

A Review of Arizona Building Permit Data

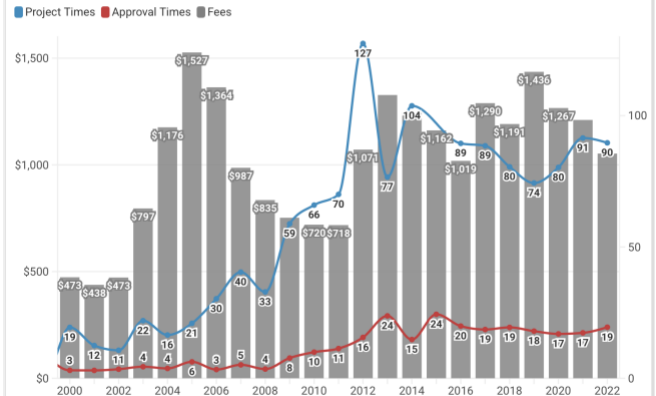
- Arizona has 106 building-regulating and permit-issuing jurisdictions. Most (69) are very small (each covering less than 0.5% of state population). All maintain their own building codes, permitting offices, processing times and applicable fees. **There is no statewide standard for building codes and regulations.**

- Permit requirements vary widely. For example, CSI estimates that a little more than half of Arizonans must obtain permits for routine residential HVAC, roof, or water heater replacements. **Almost half can do such like-for-like work without a permit.**

- To understand the implications of permitting for homeowners, Common Sense Institute reviewed 2.8 million building permit record summaries across 29 jurisdictions - covering nearly three-quarters of the state by population.
- On average, getting a permit adds 23 days to residential project completion times in Arizona. And there is a great deal of variation in just approval/issuance times - In the **fastest 25% of jurisdictions, you can get a permit approved in 5 calendar days** (on average), but in the **slowest quarter it takes over 16 days**. Same permits; similar projects.
- In half of studied jurisdictions, typical¹ residential improvement permits can be had for \$300 or less. In the most expensive 25% of cities, towns, and counties, homeowners paid over \$600 per permit in 2022-2024.
- For perspective, in Pima County project and permit times have tripled in two decades. It's getting more difficult to do permitted residential work in Arizona.

Project Fees & Timeline, Pima County 2000-2022

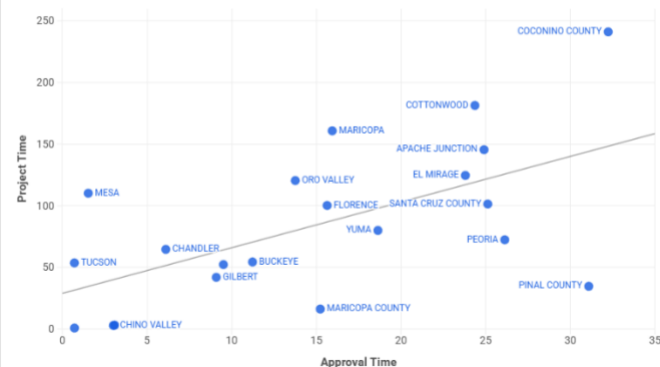
On average, across all permit types for which CSI has data and fixing for a single jurisdiction, residential improvement project and approval times (and fees required) have increased significantly over the last two decades.



Source: Shovelbots, CSI Modeling - The figure is filtered to residential permits for non-new construction, non-active permits for permits for periods 2000 - 2022. Project timeline data for 2015 is excluded and imputed due to outlier issues. Only data for Pima County is included to ensure time series consistency.

Average Permit Approval Time vs. Average Time To Complete Project, 2023

On average in 2023, across the jurisdictions below and for all permits reviewed by CSI, an additional day of permitting time is associated with 3.7 additional days of project time.



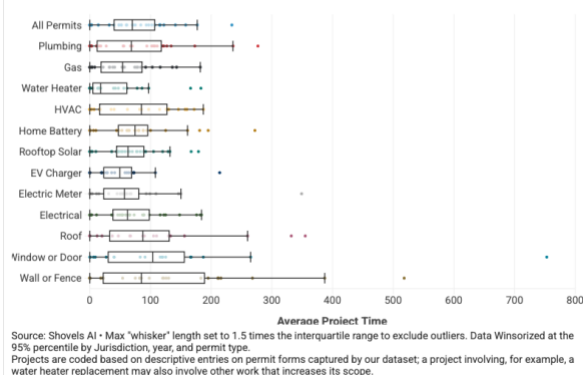
NOTE: Excludes data for Tempe due to data irregularities.

- CSI found that approval times correlate strongly with project completion times; on average, across 21 jurisdictions and all permit types for which data was available for 2023, **an additional day of permitting time is associated with about 4 additional days of project time at the jurisdiction level**. Across all the permit data reviewed by CSI (all jurisdictions, all years, all project types), a 10% reduction in approval time is associated with a 6% reduction in project time, all things equal.

- Jurisdictions with more efficient permit approval processes have shorter approval times, which translate into shorter overall project times.
- For example, in 2011, Phoenix adopted a pilot program for self-certification of permit applications on certain qualifying projects. Since then, this kind of program has expanded to at least seven cities in Maricopa and Pima Counties. Looking only at projects likely to be impacted by this option (residential new construction, certain commercial and industrial projects, etc.), **project times fall by 40 days on average after a jurisdiction adopts self-certification (or about 13% of total expected project time).**

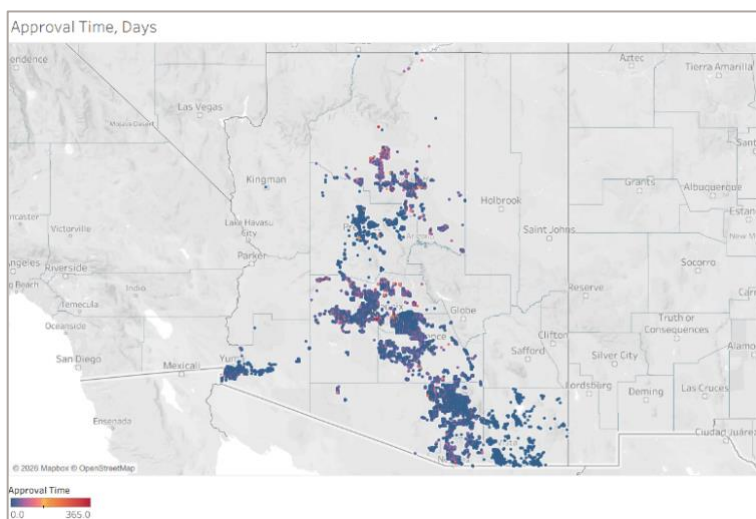
Residential Home Improvement Project Completion Times by Project Type (2023)

In 2023, across studied permit types, we see a great deal of variation in permit project and approval times between jurisdictions. For example, for permits of the type you'd expect a typical home improvement project to require, projects took between a week and 6 months to complete, depending on the jurisdiction.



- According to reporting about the program, self-certification in Phoenix cut affected *approval times* alone by 4-6 *months* (to just 24 hours in many cases).ⁱⁱ
- Because processes and standards are not standardized, there is no apparent consistency across Arizona – between *and within* jurisdictions – on fees, approval times, or project times for typical residential home improvement projects that require building permits.
 - For example, of 100,000 reviewed permits finished in the last three years about half were issued in 4 days or less; **but 10% took over a month, and the slowest 1% were approved only after 134 days.**
 - Approvals come slower in small jurisdictions – 12 days on average in cities and towns with a population over 50,000, versus over 15 days in smaller towns
 - Typical permitted residential improvement projects reviewed by CSI took about 73

days to finish, on average – but project times varied between less than 40 days in the fastest jurisdictions, to over 107 days in the slowest. Same kinds of projects; very different homeowner experiences.



ⁱ For purposes of this study, “relevant” studied permits were residential, not new construction permits which contained a description or type code for: wall/fence, window/door, roofing, electrical, electric meter, EV charger, rooftop solar, battery, HVAC/Heat Pump, water heater, gas, and plumbing.

ⁱⁱ <https://reason.org/commentary/phoenix-permitting-privatization/>