

Building Permit Trends That Short Term Property Investors Should Not Ignore

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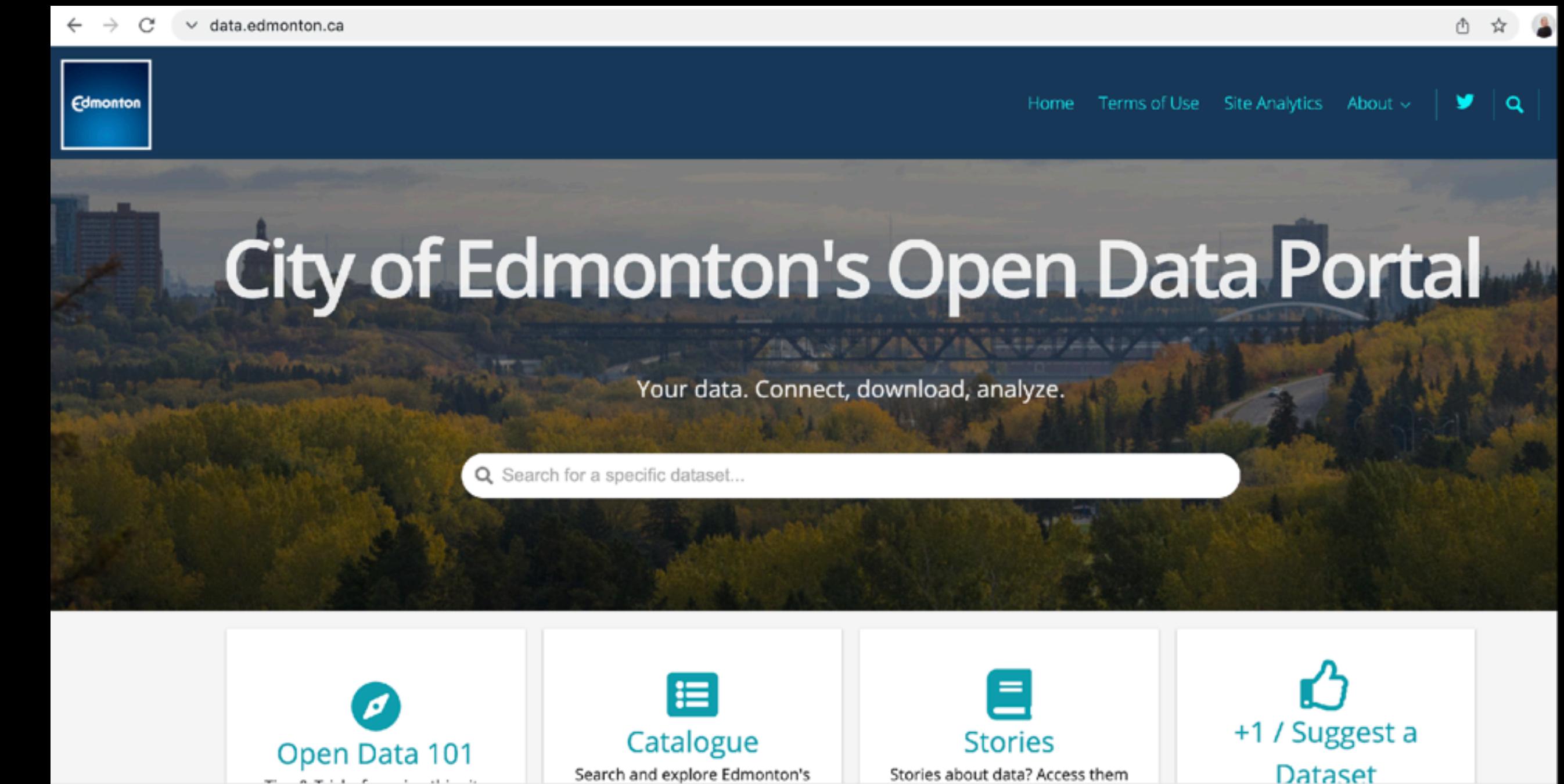


Motivation: Which Renovation to Make?

Goal: Use Building Permit and Property Assessment Datasets to Understand Market, Add Value to Community and Achieve ROI.

Data Sources:

- Building Permit Dataset (2009-2022)
- Property Info Dataset
- Current and Historic Property Assessment Datasets
- [zillow.com](https://www.zillow.com)

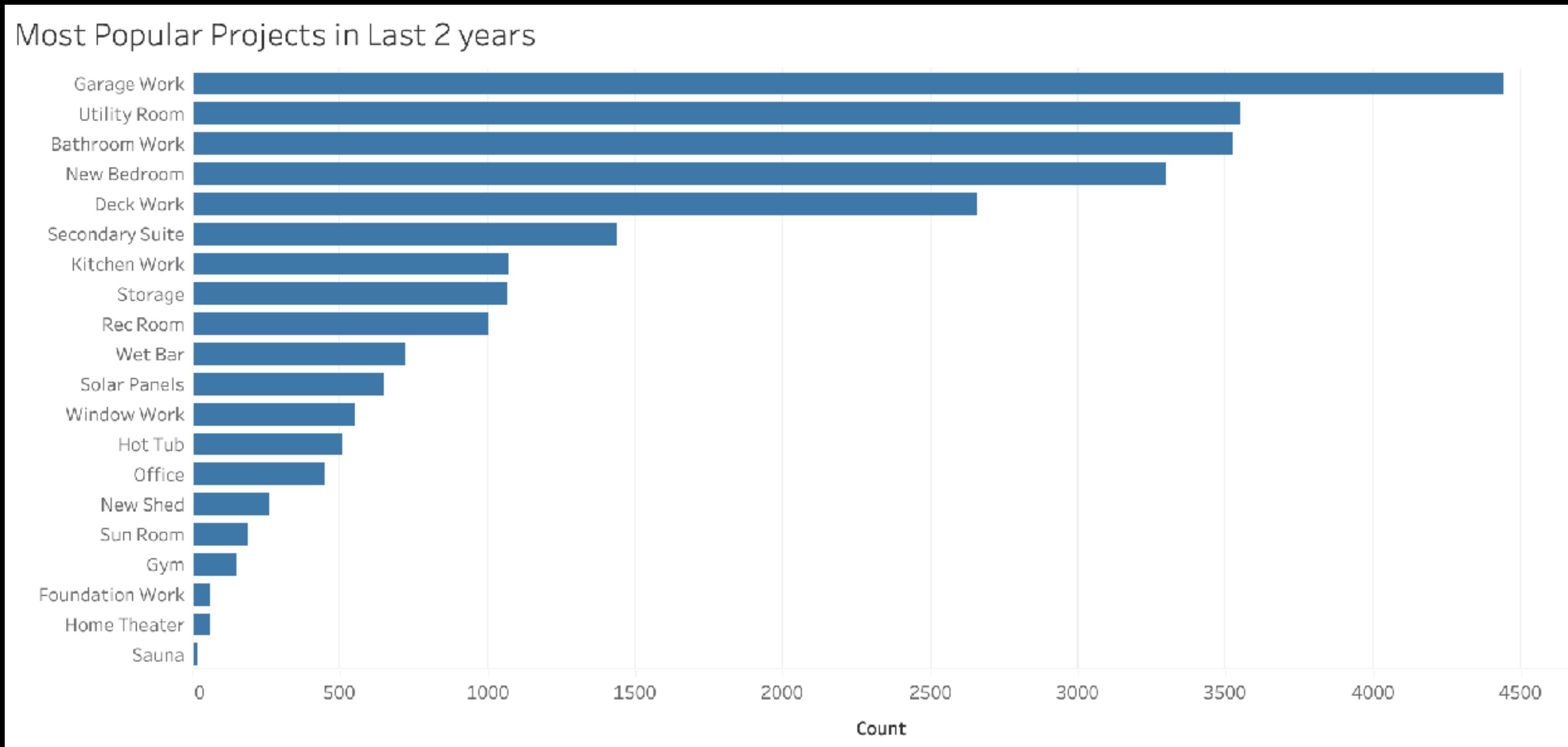


Tools:
Microsoft Excel
Google Sheets
Tableau Public

The collage includes:
1. The Tableau Public logo, featuring the word "tableau" in blue and "public" in orange, with a small "+" between them.
2. The Google Sheets icon, which is a green document with a white grid pattern.
3. The Microsoft Excel icon, which is a green ribbon with a white "X" on it.
To the right of the collage is a screenshot of the Tableau Public interface. It shows a "Show Me" button at the top right, followed by a grid of 12 icons representing different types of data visualizations such as tables, maps, pie charts, bar charts, and line graphs. Below this grid is a text block that says: "For stacked bars try 1 or more Dimensions 1 or more Measures".

Top Projects for 2020-Present

- Garages
- Utility Rooms
- Bathroom Work
- Bedroom Additions
- Outdoor Deck
- Secondary Suites

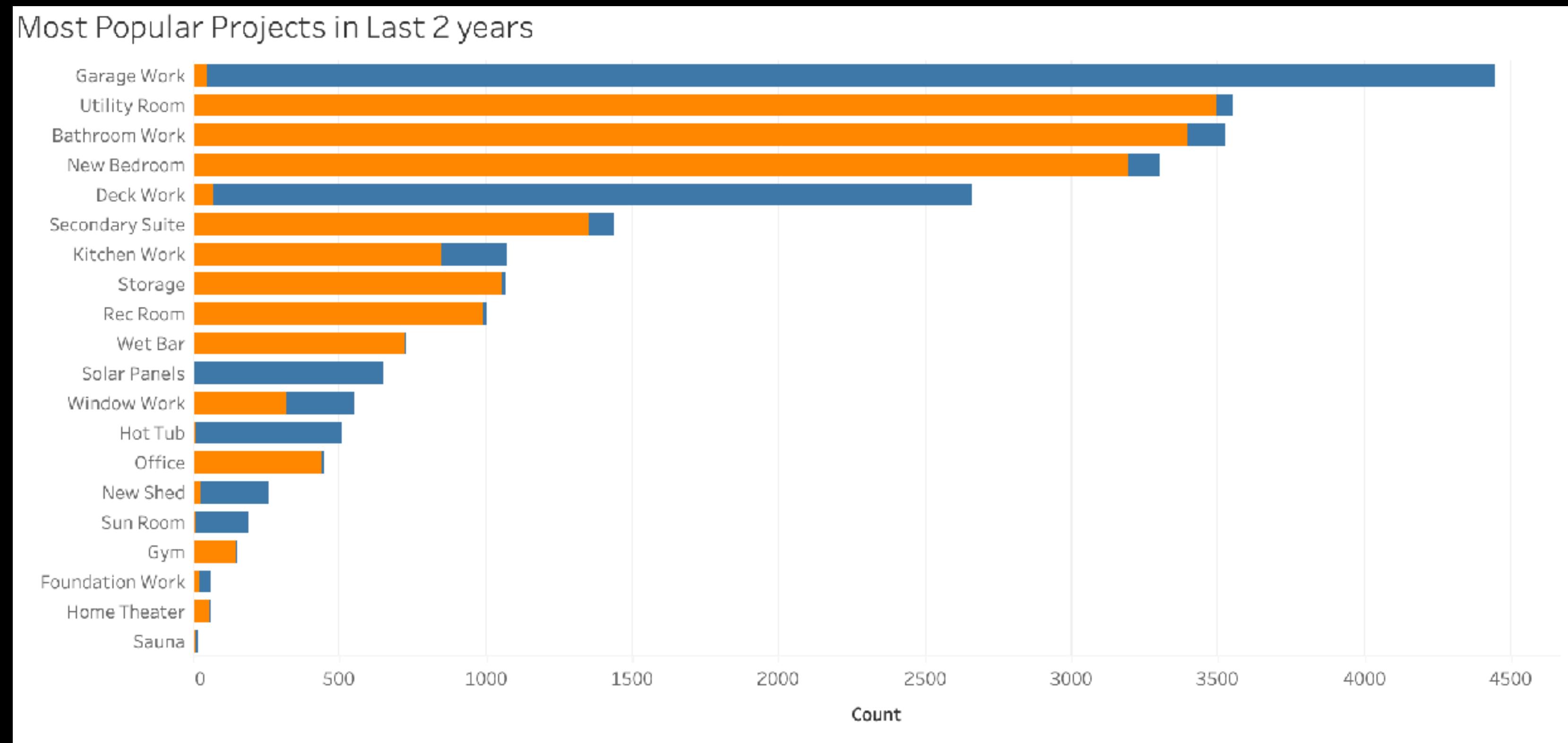


Most work is done on basements:

Orange represents

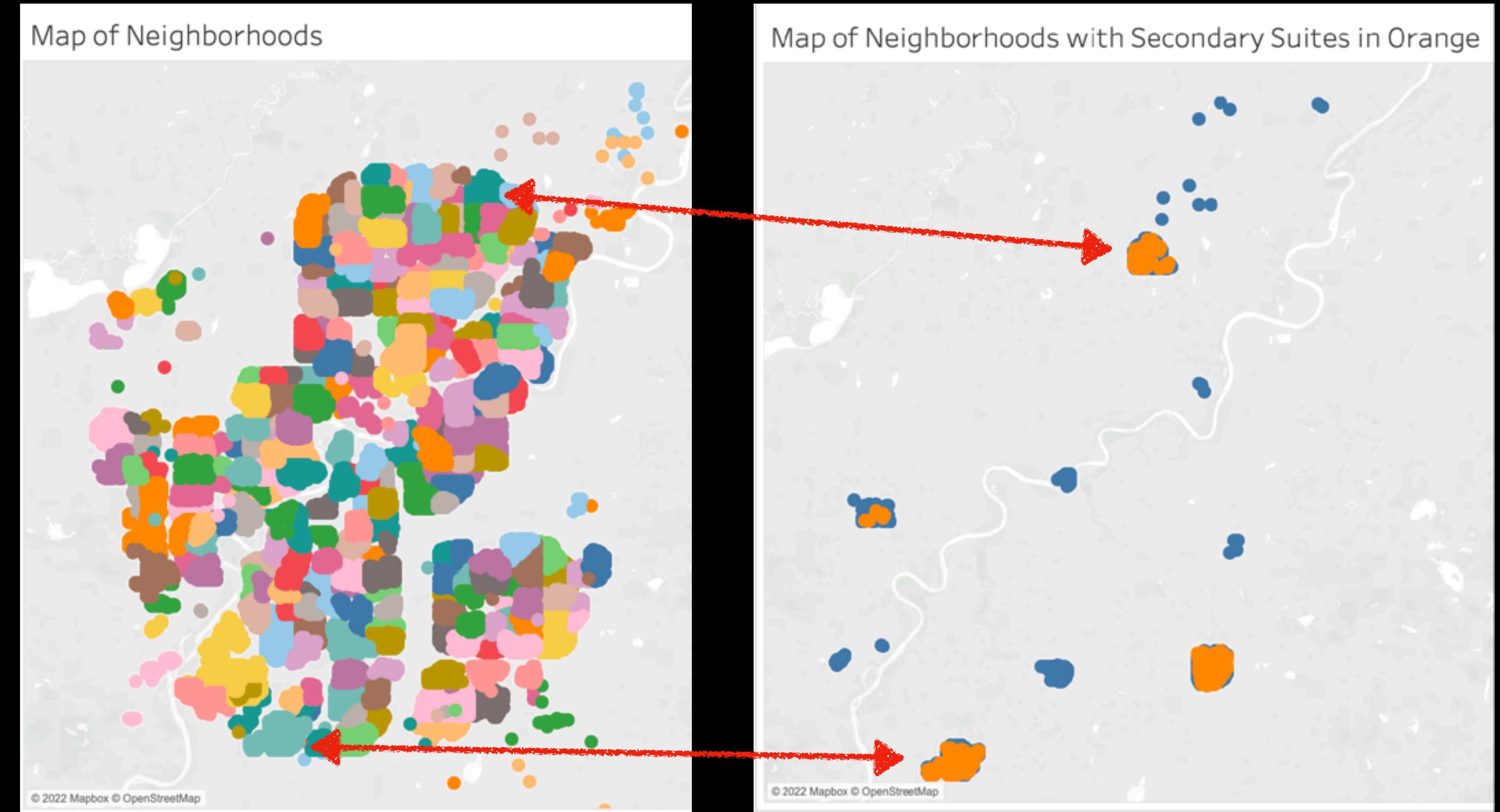
projects associated with

basement work



Neighborhood Trends:

Example: Neighborhoods
with highest vs lowest
count of
Secondary Suites



Case Study: 70% Rule

Don't pay more for a property than 70% of the Post-renovation resell price, minus the renovation cost



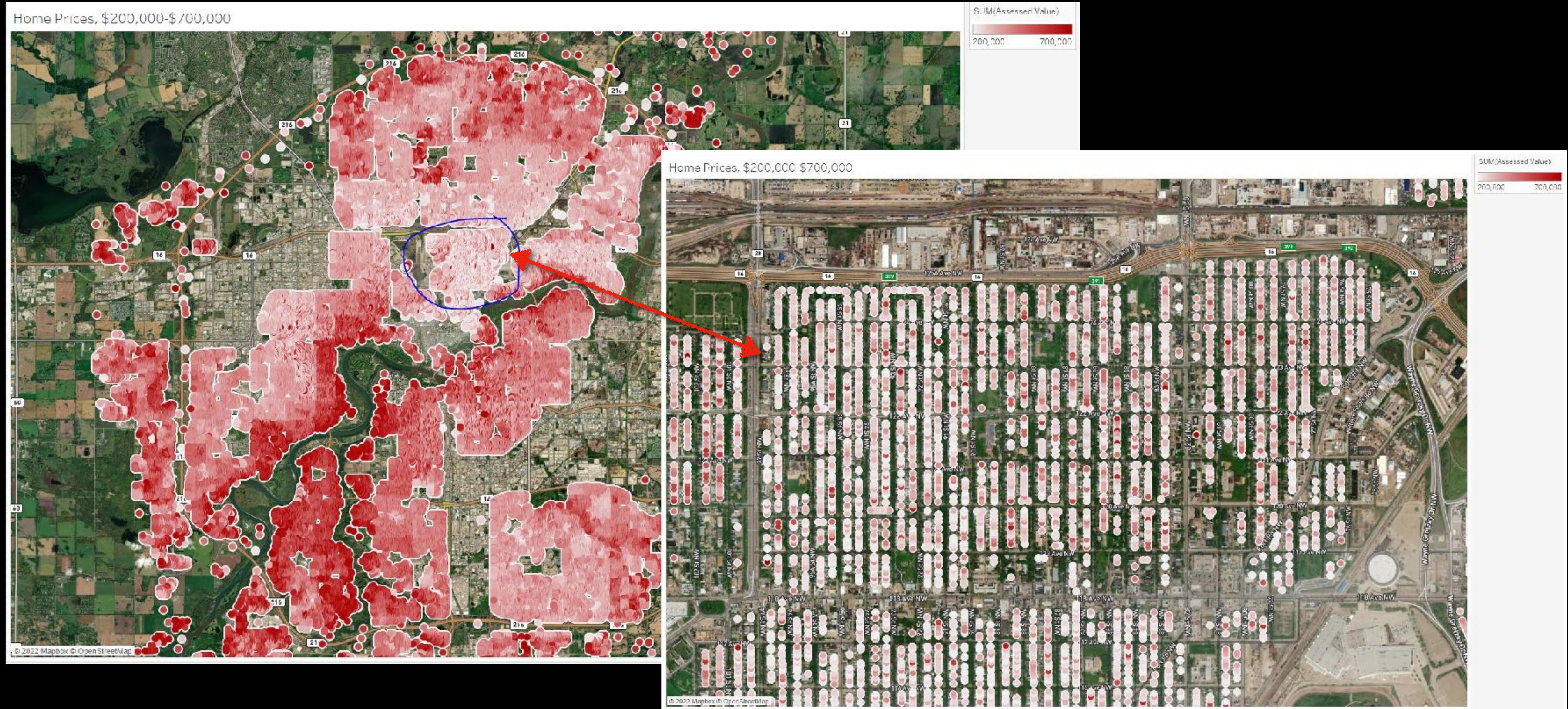
Aged-House Purchase Price

Post-Reno Sell Price

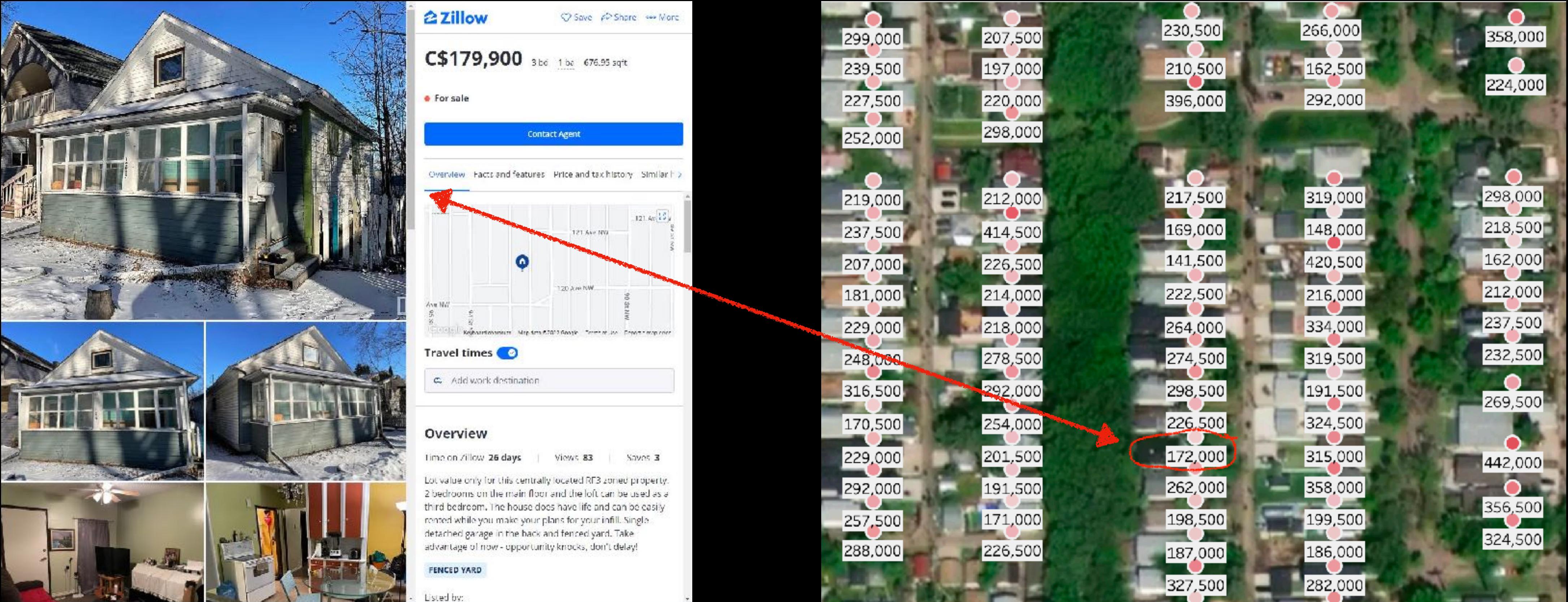
Cost of Renovation

Example: $\$150k = 0.7 (\$265k - \$50k)$

Property Value Map



Case Study



Popular Projects and their Median Construction Value in Alberta Avenue Neighborhood

• Bathroom Work	\$14,000
• Outdoor Deck	\$1,500
• Kitchen Work	\$37,500
• Replace Windows	\$3,000
<hr/>	
Total	\$56,000

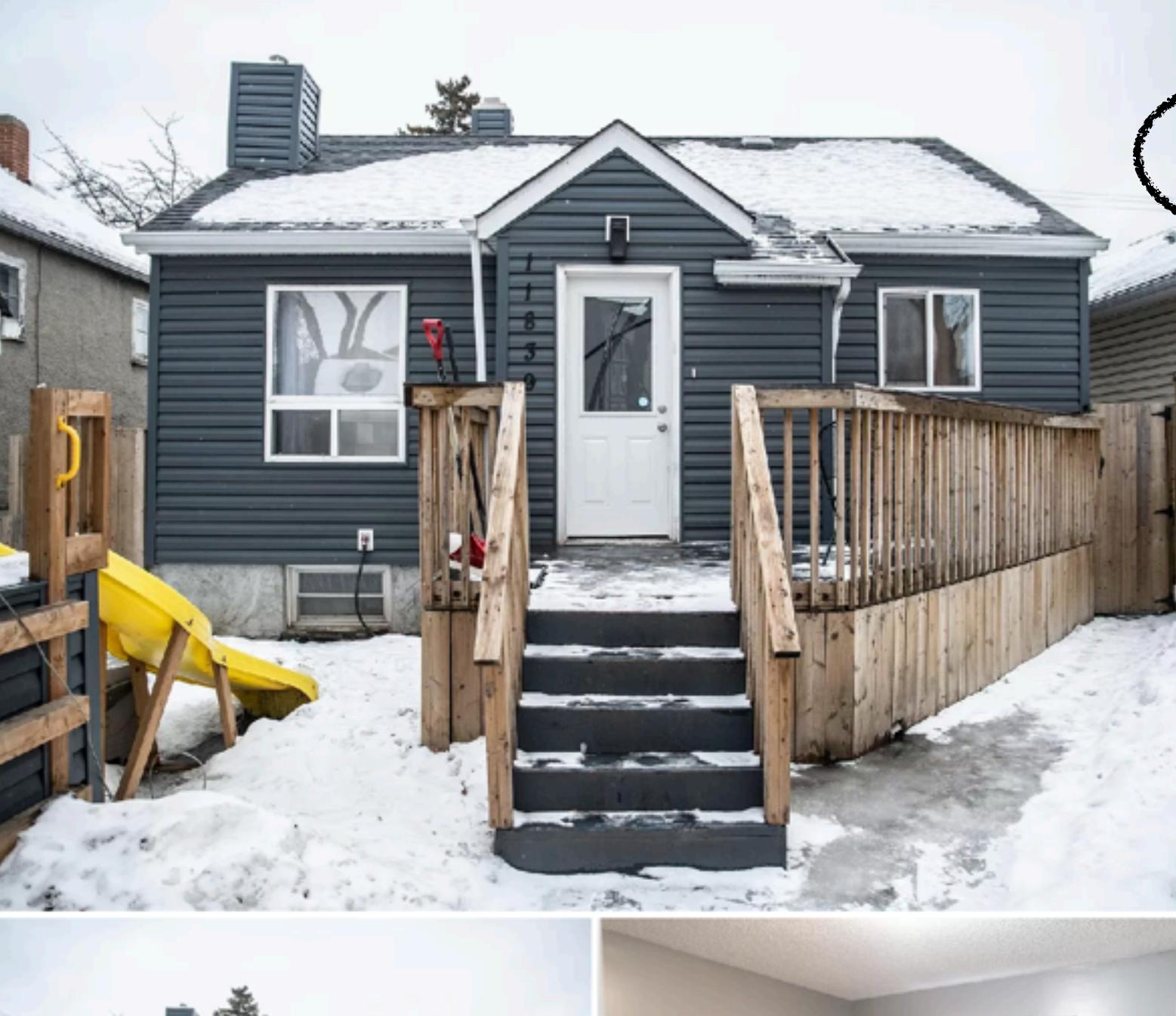


What Does the House Need to Sell For?

$$\frac{\$172k}{0.7} + \$56k = \boxed{\$301,714}$$

Current Avg Home Price in Alberta Ave Neighborhood is **\$267,665**

Comparable House in Same Neighborhood



A Zillow listing for a house. The main image shows a dark blue single-story house with a white front door and a wooden deck leading to it. The ground is covered in snow. A yellow slide is visible in the background. The Zillow interface shows the price as C\$325,000, which is circled in black. Below the price, it says 3 bd, 2 ba, 711.93 sqft. The 'Facts and features' tab is selected, showing the following details:

- Single family residence
- 3 bedrooms
- 2 bathrooms
- Built in 1968
- Forced air-1, natural gas
- No data
- 2 Covered parking spaces
- 3,958 sqft



Previous Assessment Value of this Home \$189k

Top Three Recommendations:

- Seek neighborhoods with high variance in price
- Find properties with unfinished basements
- Add/expand a garage



Impact of This Work:

- Know Building Trends
- Know Property Values
- Know Construction Costs
- Make Informed Decisions
- + Add Value to the Community

Successful Investing





Questions?
Thank You

Some Assumptions:

- Building permit trends are an indication of what home buyers are looking for.
- Property buyers are looking for finished properties
- Making major improvements could improve property desirability
- Trends will persist long enough for improvements to be profitable.
- Past behavior is indicative of future behavior
- The economy will remain stable and property values increase over time

Some Risks:

- By following trends, too many of the same property types can saturate a market, and a different kind of property or project may be more desirable.
- Economic downturn or movement of a population away from an area could devalue property
- Assumptions base on assessment data could become inaccurate

Example of Calculated Field

The screenshot shows a software interface for managing building permits. On the left, a list of fields is displayed, including 'Job Description' which is circled in red. On the right, a modal dialog titled 'New Bedroom' contains the following calculated field definition:

```
IF CONTAINS([Job Description], "0 bedroom")
OR CONTAINS([Job Description], "no bedroom")
OR CONTAINS([Job Description], "No bedrooms")
OR CONTAINS([Job Description], "NOT a bedroom")
OR CONTAINS([Job Description], "not bedroom")
THEN NULL
ELSEIF CONTAINS([Job Description], "bedroom")
OR CONTAINS([Job Description], "bed room")
OR CONTAINS([Job Description], "bedrrom")
OR CONTAINS([Job Description], "Bed")
THEN "Bedroom"
ELSE NULL
END
```

The dialog also includes a message 'The calculation is valid.', a '4 Dependencies' dropdown, and 'Apply' and 'OK' buttons.

Properties Used

- Only Used Residential Properties
 - excluded commercial properties
 - excluded mobile home relocation
- Focused on renovation of existing homes
 - excluded construction of new properties in new neighborhoods
 - <https://public.tableau.com/app/profile/jenica.andersen/viz/EdmontonABShortTermPropertyInvestingInsightsUsingBuildingPermitData/Dashboard1?publish=yes>

