Guidance for Construction Valuation for Building Permits

The Applicant is mandated by State law to provide an estimated value of work proposed on each application for a building permit. 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. 2013 California Building Code Section [A] 109.3.

For purposes of determining valuation, include permanent equipment, fixtures and items that are part of the building being permitted, including:

- Paint, finishes and carpet
- Sprinkler systems
- Sitework regulated by the Building Code or CalGreen, including sidewalks part of an accessible route, bicycle parking, etc.
- Site lighting and installation of accessible features at a parking area or other outdoor location.
- Rough and/or finish grading not covered as part of a separate grading permit
- All permanent mechanical, plumbing or electrical, information technology or security systems
- Permanent kitchen equipment such as built in, permanently connected or anchored stoves, ovens and hoods.
- All permanently anchored equipment essential for the use of the building
- Elevators or other conveying systems
- Green roofs or other landscaping part of the permanent architecture of the building
- Courtyard or public area paving part of an accessible route of travel or exit discharge
- Contractor labor, profit and overhead
- Any other cost related to the cost of constructing a code compliant building and/or that is part of the permanent architectural features of the building

Valuation does not include

- Permit fees or other regulatory costs
- Financing costs, insurance or loan interest
- Professional design service fees
- Other “soft costs” not directly related to the construction of the structure

Neither of these lists are all inclusive, and the applicant is encouraged to ask if there is question about whether an item applies, such as unique plumbing fixtures, household appliances or finishes of excessive cost that are far beyond what would typically be installed. For valuations connected to Substantial Improvement / Substantial Damage calculations, see FEMA P-758, Chapter 4 for more information.

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