in comparison of 2014 Lawrence building permit data to the other ten regional Kansas jurisdictions and seven (7) peer university cities, the number of Lawrence 2014 permits issued by permit category, and the Lawrence percentage change statistics for each permit category, are ranked in the table below against the other Kansas jurisdictions and peer university cities ("1" being the highest or best ranking). Per the tables on pages 1 and 2, Lawrence ranks fourth in population among the 11 Kansas jurisdictions, and third in population among the eight (8) university cities.

City of Lawrence 2014 Permit Data: Total 2014 Valuation and Number of Permits by Permit Category	2014 No. of Permits: Rank Among KS Jurisds (1-11)	2014 No. of Permits: Rank Among Peer U. Cities (1-8)	Lawrence 1-Yr % Change in Permits: 2013 to 2014	1-yr % Change: Rank Among Kansas Jurisds (1-11)	1-yr. % Change: Rank Among Peer U. Cities (1-8)	Lawrence 5-yr % Change in Permits: 2014 Compared to 5-Yr. Avg.	5-Yr % Change: Rank Among KS Jurisds (1-11)	5-Yr % Change: Rank Among Peer U. Cities (1-8)	Lawrence 10-yr % Change: (2005- 2014)
Total Annual Valuation	5	6	-42.0%	10	8	-15.5%	5	7	-18.2%
Total Annual Permits	3	2	-2.7%	9	6	-10.0%	8	8	-14.8%
Total Annual New 1 & 2- Family Permits	5	6	-30.1%	10	8	-12.5%	9	8	-30.0%
Total Annual New Multi- Family Units	DNA ¹	7	-61.8%	DNA ¹	8	-44.3%	DNA ¹	7	DNA ¹
Total Annual New Commercial Permits	5	6	100%	2	1	42.9%	1	1	20.8%
Total Annual Commercial Remodel/Addn Permits	DNA ¹	DNA ¹	12.4%	DNA ¹	DNA ¹	-4.5%	DNA ¹	DNA ¹	DNA ¹
Total Annual Residential Remodel/Addn Permits	DNA ¹	DNA ¹	23.4%	DNA ¹	DNA ¹	14.1%	DNA ¹	DNA ¹	DNA ¹
Total Annual Commercial & Residential Remodel/ Addn Permits	5	6	16.3%	5	1	12.8%	6	1	DNA ¹

¹DNA – Data not available or not provided.

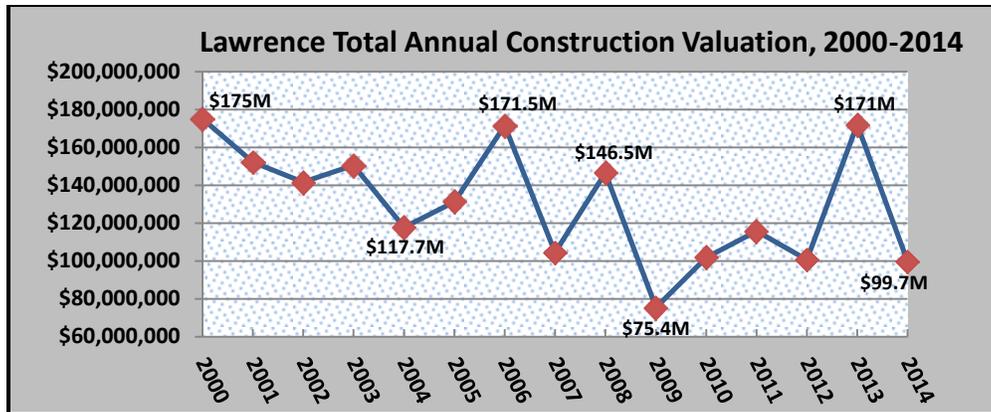
The following pages provide more detailed information and graphic representations for each of the following: Lawrence 2014 permit data and historical permit data; permit data for the 10 other Kansas jurisdictions, with comparisons of Lawrence permit data to permit data from those jurisdictions; and permit data for the seven (7) peer university cities, with comparisons of Lawrence permit data to permit data from those peer cities.

Charts comparing permit data among Kansas jurisdictions have a grey chart background. Charts comparing permit data for university cities have a blue background. For each major permit category, there are generally two different charts, one showing percentage change from 2013 to 2014 for Lawrence and each Kansas jurisdiction or peer city, and the other showing percent change from 2014 compared to the 5-year annual average (2010 through 2014) for Lawrence and each Kansas jurisdiction or peer city.

Lawrence Total Permit Valuation

The total valuation of Lawrence construction permits during 2014 decreased by 42% compared to 2013 – from \$171,995,682 to \$99,707,903. The 2014 total permit construction valuation was the second lowest annual construction valuation for Lawrence over the past 10 years (2009 total valuation was \$75,376,444). The 2014 total valuation was 15.5% less than the \$117,991,693 average annual construction valuation over the past five (5) years (2010-2014) and 18.2% less than the \$121,906,040 average annual construction valuation over the past 10 years (2005-2014).

NOTE: In 2014, USD 497 School Bond Projects were exempted from Lawrence building permit requirements. Therefore, the permit valuation of School Bond projects that started construction in 2014 (2014 valuation estimated at \$35M - \$45M) is not included in 2014 Lawrence total valuation.



Lawrence Large Projects Permit Valuation

Based on permit valuation, the eleven largest Lawrence projects in 2014 accounted for \$39,203,073 or 39.3% of the total value of construction (two (2) projects were tied for tenth highest valuation). The eleven largest projects in 2014 were:

	<u>Address</u>	<u>Project Description</u>	<u>Project Valuation</u>
1	3725 E 25th St.	DG County Public Works Complex	\$11,007,390
2	523 Frontier Rd.	Apartments at Frontier	\$5,825,683
3	1470 W 31st St.	Menard's	\$5,500,000
4	900 Delaware St.	9 Del Lofts Apartment	\$4,400,000
5	4740 Bauer Farm Dr.	Sprouts Farmer's Market	\$3,750,000
6	6001 Bob Billings Pkwy.	Corpus Christi School Addition	\$2,335,000
7	2625 Iowa St.	Multi-tenant Commercial Center	\$1,800,000
8	1325 W Campus Rd.	Sigma Kappa Sorority Addition	\$1,285,000
9	4930 Overland Dr.	Medical clinic building	\$1,300,000
10	3201 Mesa Way	Genesis Health Club renovation	\$1,000,000
10	2727 Iowa St.	PetSmart renovation	\$1,000,000
Top 10 projects valuation:			\$39,203,073
Total valuation:			\$99,707,903
Top 10 project % of total valuation:			39.3%

The valuation of the eleven largest 2014 Lawrence building permit projects and ratio of these projects to total 2014 permit valuation are below the 46% average for the last six (6) years (when tracking of these statistics began).

Year	Ten Largest Projects Valuation	Other Valuation	Total Permit Valuation	Largest Projects % 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%
2014	\$ 39,203,073	\$60,504,830	\$ 99,707,903	39%
Averages	\$ 50,517,993	\$60,371,159	\$110,889,151	46%

Lawrence Public Projects Valuation (City, County and Lawrence Memorial Hospital)

Valuation for 2014 Public Project building permits totalled \$12,518,055, compared to \$30,564,434 in 2013. Nearly 88% of the valuation of Public projects was accounted for by the Douglas County project at 3755 East 25th Street (the new Douglas County Public Works Facility with seven (7) new buildings). Annual statistics for Public Projects, for which tracking began in 2008, are provided in the following table.

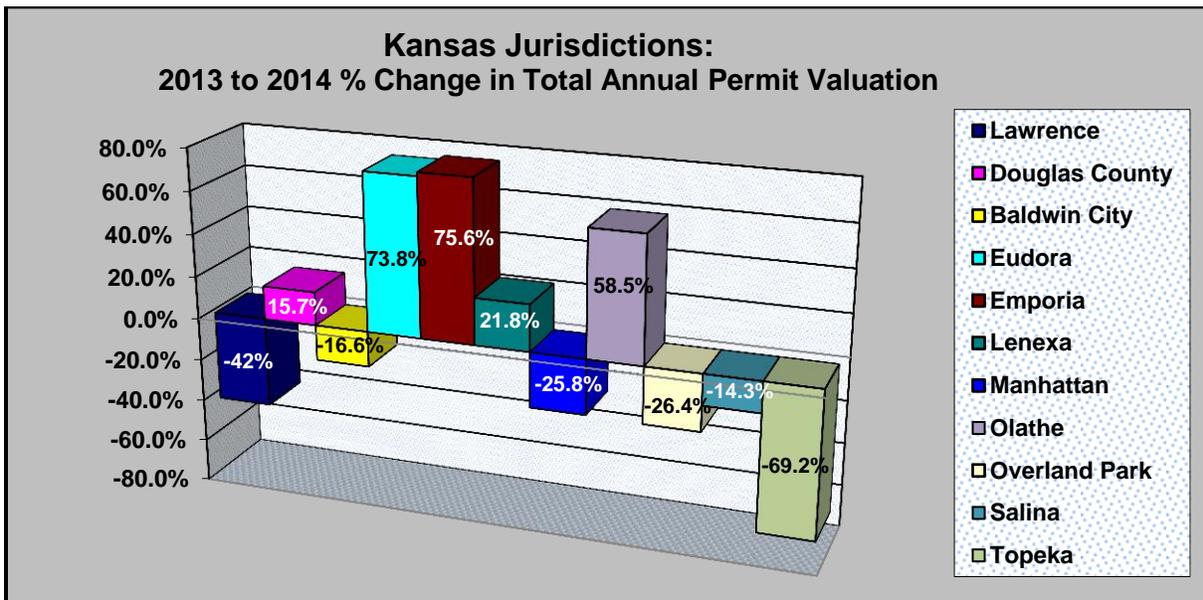
Year	Public Projects Valuation	Number of Permits
2008	\$10,642,761	9
2009	\$7,010,333	46
2010	\$16,857,602	17
2011	\$7,968,156	24
2012	\$8,971,027	31
2013	\$30,564,434	34
2014	\$12,518,055	150 ¹

¹103 of the 150 public permits issued in 2014 were plumbing or electrical permits to correct private property sewer connection/discharge problems found as a result of Utilities Dept. sewer infiltration reduction program.

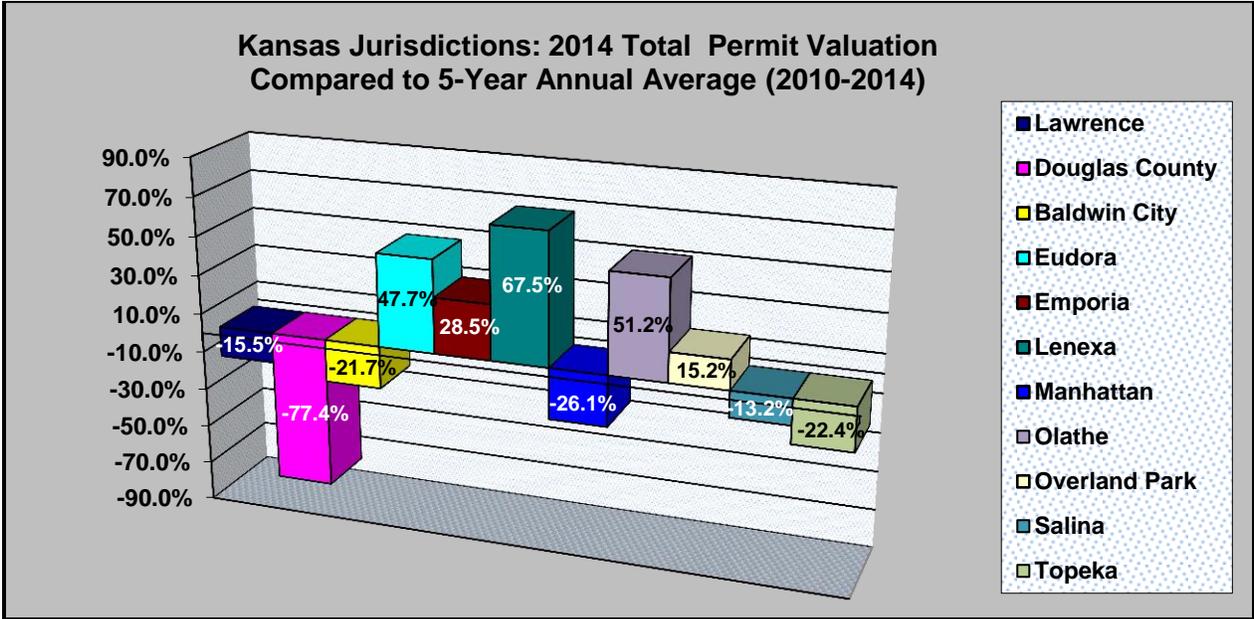
Total Permit Valuation – Other Regional Kansas Jurisdictions

Five (5) of the ten Kansas jurisdictions also reported decreases in total permit valuation from 2013 to 2014, with Topeka (-69.2%, \$344,639,668 to \$106,016,784), Overland Park (-26.4%, \$539,658,710 to \$397,070,513) and Manhattan (-25.8%, \$119,901,316 to \$88,936,714) reporting the largest decreases (compared to a 42% decrease for Lawrence). Baldwin City and Salina reported decreases of -16.6% (\$4,824,937 to \$4,026,186) and -14.3% (\$45,489,002 to \$38,964,203), respectively.

Of the five (5) Kansas jurisdictions reporting increases in total permit valuation from 2013 to 2014, the highest were reported by Emporia (+75.6%, \$11,538,204 to \$20,258,194) and Eudora (+73.8%, \$4,511,687 to \$7,839,657), with Olathe and Lenexa reporting increases of 58.5% (\$245,580,744 to \$389,340,176) and 21.8% (\$228,115,817 to \$277,839,223), respectively. Douglas County reported a 15.7% increase (\$16,520,627 to \$19,110,238).



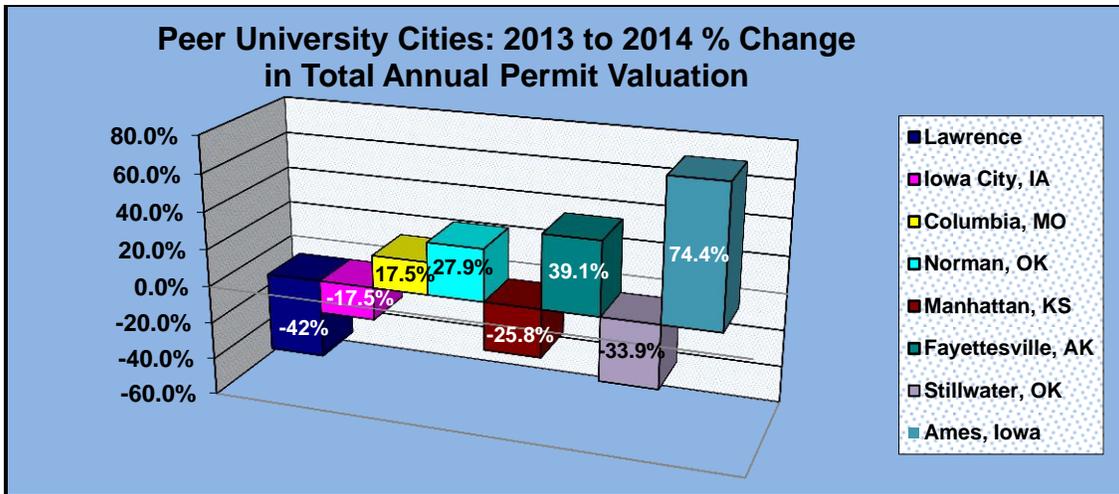
Lawrence’s 2014 total permit valuation of \$99,707,903 was 15.5% less than its 5-year annual average of \$117,991,693 (2010 through 2014). Five (5) of the ten surveyed Kansas jurisdictions also had 2014 total permit valuation below their 5-year annual average, including Douglas County (77.4% less than its 5-year annual average of \$88,584,749), Manhattan (26.1% less than its 5-year average of \$120,267,626), Topeka (22.4% less than its 5-year average of \$136,541,768), Baldwin City (21.7% less than than its 5-year average of \$5,144,974) and Salina (13.2% less than its 5-year average of \$44,915,074). Four (4) of the other five (5) Kansas jurisdictions had 2014 total permit valuation significantly above their 5-year average, including Lenexa (67.5% above 5-year average of \$165,883,866), Olathe (51.2% above 5-year average of \$257,517,989), Eudora (47.7% above 5-year average of \$5,308,781) and Emporia (28.5% above 5-year average of \$15,769,809). One jurisdiction, Overland Park, had a 2014 permit valuation that was moderately above its 5-year average (15.2% above 5-year average of \$344,720,868).



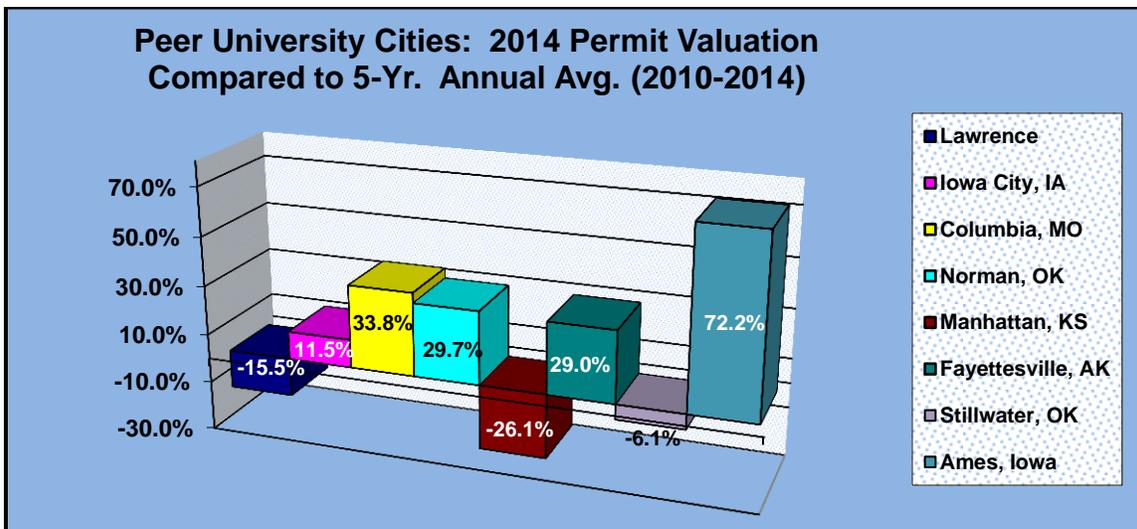
Total Permit Valuation – Peer University Cities

Lawrence total permit valuation decreased by 42% from 2013 to 2014. Lawrence’s decrease was greater than the three (3) peer cities reporting decreases: Stillwater (-33.9%, from \$90,731,860 to \$59,966,326); Manhattan (-25.8%, from \$119,901,316 to \$88,936,714); and Iowa City (-17.5%, from \$184,876,852 to \$152,579,212).

Four (4) of the seven (7) peer university cities saw increases in total permit valuation from 2013 to 2014. Significant increases were seen in Ames (+74.4%, \$129,989,581 to \$226,711,446), Fayetteville (+39.1%, \$193,774,168 to \$269,634,160), and Norman (+27.9%, \$217,453,449 to \$278,201,768). Columbia reported a percentage increase of 17.5% (\$295,663,417 to \$347,258,124).

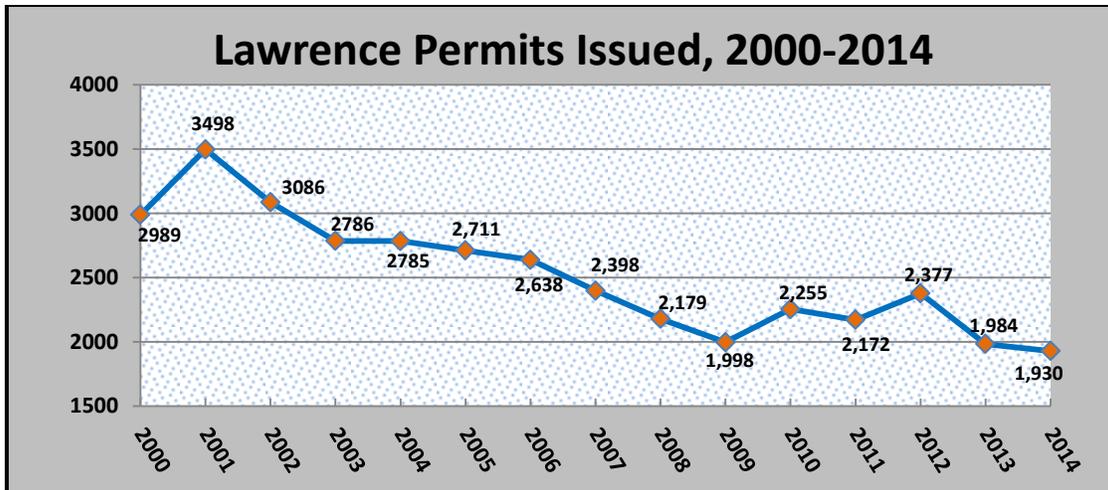


Lawrence 2014 total permit valuation of \$99,707,903 was 15.5% less than the Lawrence 5-year annual average of \$117,991,693 (2010 through 2014). Of the seven (7) peer university cities surveyed, only two (2) had 2014 total permit valuation below their 5-year annual average, Manhattan (26.1% less than 5-year annual average of \$120,267,626) and Stillwater (6.1% less than 5-year annual average of \$63,828,973). Five (5) peer cities reported 2014 total permit valuation significantly above their 5-year average, including: Ames (72.2% above 5-year average of \$131,668,269); Columbia (33.8% above 5-year average of \$259,572,579); Norman (29.7% above 5-year average of \$214,483,976); Fayetteville (29% above 5-year average of \$209,070,191); and Iowa City (11.5% above 5-year average of \$136,886,284).



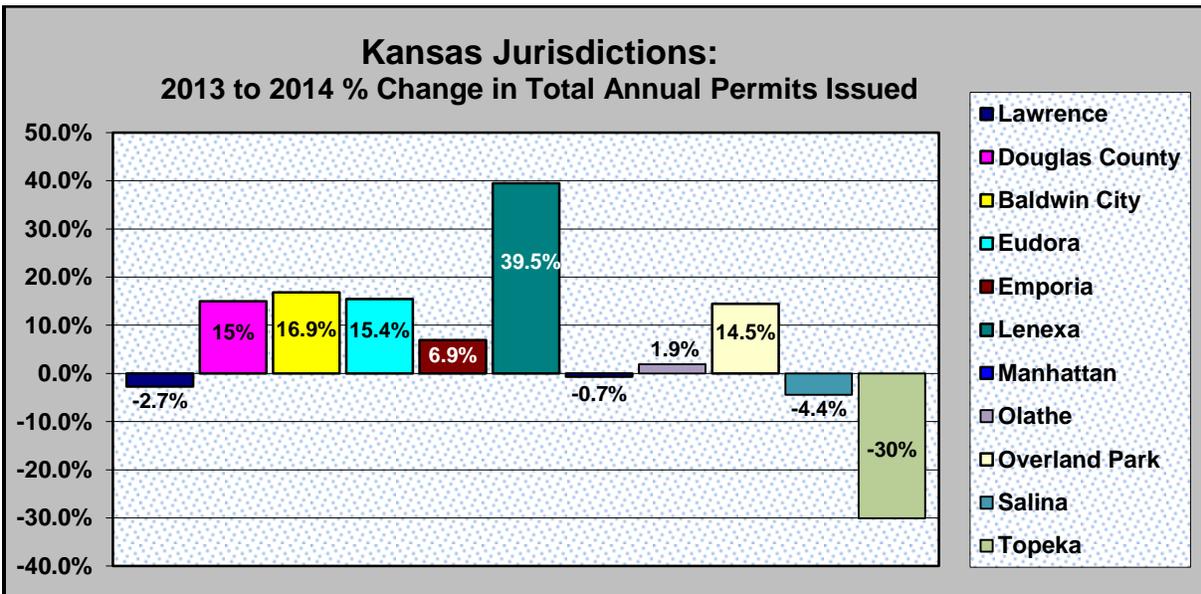
Lawrence Total Number of Permits Issued

The trend in Lawrence's total number of permits issued annually had been steadily decreasing since 2000, and reached a decade-long low of 1,998 in 2009. The number of annual permits had been trending up from the low in 2009 to 2,377 in 2012, but has been dropping since. In 2014, the number of permits issued dropped to 1,930, the lowest level since 2000, decreasing by 2.7% from the 1,984 permits issued in 2013. Permit activity reached an all-time high in 2001 when 3,498 permits were issued. The line graph below shows the trend for Lawrence permits issued since 2000.

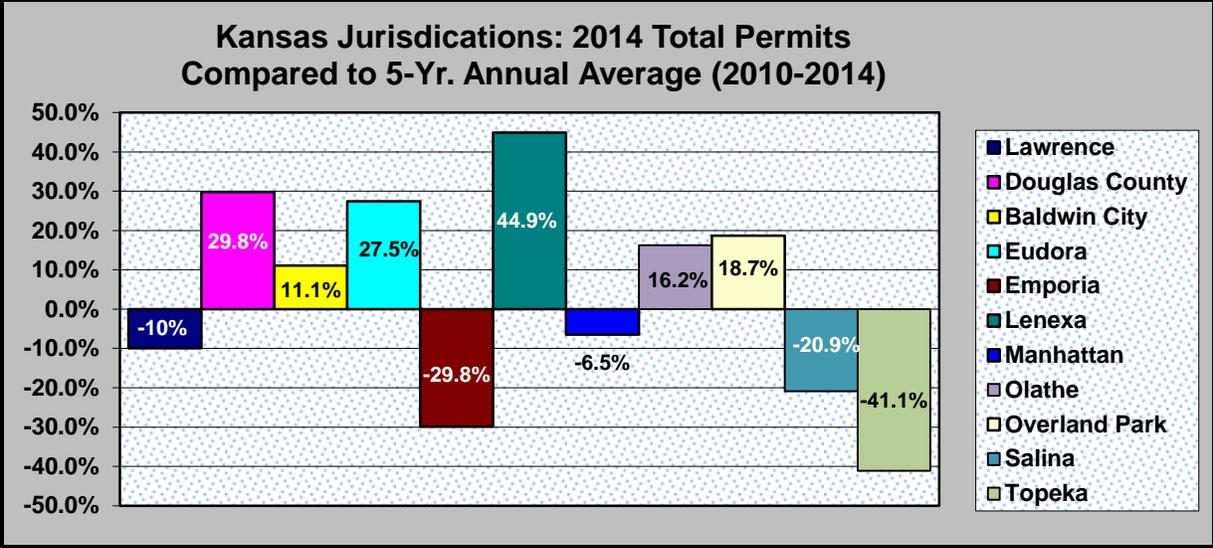


Total Number of Permits Issued - Other Regional Kansas Jurisdictions

Two (2) other Kansas jurisdictions reported decreases in the number of permits issued from 2013 to 2014 (Lawrence had a decrease of 2.7%), Topeka (-30%) and Salina (-4.4%). Manhattan reported a negligible decrease of 0.7%. Significant increases in the 2013 to 2014 number of permits issued were reported by five (5) surveyed Kansas jurisdictions, including: Lenexa (+39.5%); Baldwin City (+16.9%); Eudora (+15.4%); Douglas County (+15%); and Overland Park (+14.5%). Two (2) Kansas jurisdictions reported only modest increases, Emporia (+6.9%) and Olathe (+1.9%).

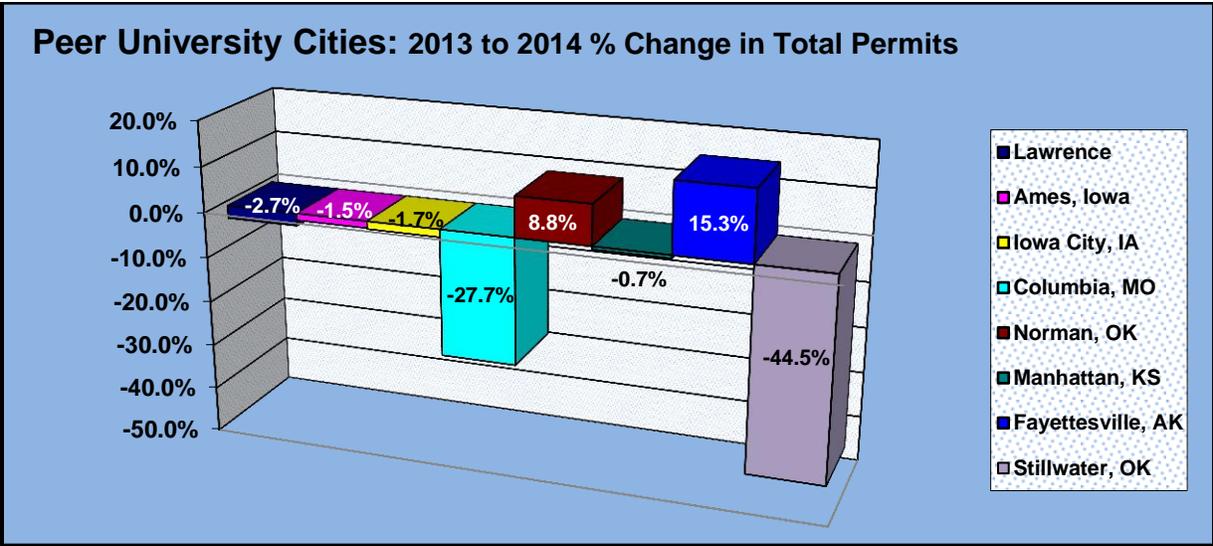


The average number of permits issued annually in Lawrence over the past five (5) years (2010 through 2014) was 2,144; the total of 1,930 permits issued in 2014 was 10% below Lawrence's annual average for the 5-year time period. Four (4) of the 10 Kansas jurisdictions also reported decreases in the total number of permits issued in 2014 compared to their 5-year annual average (2010-2014), ranging from a decrease of 41.1% (Topeka) to a decrease of 6.5% (Manhattan). Six (6) jurisdictions reported an increase in 2014 compared to their 5-year annual average, Lenexa (+44.9%), Eudora (+27.5%), Overland Park (+18.7%), Olathe (+16.2%), Douglas County (+29.8%) and Baldwin City (+11.1%).

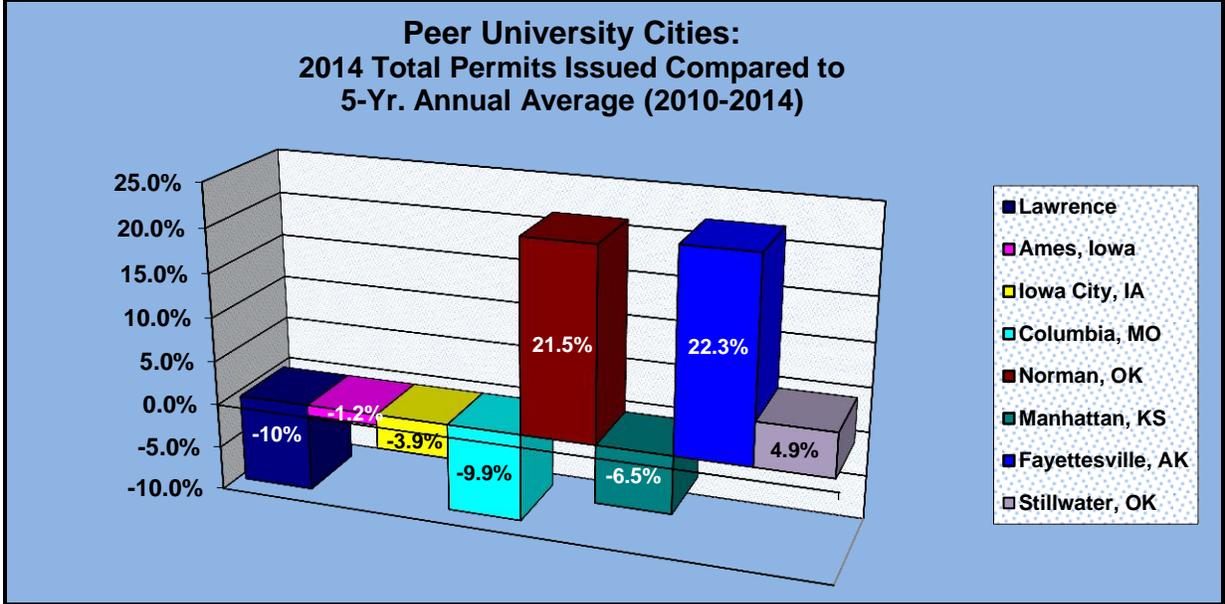


Total Number of Permits Issued – Peer University Cities

From 2013 to 2014, Lawrence saw a 2.7% decrease in the total number of permits issued. Five (5) of the seven (7) peer university cities also reported decreases in the number of total permits issued from 2013 to 2014, with Stillwater and Columbia reporting the largest decreases (-44.5% and -27.7% respectively), and Ames, Iowa City and Manhattan reporting decreases of under 2%. Only two (2) peer university cities reported increases in number of total permits issued from 2013 to 2014, Fayetteville (+15.3%) and Norman (+8.8%).

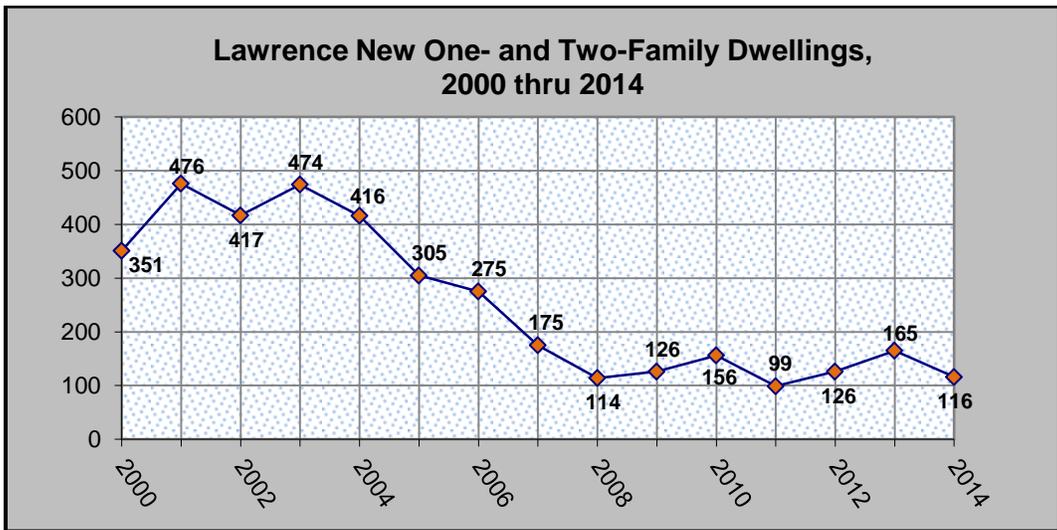


The total number of permits issued by Lawrence in 2014 was 10% below its annual average over the past five (5) years. Four (4) of the seven (7) peer cities also experienced decreases in total number of permits issued in 2014 when compared to their 5-year annual average (2010-2014), ranging from a decrease of 9.9% (Columbia) to a decrease of 1.2% (Ames). Three (3) peer cities reported an increase in 2014 total permits issued when compared to their 5-year annual average, Fayetteville (+22.3%), Norman (+21.5%) and Stillwater (+4.9%).



Lawrence New One- and Two-Family Residential Permits

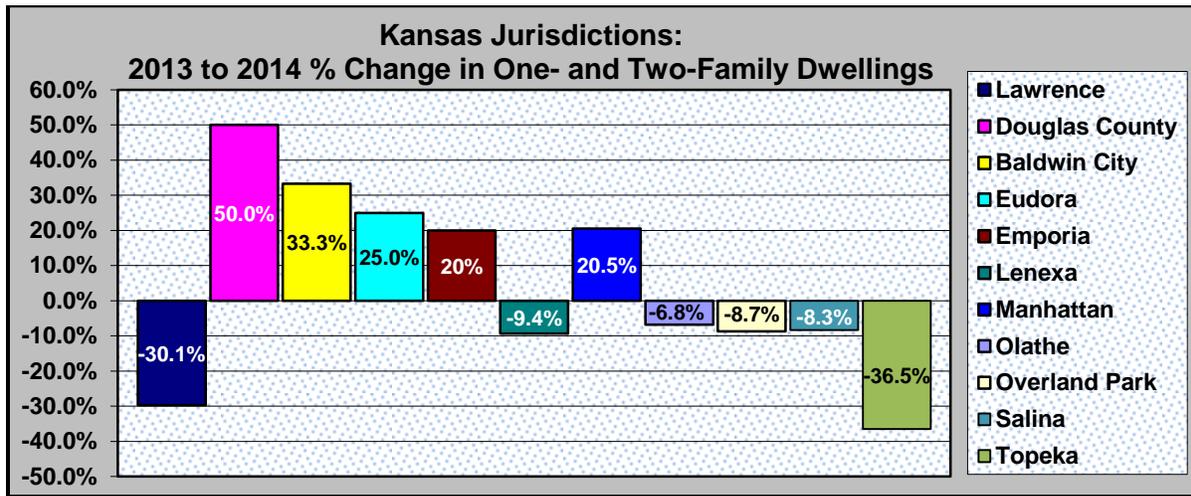
The number of Lawrence permits issued for new one- and two-family dwellings during 2014 decreased by 30.1% from the number issued in 2013 (166 to 116). The 116 permit total in 2014 was just 18 above the lowest annual total in the past 15 years – 99 permits in 2011. The Lawrence 5-year annual average of 132.6 (2010 – 2014) was 294.4 less than the 428.6 average annual number of new one- and two-family permits issued from 2000 through 2004 (the 5-year period with the highest average annual number of permits issued during the past 15 years).



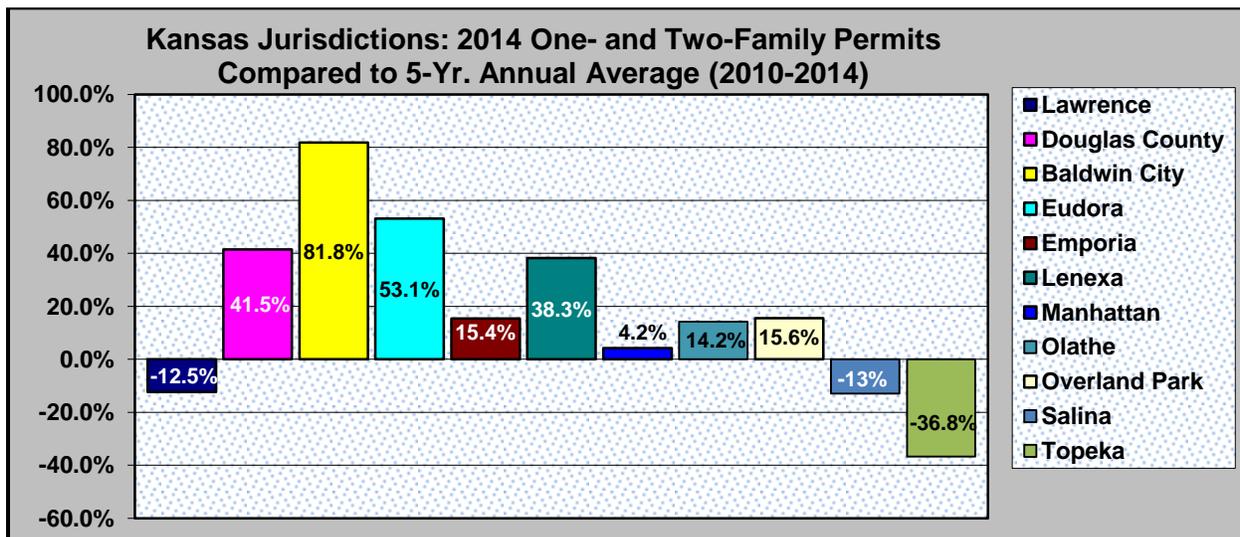
New One- and Two-Family Residential Permits- Other Regional Kansas Jurisdictions

In 2014, the number of new one- and two-family permits issued in Lawrence (116) was 30.1% less than the number issued in 2013 (166). Five (5) of the ten Kansas jurisdictions surveyed also reported decreases in the number of new one- and two-family permits issued in 2014 compared to 2013, with Topeka reporting the largest decrease (-36.5%, 85 to 54). Others reporting decreases were Lenexa (-9.4%, 213 to 193), Overland Park (-8.7%, 403 to 368), Salina (-8.3%, 60 to 55) and Olathe (-6.8%, 497 to 463). The five (5) Kansas jurisdictions reporting increases were Douglas County (+50%, 30 to

45), Baldwin City (+33.3%, 3 to 4), Eudora (+25%, 12 to 15), Emporia (+20%, 10 to 12) and Manhattan (+20.5%, 161 to 194).



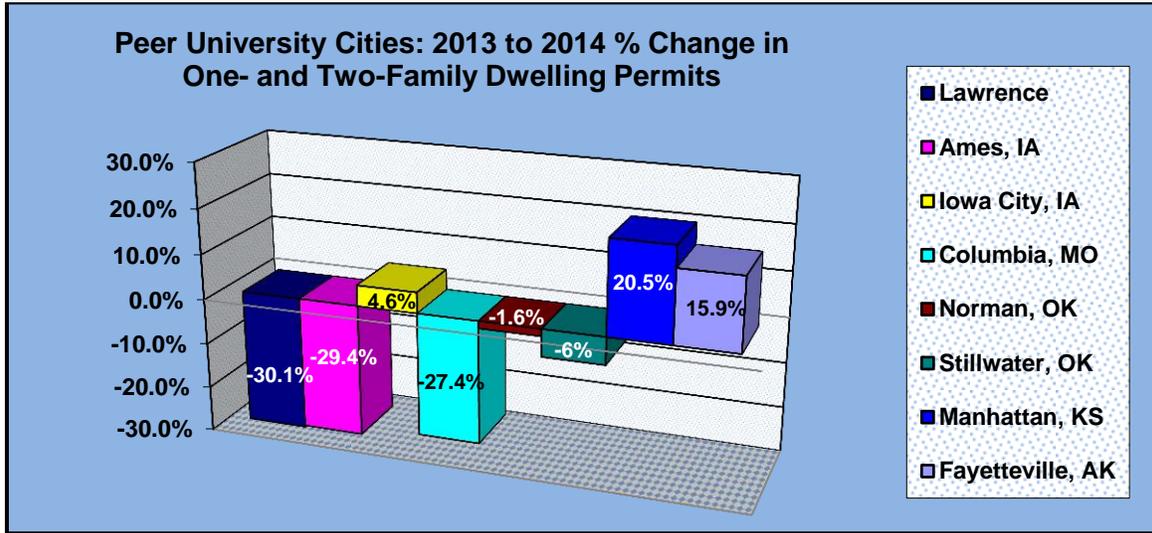
For 2014, the number of new one- and two-family permits issued in Lawrence (116) was 12.5% less than the Lawrence 5-year annual average of 132.6 (2010-2014). Two (2) of the ten Kansas jurisdictions also reported 2014 decreases compared to the 5-year annual average, Topeka (-36.8%, 54 in 2014 compared to a 5-year average of 85.4, or 54:85.4) and Salina (-13%, 55:63.2). The other eight (8) jurisdictions reported 2014 increases over their 5-year averages, with Baldwin City (+81.8%, 4:2.2), Eudora (+53.1%, 15:9.8), Douglas County (+41.5%, 45:31.8) and Lenexa (+38.3%, 193:139.6) reporting the largest. Overland Park, Emporia, Olathe and Manhattan reported increases of 15.6% (368:318.4), 15.4% (12:10.4), 14.2% (463:405.4) and 4.2% (194:186.2), respectively.



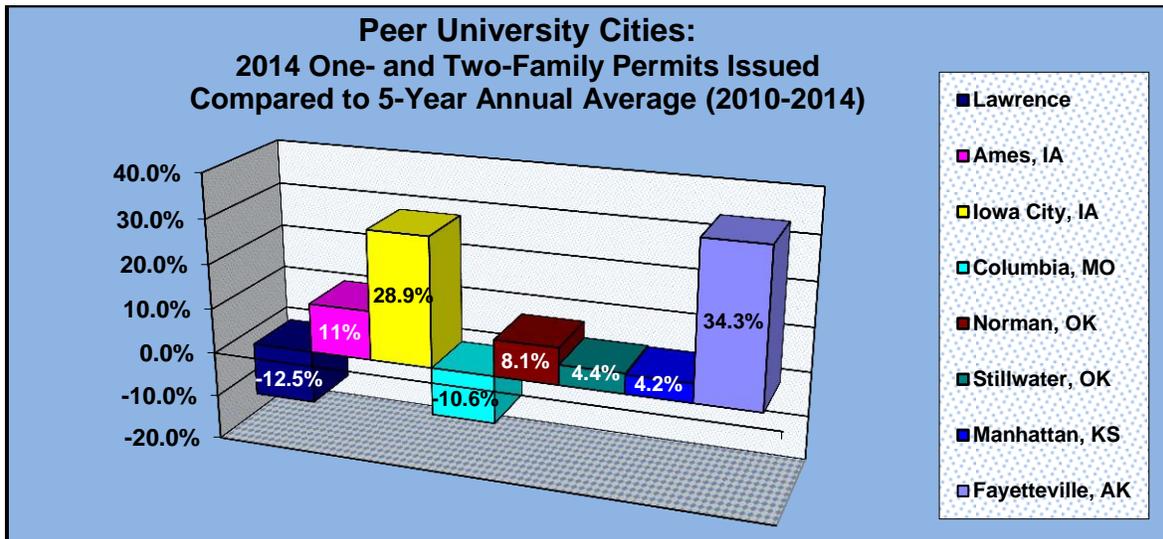
New One- and Two-Family Residential Permits- Peer University Cities

In 2014, Lawrence new one- and two-family permits decreased by 30.1% from 2013 to 2014 (166 to 116). Among the five (5) university cities reporting decreases, Lawrence experienced the greatest percentage decrease, slightly more than Ames (-29.4%, 126 to 89) and Columbia (-27.4%, 647 to 470). Stillwater and Norman saw moderate decreases of -6% (100 to 94) and -1.6% (446 to 439),

respectively. The three (3) university cities reporting increases included Manhattan (+20.5%, 161 to 194), Fayetteville (+15.9%, 416 to 482) and Iowa City (+4.6%, 175 to 183).



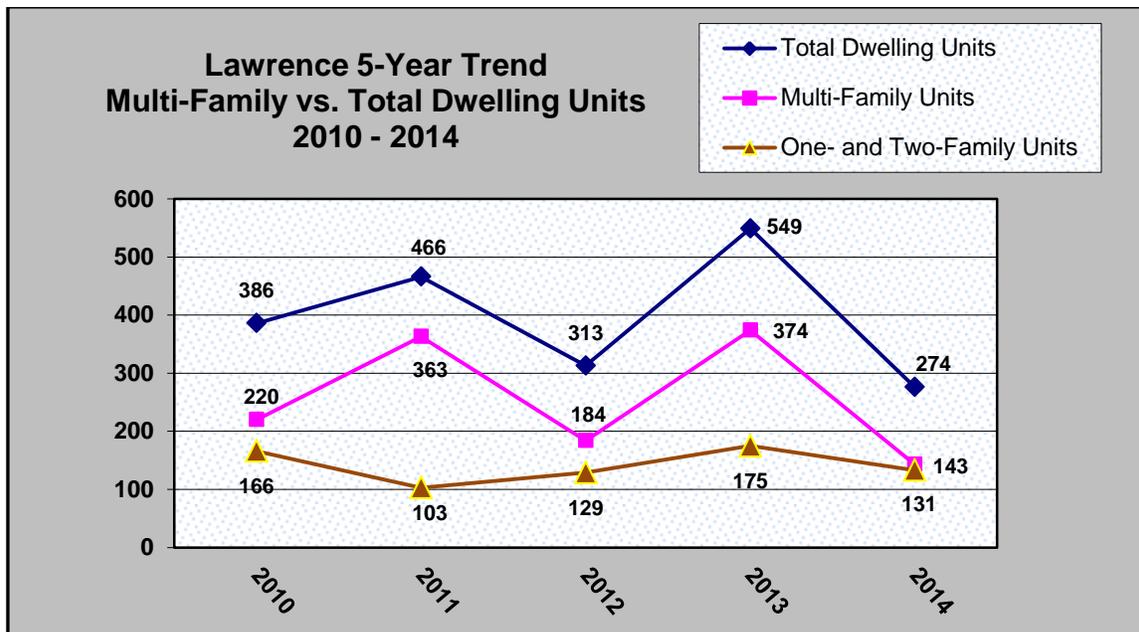
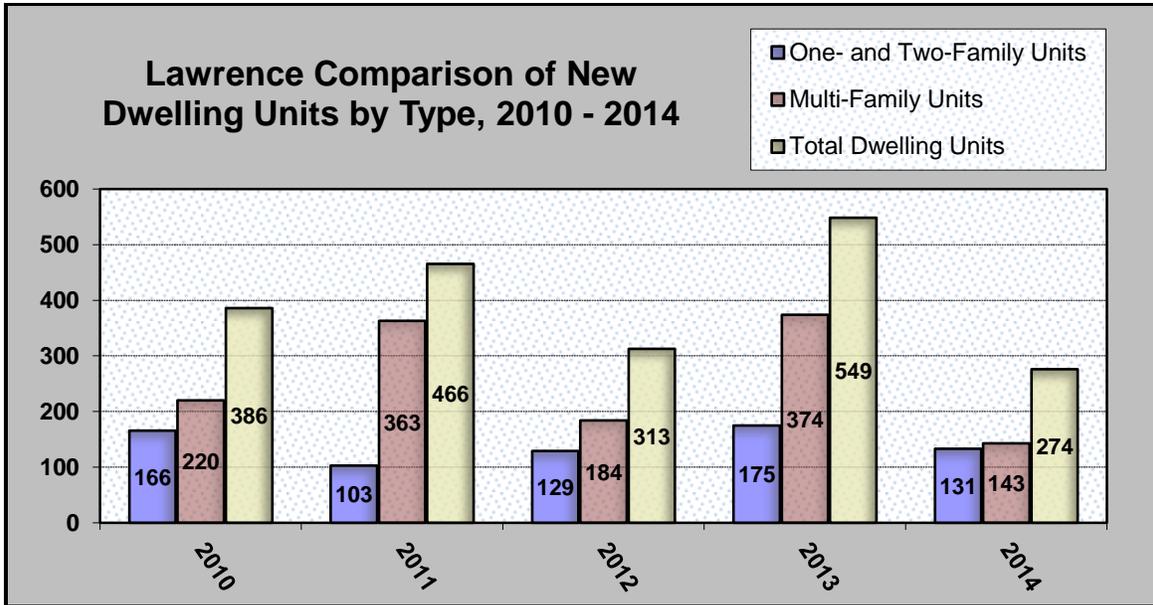
In 2014, the total of new one- and two-family permits for Lawrence (116) was 12.5% less than the Lawrence 5-year annual average of 132.6 (2010-2014). The only peer city to report a 2014 new one- and two-family permit total less than their 5-year annual average (2010-2014) was Columbia, with a decrease of 10.6% (470 in 2014 compared to 5-year average of 525.8, or 470:525.8). Of the six (6) peer cities with increases in the number of one- and two-family permits issued in 2014 compared to their 5-year annual average, Fayetteville and Iowa City reported the highest increases, +34.3% (482:358.8) and +28.9% (183:142), respectively. Modest increases were reported by Ames (+11%, 89:80.2), Norman (+8.1%, 439:406), Stillwater (+4.4%, 94:90) and Manhattan (+4.2%, 194:186.2).



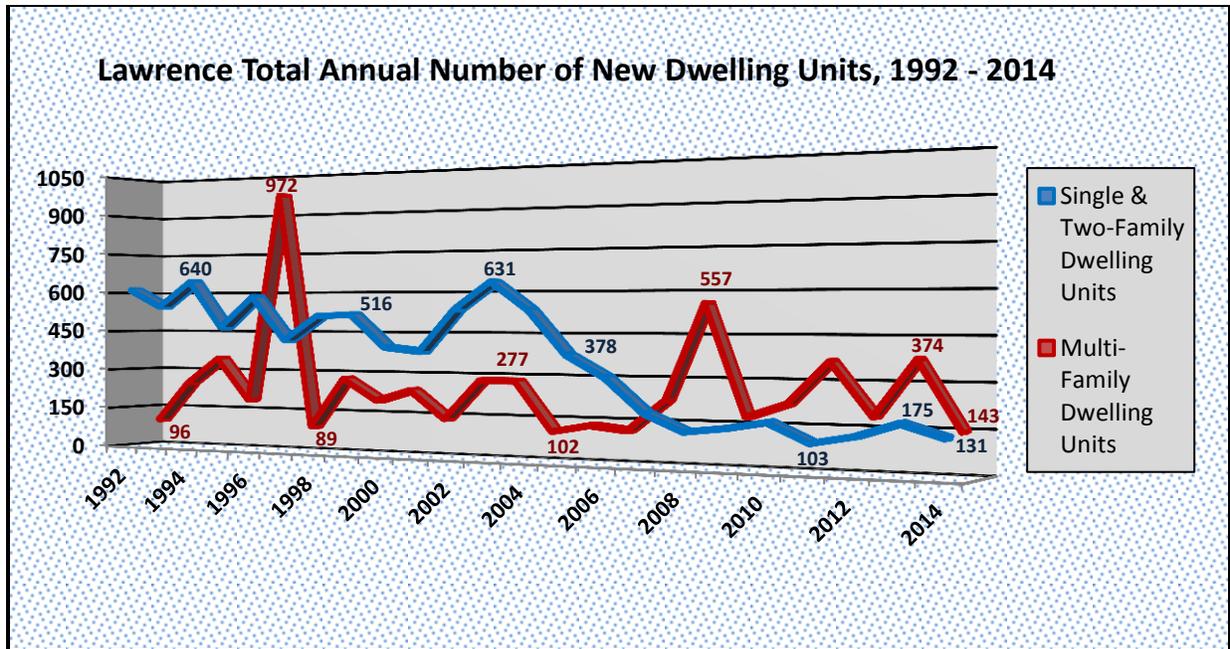
Lawrence New Multi-Family Permits and Total New Dwellings

In 2014, permits were issued for 143 new multi-family dwelling units in Lawrence, down 61.8% from the 374 multi-family units permitted in 2013, and 44.3% less than the Lawrence 5-year annual average of 257 new multi-family dwelling units.

Total dwelling units includes dwelling units of all types: single-family, duplex and multi-family (three (3) or more units). The total number of dwelling units permitted by Lawrence in 2014 (274) was 50.1% less than the total number of dwelling units permitted in 2013 (549), and 31.1% less than the total annual average number of units permitted for the period 2010-2014 (398 dwelling units).

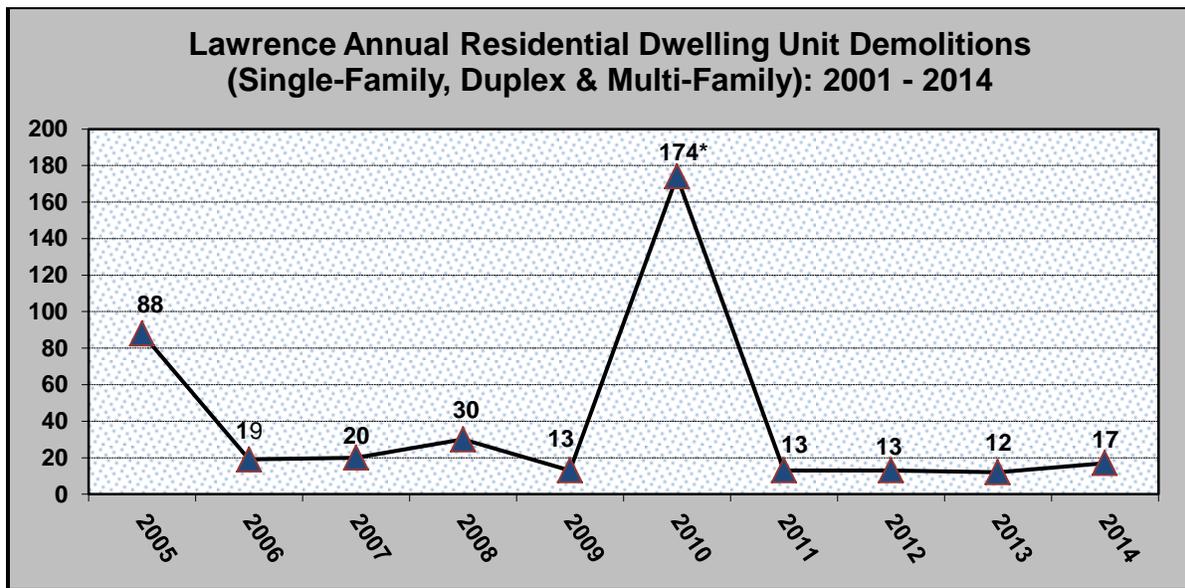


During the 23 years since 1992, there were nine (9) years in which the number of permitted new multi-family dwelling units exceeded the number of permitted new one- and two-family dwelling units, 1996 and the last eight (8) years (2007 through 2014). The chart below reflects the trends in the number of one- and two-family and multi-family dwelling units built annually in Lawrence since 1992.



Lawrence Total Annual Number of Dwelling Units Demolished

The table and chart below provide information regarding the total number of dwelling units (all types) demolished annually in Lawrence since 2001.



***Note:** 158 of 174 units demolished in 2010 were in the Boardwalk Apartments (7 multi-family buildings), where the Frontier Apartment complex buildings have been built, and continue to be built, in phases.

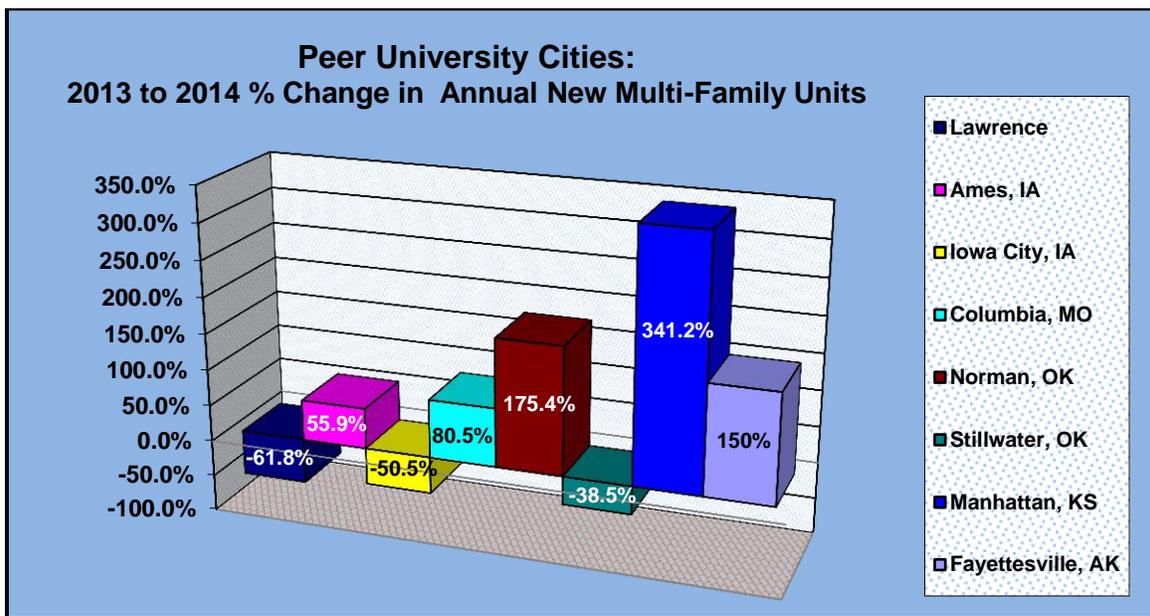
New Multi-Family Permits and Multi-Family Units – Peer University Cities

Per U.S. Census data, the overall homeownership rate for the Midwest Region of the United States was 69.8% in 2013. As shown in the table on page 2, the U.S. Census Bureau 2009-2013 homeownership rate for Lawrence was 46.1%, which is in the mid-range of homeownership rates for the seven (7) peer university cities (the highest rate being for Norman at 57%, and the lowest being for Stillwater at 37.5%). The lower homeownership rates in Lawrence and its peer university cities

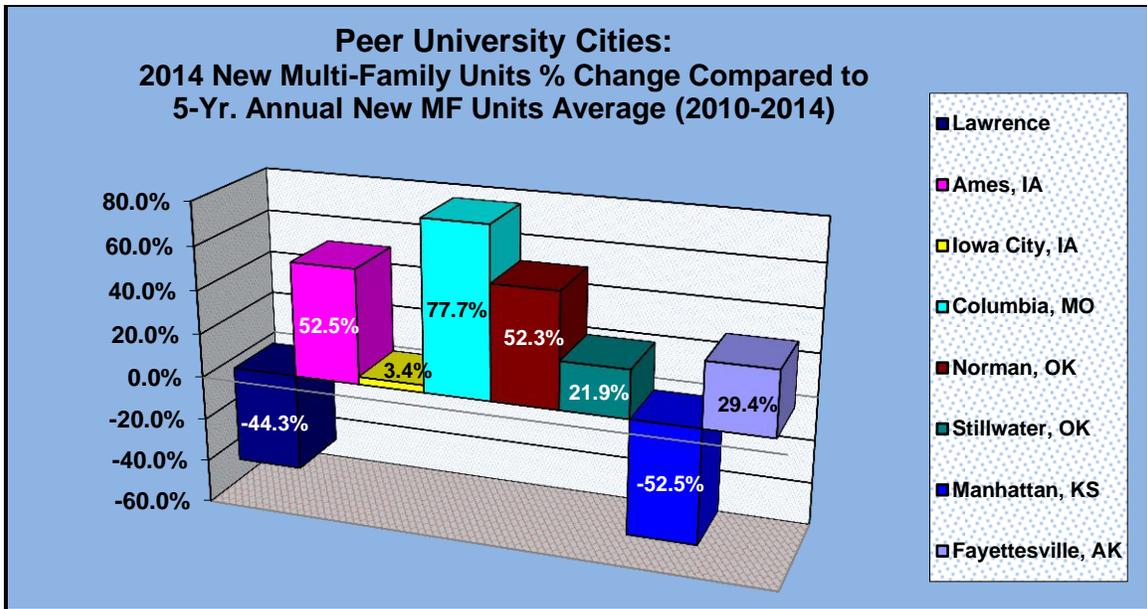
(compared to the Midwest Region average) suggest that the amount of multi-family unit construction is relevant permit data to track and compare.

In 2014, permits were issued for 143 new multi-family dwelling units in Lawrence, down 61.8% from the 374 multi-family units permitted in 2013 (the Lawrence 5-year high). This was the largest 2013 to 2014 percentage decrease reported among the seven (7) peer cities. The two (2) peer cities reporting decreases from 2013 to 2014 were Iowa City (down 50.5%, from 515 to 255 multi-family units) and Stillwater (down 38.5%, from 395 to 243 multi-family units). Of the five (5) peer cities reporting a 2013 to 2014 increase in the number of multi-family units permitted, Manhattan reported the greatest at +341.2% (from 17 to 75 multi-family units). Other peer cities reporting 2013 to 2014 increases were Norman (+175.4%, from 260 to 716 multi-family units), Fayetteville (+150%, from 150 to 375 multi-family units), Columbia (+80.5%, from 395 to 713 multi-family units) and Ames (+55.9%, from 286 to 446 multi-family units).

Below is a chart showing the percentage change from 2013 to 2014 for permitted multi-family units for Lawrence and its peer university cities.

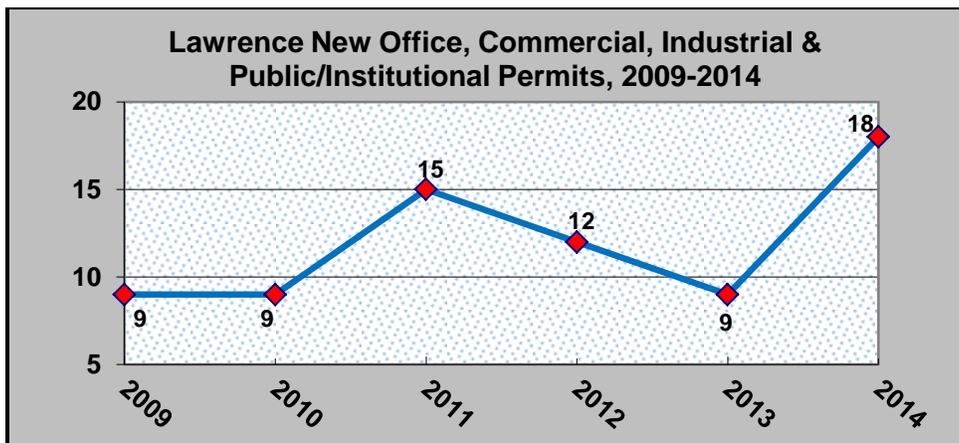


In 2014, the total of new multi-family dwelling units for Lawrence (143) was 44.3% less than the Lawrence 5-year annual average of 257 (2010-2014). The only peer university city to report a 2014 new multi-family dwelling unit total less than its 5-year annual average (2010-2014) was Manhattan, with a decrease of 52.5% (75 units in 2014 compared to 5-year average of 158 units, or 75:158). Of the six (6) peer cities with a higher number of multi-family units permitted in 2014 as compared to their 5-year annual average, Columbia had the highest increase, +77.7% (713:401.2). Other peer cities with increases included Ames (+52.5%, 446:292.4), Norman (+52.3%, 716:470), Fayetteville (+29.4%, 375:289.8), Stillwater (+21.9%, 243:199.4) and Iowa City (+3.4%, 255:246.6).



Lawrence Commercial New Construction Permits (includes new office, commercial, industrial and public/institutional projects)

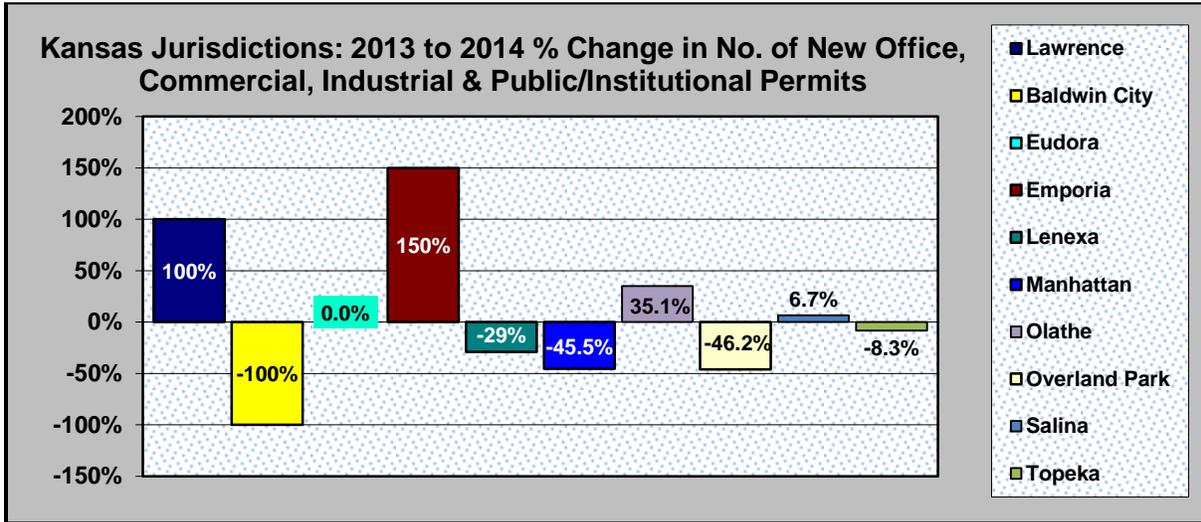
The number of Lawrence commercial new construction permits issued in 2014 (18) was double the number issued in 2013 (9). However, the total 2014 valuation for commercial new construction permits (\$25,270,632) was nearly 50% less than the total valuation of the nine (9) permits issued in 2013 (\$49,927,401, including two (2) very large projects, Sports Pavilion Lawrence and the new hotel at 900 New Hampshire). The number of permits issued in 2014 (18) was 42.6% greater than the Lawrence 5-year annual average of 12.6 (2010-2014).



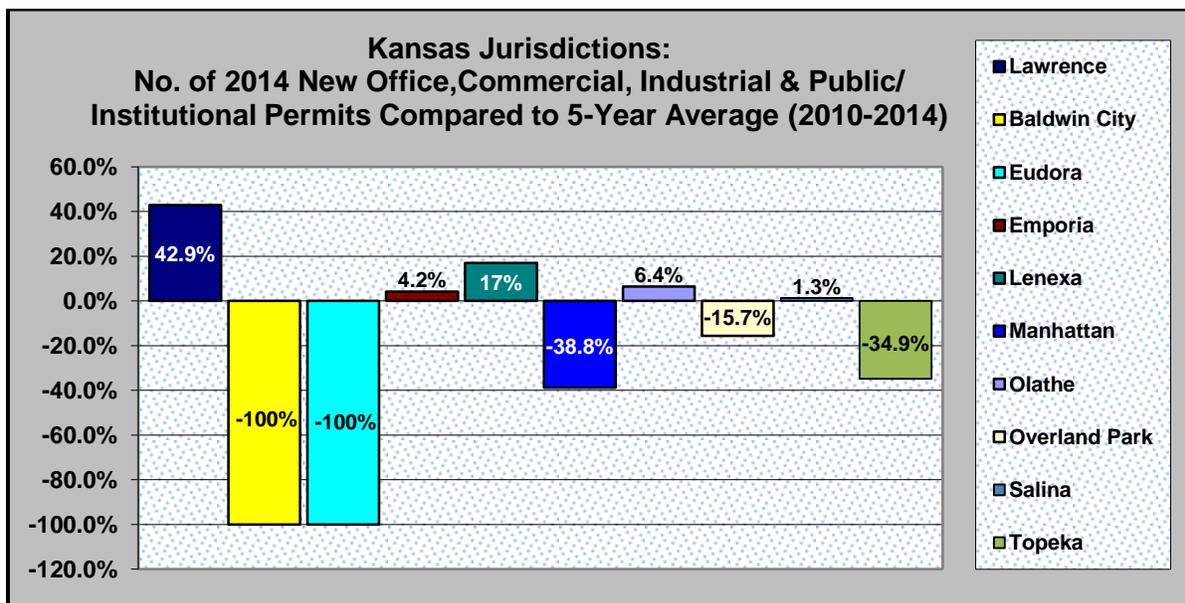
Commercial New Construction Permits (includes new office, commercial, industrial and public/institutional projects) – Other Regional Kansas Jurisdictions

Lawrence issued 18 new commercial permits in 2014, a 100% increase over the nine (9) permits issued in 2013. The Lawrence increase of 100% was second to Emporia, which reported a 150% 2013 to 2014 increase in number of commercial new construction permits issued (from two (2) to five (5)). Olathe reported a 2013 to 2014 increase of 35.1% (37 to 50), and Salina reported an increase of 6.7% (15 to 16). Eudora issued zero new commercial permits in both 2013 and 2014. The other five (5) jurisdictions reported 2014 to 2013 decreases in the number of commercial new construction permits issued: Baldwin City (from one to zero); Overland Park (-46.2%, 52 to 28); Manhattan (down

45.5%, 22 to 12); Lenexa (-29%, 31 to 22); and Topeka (-8.3%, 24 to 22). Douglas County has not provided historic data, and is therefore not included in this analysis.

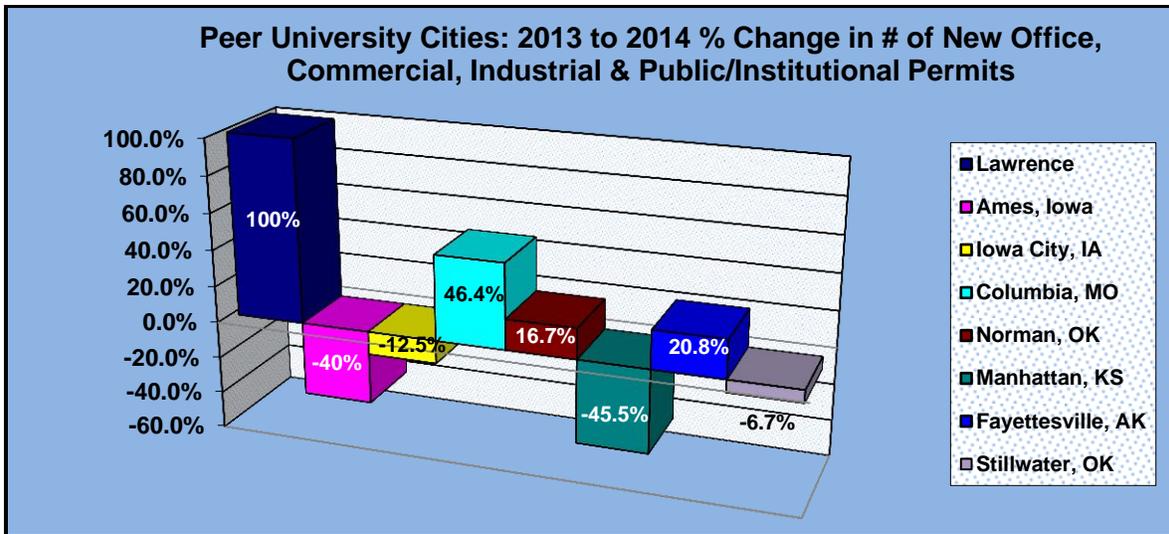


In 2014, the total number of commercial new construction permits for Lawrence (18) was 42.9% greater than Lawrence’s 5-year annual average of 12.6 permits (2010-2014); this was the greatest percentage increase among Kansas jurisdictions. The second highest percentage increase, +17%, was reported by Lenexa (22 permits in 2014 compared to 5-year annual average of 18.8, or 22:18.8). Modest percentage increases were reported by Olathe (6.4%, 50:47), Emporia (4.2%, 5:4.8) and Salina (1.3%, 16:15.8). Five (5) jurisdictions reported decreases, with Baldwin City and Eudora reporting no commercial permits issued in 2014 (compared to 5-year averages of eight (8) and two (2)). Manhattan and Topeka reported significant decreases for 2014 compared to their 5-year annual average, down 38.8% (12:19.6) and 34.9% (22:33.8), respectively. Overland Park issued 28 new commercial permits in 2014, a 15.7% decrease from its 5-year annual average of 33.2 permits. Douglas County has not provided historic data, and is therefore not included in this analysis.

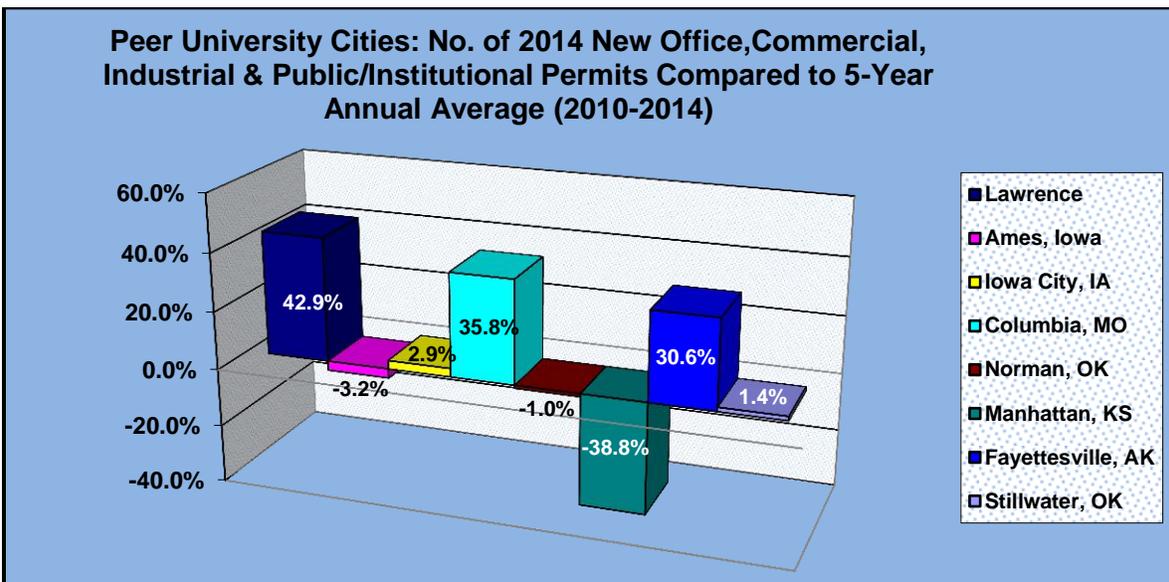


Commercial New Construction Permits (includes new office, commercial, industrial and public/institutional projects) – Peer University Cities

Among peer university cities, Lawrence saw the largest percentage increase (100%) in commercial new construction permits issued in 2014 (18) compared to 2013 (9). Other peer cities seeing increases from 2013 to 2014 included Columbia (+46.4%, from 28 to 41), Fayetteville (+20.8%, from 24 to 29) and Norman (+16.7%, from 84 to 98). The other four (4) peer cities saw decreases, including Manhattan (-45.5%, from 22 to 12), Ames (-40%, from 40 to 24), Iowa City (-12.5%, from 24 to 21) and Stillwater (-6.7%, from 15 to 14). The following chart shows percent change from 2013 to 2014 for commercial new construction permits issued in Lawrence and peer university cities.

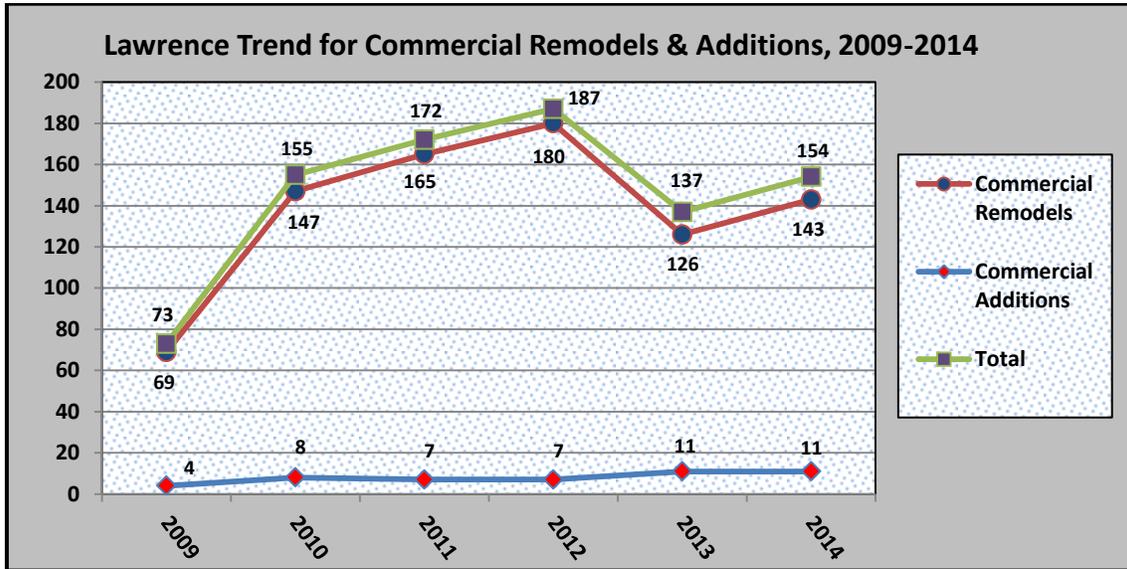


Among peer university cities, Lawrence experienced the largest percentage increase in commercial permits for 2014 (18) compared to the 5-year annual average (2010-2014), +42.9% (18 permits in 2014 compared to the city's 5-year annual average of 12.6 permits, or 18:12.6). Columbia and Fayetteville were close behind at +35.8% (41:30.2) and +30.6% (29:22.2). Iowa City and Stillwater saw small increases of +2.9% (21:20.4) and +1.4% (14:13.8). Manhattan saw a significant decrease of -38.8% (12:19.6). Ames and Norman had minor decreases of -3.2% (24:24.8) and -1% (98:99).

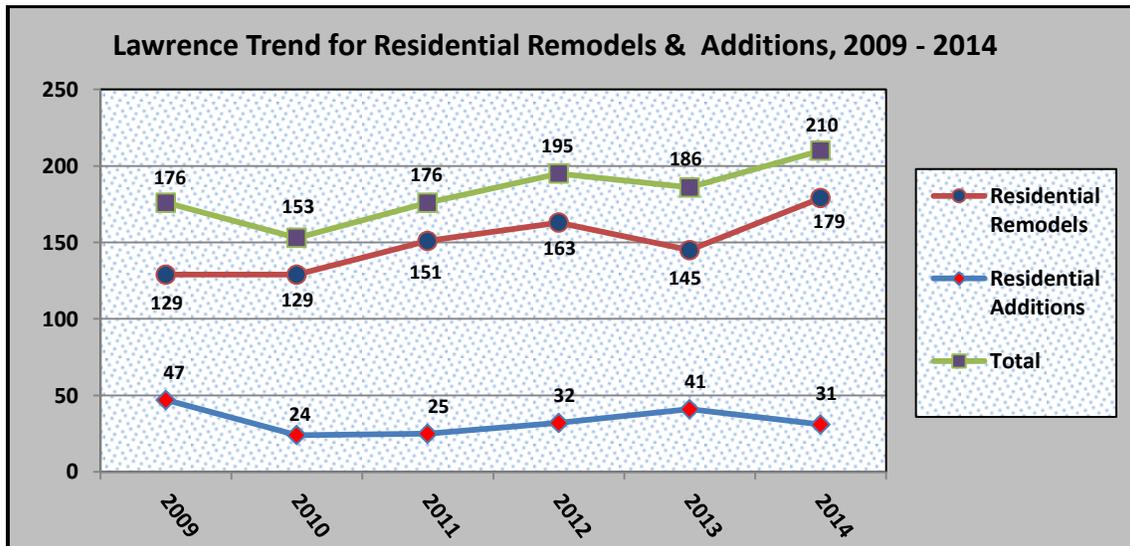


Lawrence Remodel and Addition Permits

The number of Lawrence commercial remodel permits increased from 126 in 2013 to 143 in 2014, or by 13.5%. The number of commercial addition permits in 2014, 11, was the same as 2013. The total number of commercial remodel and addition permits increased by 12.4% from 2013 to 2014 (137 to 154). The 2014 total number of commercial remodel and addition permits is 4.5% less than the 5-year annual average (2010-2014) of 161. The chart below shows the number of commercial remodel and addition permits issued annually over the past six (6) years.

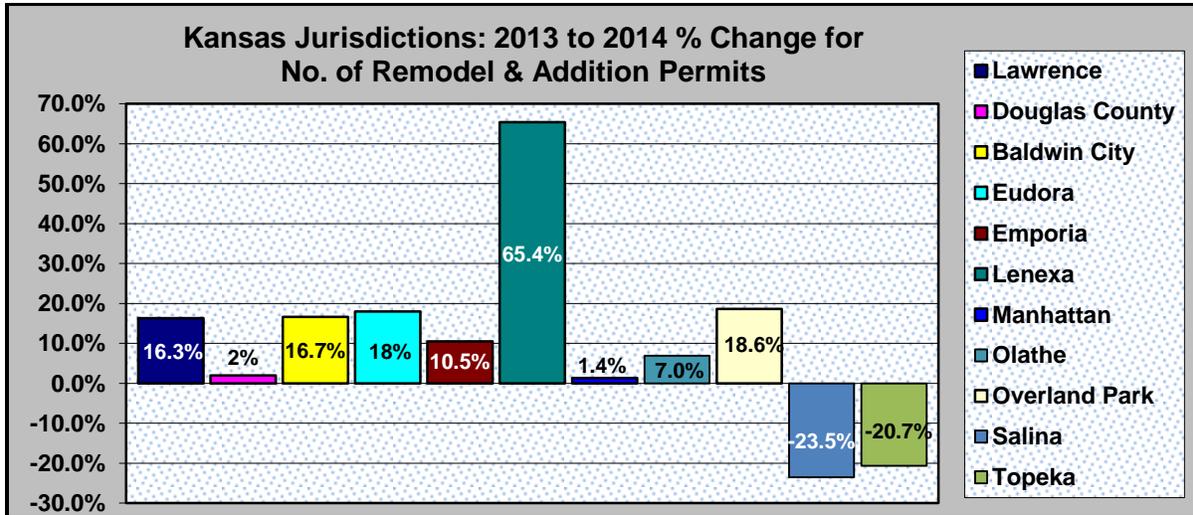


The number of Lawrence residential remodel permits also increased, from 145 in 2013 to 179 in 2014 (+23.4%). However, the number of residential addition permits decreased by 24.4%, from 41 to 31. The total number of residential remodel and addition permits increased by 12.9%, from 186 to 210. The 2014 total number of residential remodel and addition permits is 14.1% greater than the 5-year annual average (2010 through 2014) of 184. The chart below shows the number of residential remodel and addition permits issued annually over the past six (6) years.

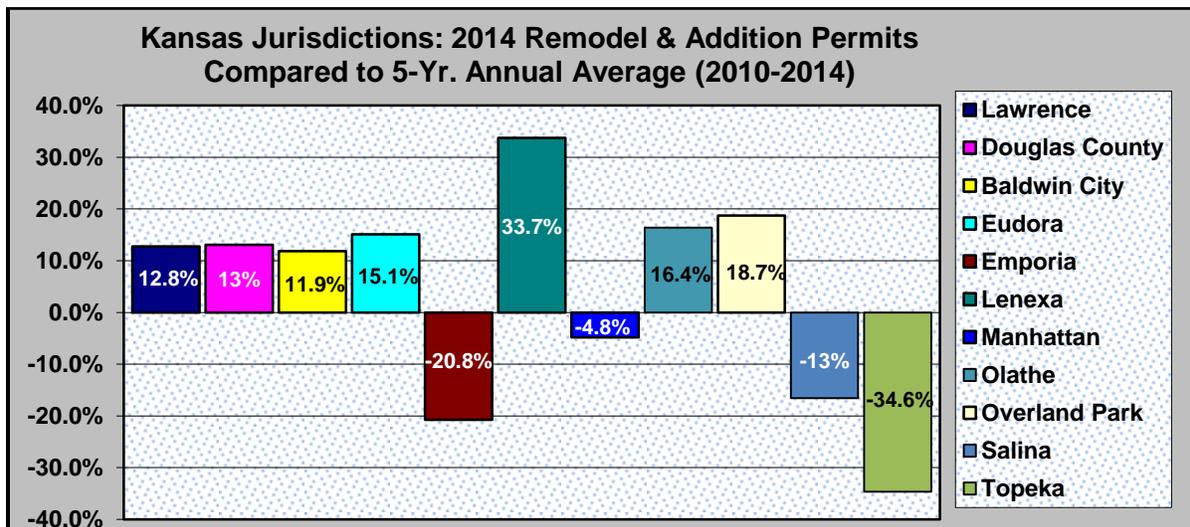


Remodel and Addition Permits- Other Regional Kansas Jurisdictions

In 2014, the total number of Lawrence commercial and residential remodel and addition permits, 364, was 16.3% higher than the total of 313 in 2013 (the fifth highest percentage increase among Kansas jurisdictions). Other Kansas jurisdictions reporting a 2013 to 2104 increase in total number of remodel and addition permits included: Lenexa (+65.4%, 1,308 to 2,163); Overland Park (+18.6%, 3,377 to 4,006); Eudora (+18%, 228 to 269); Baldwin City (+16.7%, 84 to 98); Emporia (+10.5%, from 351 to 388); Olathe (+7%, 388 to 415); Douglas County (+2%, 51 to 52); and Manhattan (+1.4%, 219 to 222). Only two (2) jurisdictions reported a 2013 to 2014 decrease, Salina (-23.5%, 213 to 163) and Topeka (-20.7%, 295 to 234).

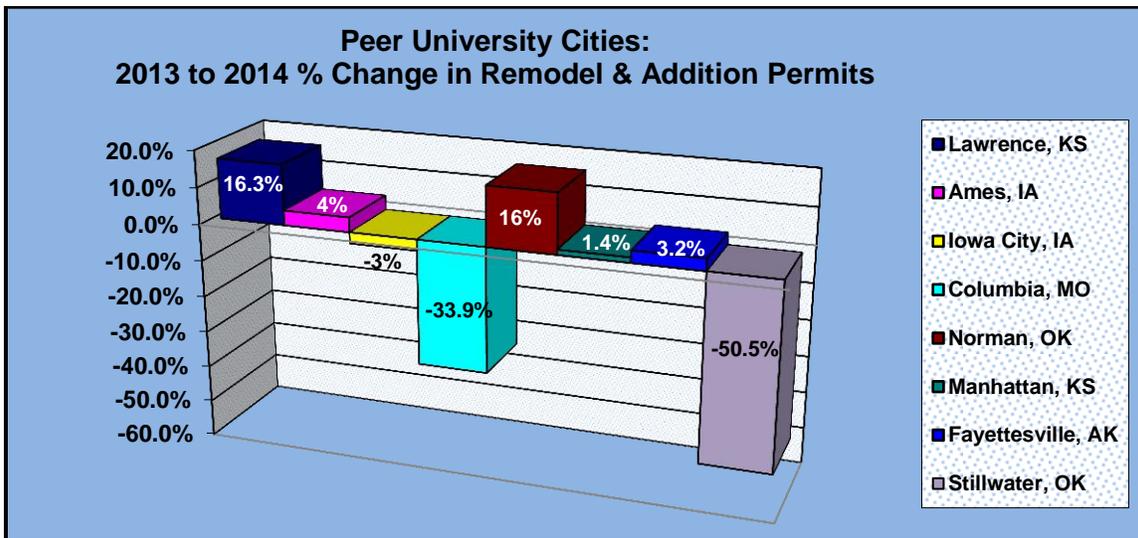


The 364 Lawrence remodel and addition permits issued in 2014 was 12.8% higher the Lawrence 5-year annual average of 322.8 permits (2010-2014). Six (6) of the other 10 Kansas jurisdictions also reported percentage increases in total number of remodel and addition permits issued in 2014 compared to their 5-year annual average (2010-2014), ranging from the high of +33.7% for Lenexa to an 11.9% increase for Baldwin City. Four (4) jurisdictions reported decreases in 2014 compared to their 5-year annual average, ranging from the largest decrease of -34.6% for Topeka, to a -4.8% decrease for Manhattan.



Remodel and Addition Permits- Peer University Cities

From 2013 to 2014, Lawrence saw a 16.3% increase in the total number of remodel and addition permits issued (commercial and residential), 313 to 364. This was the highest percentage increase among peer cities. Norman was close behind, with a 2013 to 2014 increase of 16%, 326 to 378. Ames, Fayetteville and Manhattan reported slight 2013 to 2014 increases of +4% (505 to 525), +3.2% (468 to 483) and +1.4% (219 to 222), respectively. Stillwater and Columbia reported significant 2013 to 2014 decreases, -50.5% (683 to 338) and -33.9% (1,161 to 767). Iowa City had a slight decrease of -3% (from 467 to 453).



Among peer university cities, Lawrence experienced the largest percentage increase in total number of 2014 remodel and addition permits issued compared to its 5-year annual average (2010-2014); +12.8% (364 permits issued in 2014 compared to the city's 5-year annual average of 322.8 permits, or 364:322.8). Norman and Fayetteville were close behind at +11.2% (378:339.8) and +9.7% (483:440.2), respectively. Stillwater saw a smaller increase of +6.1% (338:318.6). Peer cities with percentage decreases were: Columbia (-14.6%, 767:898.6); Iowa City (-13.3%, 453:522.6); Ames (down 6.1%, 525:559.4); and Manhattan (-4.8%, 222:233.2).

