

	<p align="center">CITY OF AGOURA HILLS BUILDING & SAFETY DIVISION 30001 LADYFACE COURT, AGOURA HILLS, CA 91301</p>	<p align="right">PHONE: (818) 597-7334 FAX: (818) 597-7352 www.AgouraHillsCity.org</p>
<p align="center">Determining Valuations for Building Permits Guideline</p>		<p align="center">OP-03 4-15-22</p>

Background:

Most permit fees are determined by three methods:

- New square footage multiplied by the City’s Building Valuation table. City of LA’s valuation is also acceptable
- Construction Valuation, or Building Permit Valuation (BPV), based on a contract with a licensed contractor
- Or a combination of both.

This guideline is designed to help staff explain to the customer an acceptable method for determining Building Permit Valuation, or Construction Valuation, for building projects that are not covered by one of the methods described above, or permits that are being prepared by an Owner-Builder.

Definition:

Building Permit Valuation, or Construction Valuation, is the value used in computing the building permit and building plan review fees.

***CBC 109.3 Building Permit Valuations** - The applicant for a permit shall provide an estimated permit value at time of application. Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official. Final building permit valuation shall be set by the building official.*

Policy:

Owner-Builders, “do-it-yourselfers” or individuals claiming “sweat-equity” will need to estimate the BPV for their permits as though they were hiring a licensed contractor to perform the work, as defined above. Written estimates from contractors or subcontractors would be an acceptable way to determine BPV.

Upon request, contractors may be required to provide a copy of their construction contract for verification of the BPV. Contractors providing low valuations on permit applications may be referred to the California Contractors State License Board (CSLB) for potential action.

The Owner-Builder can also determine a “ball-park” estimate for their construction valuation, with approval of Building & Safety staff by providing a cost breakdown using the following formula:

$$\text{BPV} = \text{Retail Cost of Materials} + (\# \text{ of labor hours to complete the entire project} \times \$75 / \text{hr})$$

Example:

A remodel of a bathroom. This will include replacement of toilet, shower enclosure, sink, flooring, and new outlets and lighting. The retail cost of materials is \$8,000. The customer will need to determine an approximate number of hours that each part of the project would reasonably take - assume 100 hours to complete this project. Now, the customer will multiply the number of hours (100 hours) by an average hourly rate that a contractor would charge. For valuation purposes, it has been determined that \$75.00 per hour is an adequate figure for residential permits.

$$\text{BPV} = \$8,000 \text{ (retail cost)} + (100 \text{ hours labor} \times \$75 / \text{hr}) = \$15,500 \text{ for residential bathroom remodel project.}$$

Keep in mind that the permit valuation does not have to be an exact science as the permit fees is only a small percentage of that value.