



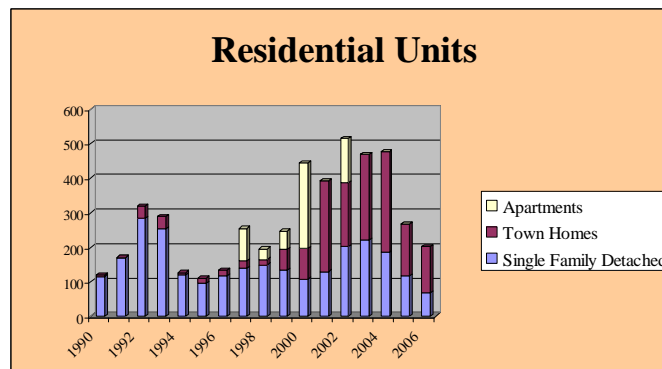
City of Chaska

Memorandum

To: City Council
From: Dave Pokorney
Date: January 8, 2007
Subject: 2006 Building Permit Activity

Recently, we completed a preliminary analysis of the 2006 Construction and Building Permit Activity. Over the past year the City issued total building permits resulting in building valuations of \$47,695,154, as compared to \$69,160,568 in 2005. Over the year, building permit revenues amounted to \$457,161, as compared to the budget forecast of \$875,528.

In 2006, a total of 201 new living units were added to Chaska's housing stock, with 68 of those being detached single-family homes, and the remaining 133 being townhomes and condominium units. The following graph presents a history of new housing units added since 1990.



The average estimated value of single-family homes in 2006 was \$254,749, which was \$33,153 more than the 2005 average of \$221,596. It should be noted that these valuations do not include land costs, which would range anywhere between \$75,000 and \$150,000.

Given the limited availability of developable residential sites within the community, combined with the overall slow down in the new housing market, we are anticipating that 2007 will experience a similar level of new construction, with a significant increase potentially occurring in the 2008 time frame.

If the Council has any questions pertaining to this information, please feel free to contact me at your convenience.

DP:ms