

Building Division  
2016 Annual Report



**KINGSPORT**  
TENNESSEE

Building codes have existed for over four thousand years. From early Babylonia through the height of the Roman Empire to the present day, the basic purpose and need of the code has remained the same:

- Protect lives by reducing potential hazards.
- Lower construction costs by creating uniformity.
- Create standards to establish predictability and consistent minimum standards.
- Contribute to the wellbeing of the community by preserving life and maintaining property values over time.

These four principles are our mission and we are dedicated to upholding them and serving the citizens of Kingsport.

Building Division Staff

Dee Morgan, Building Official

Keith Bruner, Plans Reviewer

Chris Ferrell, Senior Electrical Inspector

Joel Spencer, Inspector II

Kristen Hodgson, Secretary

The Kingsport Building Division issues an annual report at the end of each of calendar and fiscal year to summarize the department's activities regarding permitting, inspections, and substandard housing abatement. The report is also a useful tool in tracking and analyzing changes in the construction industry over time.

The construction industry is very dynamic and dependent upon several variables. When comparing annual totals over time, it is important to note statistical outliers can have extreme effects on averages. For example, the permit for the Eastman Corporate Business Center in 2013 set a record for construction value that will not likely be surpassed in the near future. Hailstorms in 2014 caused an unprecedented number of homes to be reroofed, increasing residential building permits by a hundredfold. While 2015 passed without any unusual or noteworthy activity, in 2016 the city experienced rapid growth in multi-family housing.

This report includes a review of all permits issued, a breakdown of new housing starts, a summary of inspections completed, a comparative revenue analysis and a discussion on code enforcement activities regarding dilapidated dwellings. Spreadsheets and charts are included to provide a visual representation of the data.

## PERMITS

Building permits are issued for all new construction, additions and alternations to existing structures, and the installation of accessory structures such as carports and storage sheds. The valuation of the permits is based on the estimated construction cost, *not* the market value of the property upon completion of construction. The following compares building permit categories by volume and construction cost for the past two years.

	2015		2016	
	Count	Value	Count	Value
<u>RESIDENTIAL PERMITS:</u>				
Accessory Structures	159	2,207,277	144	\$ 2,280,586
Residential Additions	30	1,545,631	37	1,634,752
Residential Alterations	101	2,291,157	75	2,154,443
New Single-Family	76	18,960,641	88	22,290,687
New Multi-Family			35	26,858,308
New Duplex	2	420,000	4	480,000
Residential Roofs	166	1,479,887	52	306,850
<u>COMMERCIAL PERMITS:</u>				
Commercial Additions	11	6,532,720	10	2,238,393
Commercial Alterations	77	21,707,328	55	11,899,418
Additions/Alterations Churches	7	5,185,491	1	349,973
Additions/Alterations Schools	1	537,186	1	1,355,976
New Hospital/Nursing Home			1	3,453,761
New Industrial	4	3,131,255	2	13,774,962
New NonResidential/Public	1	335,600	1	414,450
New Proffesional/Medical/Bank	1	2,900,000	3	8,594,286
New Retail/Restaurant	10	9,166,540	2	1,342,000
New School/Museum/Library			1	2,598,000
New Service Station	2	1,256,000		
New Social/Amusement	1	199,999	1	1,245,300
New Structure/Pool/Dock			1	77,357
Commercial Roof	30	1,483,508	16	777,802
<u>OTHER:</u>				
Communication Tower	7	169,150	6	267,884
Foundation Only	5	721,948	30	4,042,771
Grading	14	3,670,132	5	1,189,340
Non-Housekeeping Shelters	10	3,592,081	6	1,142,845
TOTAL	715	\$ 87,493,531	577	\$110,770,144

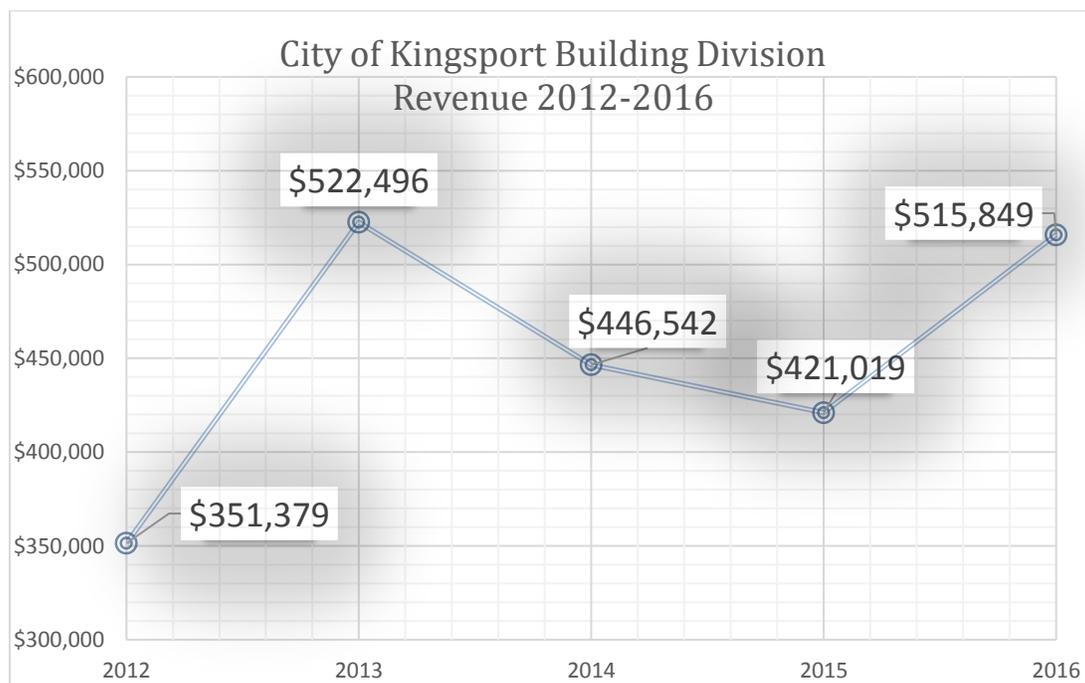
A total of 577 building permits were issued with a total construction value of \$110,770,144. In 2015, 715 building permits were issued valued at \$87,493,531. While the total number of permits issued decreased, estimated construction valuation increased by over \$23 million.

Building permits represent just a fraction of the permits that are reviewed, processed, and issued each year. In addition to building permits, there were 695 electric permits, 514 mechanical permits, 409 plumbing permits, and 115 miscellaneous permits. Miscellaneous permits include advertising banners, demolitions, signs, and event tents. The grand total of permits issued for 2016 was 2310.

## **REVENUE**

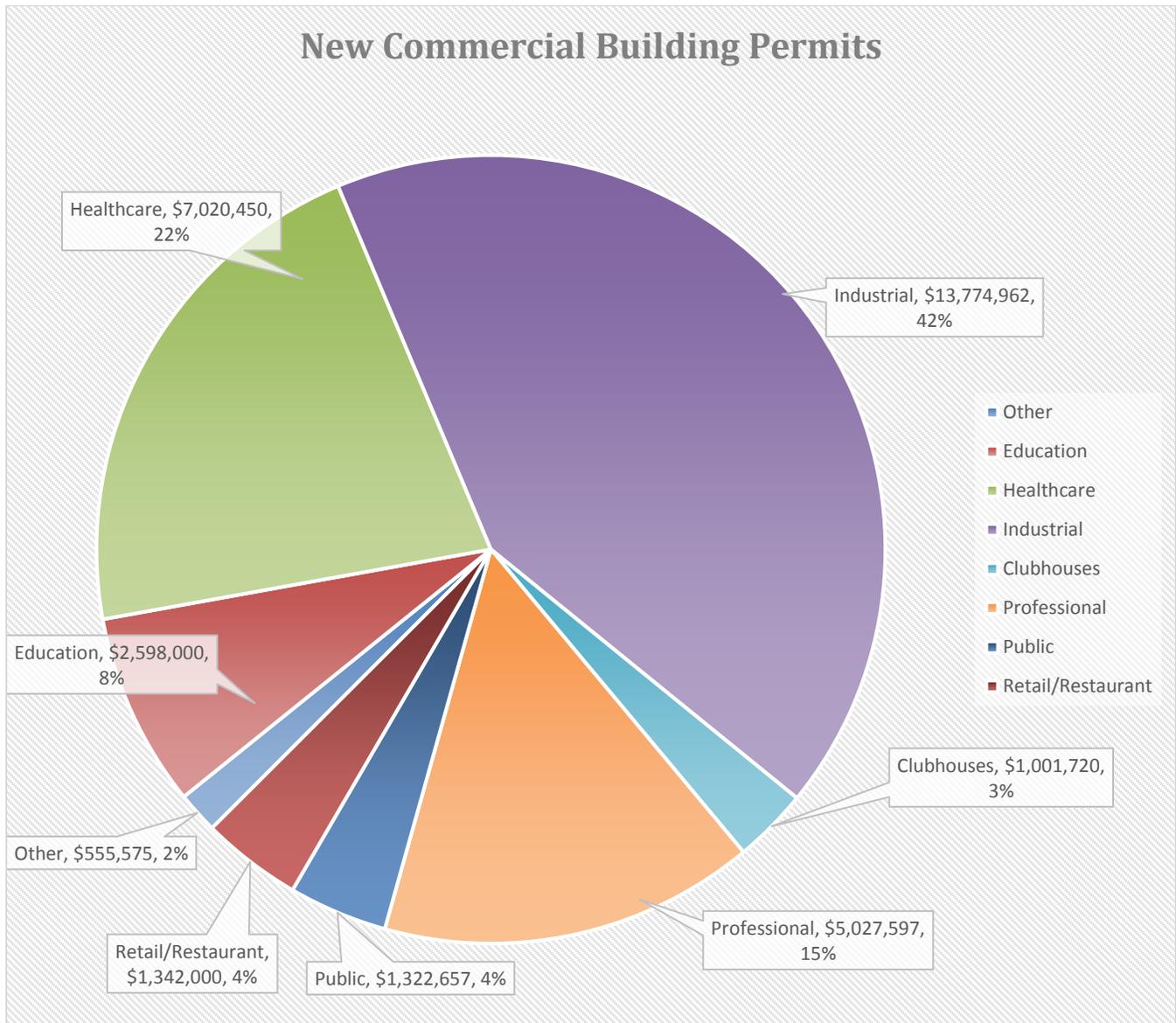
The annual revenue for the building division was \$515,849. Permit fees account for \$495,503, while plans review fees totaled \$20,346. Compared to the previous year's total of \$421,019; revenues increased by \$94,830.

The following chart demonstrates the revenue trend over the past 5 years. Note the high value in 2013 is mainly attributed to a single project, the Eastman Corporate Business Center.



## **NEW COMMERCIAL**

Eighteen permits were issued for new commercial development with a total construction value of \$32,642,961. The largest was for a new industrial building within Eastman valued at \$13,681,897. The top five new commercial permits illustrate the diversity of Kingsport's economy, with investments made in education, healthcare, industry, and banking.



The top 5 new commercial permits by construction cost are:

ADDRESS	OWNER	CONSTRUCTION VALUE
1750 Lincoln St B645	EASTMAN CHEMICAL COMPANY	\$13,681,897
301 E Center St	BANK OF TENNESSEE	\$3,824,000
430 W Ravine Rd	ASSOCIATED ORTHOPEDICS	\$3,566,689
100 Netherland Ln	ASBURY CENTERS	\$3,453,761
305 W Main St	RCAM	\$2,598,000

### **ADDITIONS/ALTERATIONS**

This category contains all types of renovations, additions, and structural changes. A total of 112 residential permits were issued valued at \$3,789,195. Thirty-seven were for additions, and 75 were remodels.

Ten permits for commercial additions were valued at \$2,238,393, while 55 renovation permits were valued at \$11,899,418.

The 5 largest commercial renovation permits were:

ADDRESS	OWNER	VALUE
1113 Konnarock Rd	City of Kingsport Water/Waste Water	\$1,593,370
100 Netherland Ln	Asbury Centers	\$1,500,000
914 Broad St	Specialty OB-GYN	\$1,008,573
2217 E Stone Dr	Kingsport Honda	\$1,000,000
2000 Brookside Dr	Indian Path Hospital	\$820,500

### **NEW RESIDENTIAL**

New housing starts are indicative of the growth and stability of an area. A total of 88 permits were issued for new single-family dwellings, an increase of 12 permits from 2015, with a total construction value of \$22,290,687. Compared to the previous year, the total value for single-family housing starts increased \$3,330,046; while the average cost per home increased from \$249,482 to \$253,303. Over half of the homes permitted had a construction cost between \$200,000 and \$400,000.

Leading the residential development was the Edinburgh community in Rock Springs with 24 new housing starts. Polo Fields and Riverwatch both added 6 new homes, 5 were

permitted in Windridge, and 4 were built in Anchor Point. Community development organizations built 5 new homes, 2 each by Appalachia Service Project and Eastern Eight and one by Holston Habitat for Humanity.

Multi-family housing experienced unprecedented growth with 36 new buildings adding a total of 557 apartment units. The total construction value was \$27,905,905. By development, the following were permitted:

<b>Development</b>	<b>Construction Value</b>	<b># Units</b>	<b># Buildings</b>
Riverbend Villas	\$13,061,538*	265	22
Overlook at Indian Trail	\$9,520,367	168	7
The Retreat at Meadowview	\$3,029,000	72	3
Bloomington Terrace	\$1,245,000	24	2
657 Arch St	\$600,000	18	1
414 Eastley Ct	\$450,000	10	1

\* The foundations were permitted separately from the buildings for the Riverbend Villas development. This number reflects the combined total. Foundation costs were \$1,047,597.

In addition to the housing units, the Riverbend, Overlook, and Retreat developments also built clubhouses. Those permits are categorized as other commercial, not multi-family.

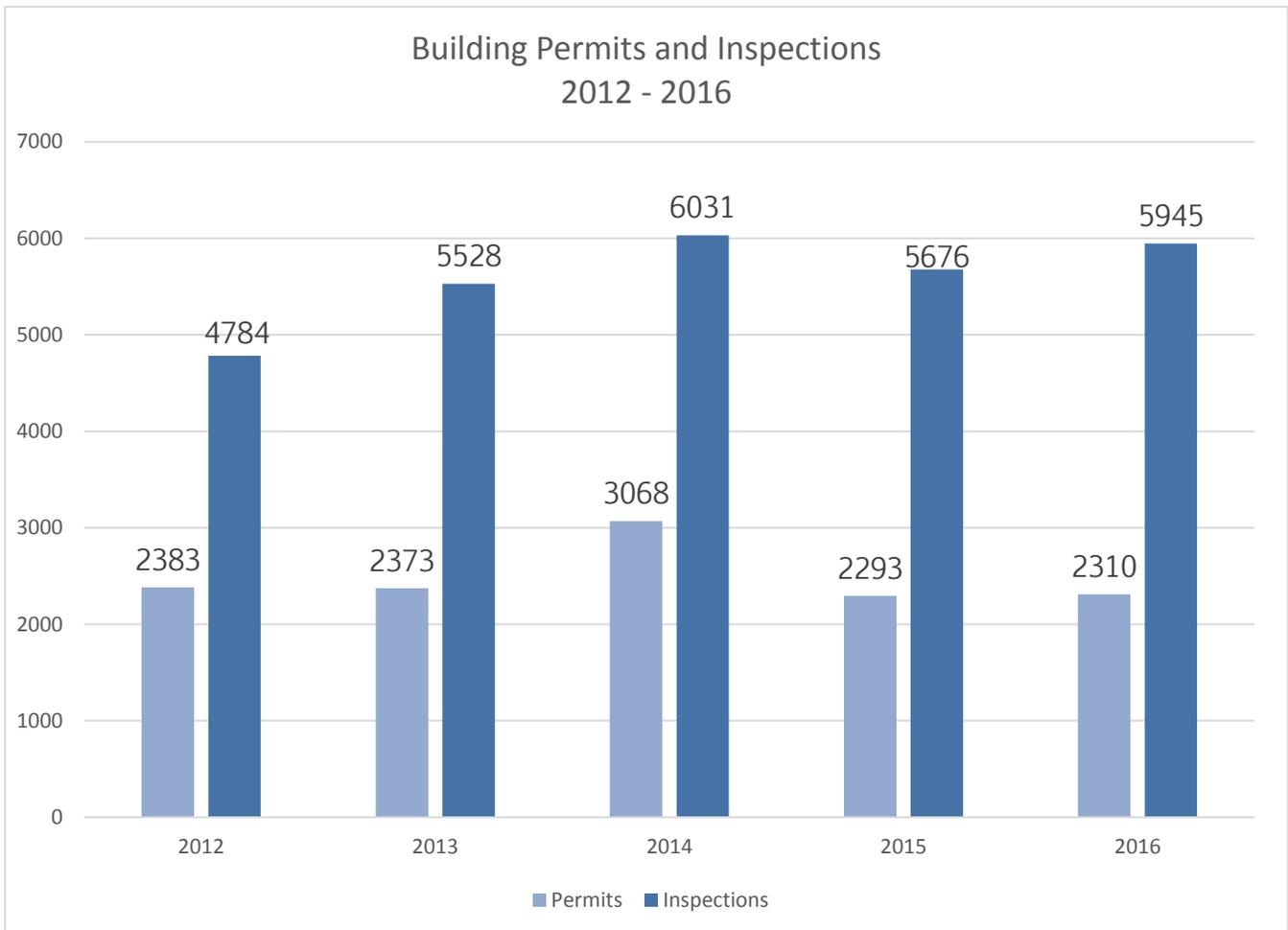
## **INSPECTIONS**

Inspectors performed 5945 on-site construction inspections, an increase of 269 from the previous year. The increasing demand for inspections is largely attributed to the high volume of multi-family housing currently under construction.

Inspections are reported by category. There were 1336 general building inspections performed, these include foundations and footings, framing, insulation, roofs, and final inspections. There were 2206 electrical inspections; rough-in and final inspections are required for all new construction and renovation projects. Electrical service upgrades and meter replacements also require inspections. There were 1334 mechanical inspections performed. The mechanical category is the most diverse, including everything from heat pump and furnace installation or replacement, ductwork, natural and propane gas accessories and piping, to commercial and industrial equipment. Plumbing permits accounted for 1069 inspections. New construction and renovations require plumbing rough-in and final

inspections. Also, all new or replacement sewer connections must be permitted and inspected. These totals reflect only construction related inspections on permitted projects. They do not include assistance to various city departments, advice calls to contractors and homeowners, or responses to general citizen inquiries and complaints.

Inspections performed in relation to permits issued over the past five years:



### **SUBSTANDARD HOUSING ABATEMENT**

The Building Division is dedicated to improving our community through substandard housing abatement. Suspect properties are identified through the cooperative efforts of inspectors, other city departments, and citizen complaints. Once a property has been targeted as dilapidated, the department works with property owners to ensure the property is brought into code compliance for the safety of the neighborhood and citizens. While rehabilitation is

the preferred outcome for such blighted properties, demolition is often the most cost effective means to remove the danger and nuisance of such properties. The Building Official conducts code hearings on an as-needed basis, ruling whether a property may be rehabilitated or razed. If the owner does not comply with an order to bring the property into code compliance or raze the structure, as a last resort the Building Official can have the structure demolished. A lien is then placed against the property to recoup the cost of demolition.

The process for substandard housing abatement, from identifying the property to successful rehabilitation or demolition is necessarily lengthy. Due diligence must be given to protect the property owner's rights and only after exhausting all other means of communication and cooperation is a structure razed by the city. In 2016, there were two code hearings involving ten dilapidated properties. All were ordered to be demolished by the Building Official. To date, the department initiated demolition of seven structures, while one was razed by the owner. The other two are in a waiting period pending appeal.

## **CONCLUSION**

In conclusion, 2016 was an encouraging year for the building industry. In the coming year, inspection activity is expected to increase with the ongoing multi-family developments. Anticipated construction includes the Blake and more commercial development of the Riverbend Redevelopment District as well as improvements to the Kingsport Town Center.