



Christian Parley / The Fresno Bee

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## Fewer homes go up in Visalia

**New city data show a 34% drop in permits this year from last.**

By Tim Sheehan / The Fresno Bee

07/03/07 04:33:55

VISALIA -- Home-building activity, and the economic value it fuels, is well off the mark from the heady pace of just a year ago.

Figures made public Monday by the city of Visalia report that through June 30, building permits had been issued for 490 new houses. That's down from 742 houses for which permits were issued in the first six months of 2006 -- a drop of 34%.

Construction of new multifamily units, including duplexes, triplexes and apartments, has plummeted from 2006 levels as well. Permits were issued for 72 units, a 69% decline from the 236 permits the city issued in the first half of 2006.

City officials said they expected some drop from the record-setting home-building volume of 2005 and all-time high values of 2006, but not necessarily to the extent seen this year.

"It's always a guessing game as to how slow or robust it's going to be," said Fred Brusuelas, Visalia's planning director. "I think residential construction is a little bit lower than what we thought it was going to be. ... But we do recognize it's slowing down from the highs we had before."

Brusuelas said his department was surprised that only 68 permits were issued last month for new homes -- down from 158 homes in June 2006. "It'll be interesting to see the next couple of months; summer is the peak period for a lot of work to get done," he said.

While home building languishes, commercial construction is on the rise. So far in 2007, 44 permits have been issued for new commercial or industrial buildings, four ahead of last year's pace. But the total value of the projects is considerably less -- a little more than \$37 million, compared to more than \$58 million by this time last year.

That's because although more permits have been issued this year, on average the projects are smaller and less costly.

City officials think that's going to change later this year.

Brusuelas said he expects permits to be issued soon for, among other things, new Home Depot and Target stores in north Visalia and a new Costco store in south Visalia.

"I think we're going to see a banner year for commercial construction," Brusuelas said. "With everything coming up, it's going to be significant."

As construction jobs wax and wane, so does the fund that pays for the city's planners and building inspectors.

Permit fees paid by builders accumulate in Visalia's building-safety fund. The city works closely with representatives of the building industry to keep the fund stable.

When Visalia was experiencing a record construction boom, the fund ballooned to far more than the city needed for the building department's operations. In 2004, the city twice sliced the building permit fees to reduce the surplus.

As building activity -- and the permit income associated with it -- fell, city officials last year reinstated a portion of the fees to keep the fund in balance. And earlier this year, the building fund surplus went into deficit, prompting the City Council -- with the backing of the building industry -- to raise the fees back to pre-2004 levels and beyond, accounting for inflation in the cost of doing business.

"It's challenging now when things aren't as robust as they used to be," Brusuelas said of the building fees. "Every dollar counts even more."

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