

2014 Building Inspection Year End Report

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The year 2014 marked another busy year for the Village of Kronenwetter in terms of construction activity. This was the fourth year that the Village of Kronenwetter has contracted with the Village of Weston to provide building inspection services. Scott Tatro has served as the Village's building inspector for the past four years, while Kronenwetter Staff continues to provide the building inspection administrative services to residents. Since the new process began in 2011, the number of building permits has gradually increased each year. In 2014, the Village issued a total of 200 building permits for the year, which is a 16 percent increase from 2011 when 171 permits were issued. Since 2011, permit numbers have continued to rise between 4 and 5 percent each year, with 179 permits issued in 2012 and 189 permits issued in 2013. Most recently in 2014, more permits were taken out for reroofing projects than any other type of work. In all, 53 roofing permits were issued. Some of the other permits that were issued most often include those for accessory buildings (40), electrical work (19), fences (18) and interior alterations (18).

The Village experienced the construction of 9 single family residential homes in 2014, which is considerably lower than in previous years. In fact, 16 single family home permits were issued in 2011, while 20 permits were issued consecutively in 2012 and 2013. The Village had been anticipating this decline due to the completion of Whispering Winds Subdivision in 2013. For this reason, the Village does not expect to gain very many new single family homes in 2015 either. Also in 2014, the Village experienced a huge jump in multi-family residential with the development of Pine View Estates at the former Bouche's Mobile Home Park. That project included six buildings, totaling 88 units.

Commercial construction activity had been consistent in the past, with having issued a single commercial building permit in both 2012 and 2013. However, 2014 saw this number jump to four. This increase is largely due to the Weston 3 ReACT project by Wisconsin Public Service. So far the project has secured two commercial building permits and four early start permits. Other commercial permits were issued to T & L Storage, and Lang's Mini Storage. This was the second permit of a three phase development for T & L Storage. The third phase is slated for completion by 2016. Additional work is also planned to make the ReACT System fully operational by 2016. Therefore, the Village can anticipate to issue more commercial building permits in 2015.

Another measurement to show how construction has affected the Village can be seen by reviewing the estimated building cost of all the projects in each of the past several years. In 2010, 179 permits estimated a building cost of approximately \$5.9 million. In 2011, 171 permits issued brought an estimated \$3.8 million. That number rose to \$8.9 million in 2012, only to fall back to \$5.9 million in 2013. That number soared to 25.9 million in 2014. The biggest factor in the fluctuation of these values can be attributed to the change in the number of single family residential homes, multi-family or commercial construction on a year by year basis. Larger numbers of new residential and commercial construction have historically correlated with higher estimated building costs for the Village. Another cause for fluctuating cost estimates is the variation in the type of projects and their individual costs. For example, in 2014, the estimated cost of the ReACT project alone was \$17.2 million, causing a dramatic influence on the total cost estimate for the year. However, public utilities are exempt from paying local property taxes. For this reason, the actual value of taxable improvements in 2014 was \$8.7 million.

According to the 2014 Dodge Construction Outlook, the Village can expect to see more balanced growth in 2015. The Dodge Outlook predicts a rise in construction for commercial and industrial buildings and a moderate improvement for housing. Based on research of specific construction market sectors, the 2015 Dodge Construction Outlook predicts that construction starts will rise 9 percent, a larger gain than the 5 percent increase estimated for 2014. Single family housing is specifically forecasted to grow by an 11 percent increase in units. According to this outlook, access to home mortgage loans will be expanded, lifting housing demand. However, the shift towards homeownership will be gradual, limiting the potential number of new homebuyers. According to this same outlook, commercial building will also increase at a slightly faster pace than what was previously estimated for 2014. A 15 percent increase is forecasted for 2014.