

2011 Building Inspection Year End Report

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The year 2011 saw major changes made in the structure and implementation of how building inspection services were provided to Village of Kronenwetter residents. In December of 2010 Kronenwetter contracted with the Village of Weston to provide building inspection services to Kronenwetter. Scott Tatro has served as the Village's building inspector for the past year, while Kronenwetter Staff continues to provide the building inspection administrative services to residents. The shared services agreement allowed Kronenwetter to expand building inspections service hours from 24 hours per week to over 40 per week.

Another noteworthy change took place in late February when the Village Board passed Ordinance No. 11-01, which amended the building inspection fee schedule to more fairly assess the costs of providing building inspections services to residents. In addition to the reevaluate of fees, the Village also decided to begin require a building permit for reroofing of residential structures.

Following the trend of previous years, 2011 saw a decrease in the amount building activity in the Village. A total of 171 building permits were taken out in 2011, down from 179 in 2010 and 182 in 2009. It's interesting to note that of those 171 building permits, 30 were for reroofing projects, a project that did not require a permit in previous year. If not for those reroofing permits the total number of building permits would have dropped off even more sharply.

The total number of overall permits taken out only tells part of the story; the Village has seen a more dramatic drop in the number of permits taken out for the construction of single family residential homes. In 2009, 32 single family permits were taken out, 2010 saw that number fall to 24, and 2011 saw that number drop to 16. In two years the number of single family homes constructed had dropped by 50 percent.

Another measurement to show how the recent drop in building has affected the Village can be seen by reviewing the estimated building cost of all the projects in the past three years. In 2009, the 182 permits estimated a building cost of approximately \$8,015,000, in 2010 the 179 permits estimated a value that shrank to \$5,898,000, the 171 permits taken out this year totaled only an estimated \$3,750,000. The biggest factor in the collapse of these numbers can be attributed to the drop off in the number of single family residential homes, and lack of any other multi-family or commercial construction taking place in 2011. It's no secret that larger numbers of new residential and commercial construction have historically correlated with higher estimated building costs for the Village.

Even though the Village saw the dramatic drop in building activity, thanks to the new shared services agreement the Village was able to operate without deficit on the \$28,127.19 of revenue created through building permits. By utilizing the shared service agreement with the Village of Weston cost Kronenwetter approximately \$16,600 in 2011, a significant savings over the past year. Using a shared service agreement without an in-house building inspector did provide a need for more time to be spent by the Village's Community Development/Zoning Administrator working on the administration of the building inspection office. As part of the 2012 budget, the Village has allocated 15% of the Community Development/Zoning Administrator's salary to building inspection administration to provide a clearer picture of what the actual cost of providing building inspection services to our residents are.

Depending on what forecast you read for 2012 we can either expect to see a slight increase or decrease in building activity in 2012. The McGraw Hill Construction forecast for 2012 predicts that construction starts will be 4 percent less than the forecasted level for 2011. Based on significant research and in-depth analysis of macro-trends, the 2012 Dodge Construction Outlook details the forecasts single family housing in 2012 will improve 7 percent. According to that outlook, this is still a low amount, as the excess supply of homes due to foreclosures continues to depress the market.