If your home suffered extensive damage from a disaster event, the cost to repair the structure may trigger your local municipality's requirement to upgrade to current codes and standards. Below, we've provided an overview of this process: determining if your home is “substantially damaged,” and if so, what to do if you have to elevate your house and fix it to local code.

Key Terms

Use the key below as a reference for certain important terms.

SUBSTANTIAL DAMAGE:
This is the damage of a structure (such as your house) whereby the cost to fix the structure to its pre-disaster condition would equal or exceed 50%* of the market value of the structure. The “substantial damage rule” applies to all buildings, regardless of whether the building was covered by flood insurance.

MARKET VALUE:
This is the value of your structure before the damage occurred, pertaining only to the insurable structure in question, not to the land, landscaping or detached accessory structures on the property.

BASE FLOOD ELEVATION (BFE):
This refers to the level to which floodwaters are modeled to rise during the base flood (also known as the 100-year flood or the flood that has a 1% chance of being equaled or exceeded in any given year).

STRUCTURE ELEVATION PROJECT:
This is the lifting of an existing building structure so that the First Floor Elevation (FFE) is at or above the BFE as required by FEMA or local ordinance to reduce flood risks.

INCREASED COST OF COMPLIANCE (ICC):
In cases where the local floodplain ordinance requires elevation or retrofitting of a substantially damaged building, the flood insurance policy will not only pay for repairs to the flooded building, it will pay up to $30,000 to help cover the additional cost of complying with the ordinance.

*Consult your local floodplain administrator as your local ordinance may require < 50% damage threshold.

For information visit our website at SBPUSA.org

Made possible by a grant from the Walmart Foundation
**STEP 1** Determine Your Cost to Repair and the Market Value of Your Home

**DETERMINE YOUR COST TO REPAIR**
The cost to repair is the true cost of bringing the building back to its pre-damage condition using qualified labor and materials obtained at market prices.

- It must be calculated for full repair, even if the owner elects to do less.
- It must also include the cost of any improvements that the owner has opted to include during the repair project.
- Get the cost to repair from an objective third-party or undebatable source, such as:
  - A licensed general contractor
  - A professional construction estimator
  - Insurance adjustment papers (excluding damage to contents)
  - Damage assessment field surveys conducted by building inspection, emergency management or tax assessment agencies after disaster (e.g., using FEMA Substantial Damage Estimator Program)

**DETERMINE THE MARKET VALUE OF YOUR HOME**
Acceptable estimates of market value include:

- An independent appraiser
- A detailed estimate of the structure’s actual cash value (the replacement cost for the building, minus a depreciation percentage based on age and condition)
- An estimate from your local building department or tax assessor’s office

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**Future Flood Protection Ideas to Consider**

1. Obtain and maintain flood insurance no matter what flood zone you are located in. If located outside the regulatory floodplain, or Special Flood Hazard Area, the cost of flood insurance is greatly reduced.

2. If located in high-risk wind zones, strengthen the roof, windows, doors, and structure following the IBHS FORTIFIED Home standards.
National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) changes, which dictate flood zone and flood insurance rate. Check the NFIP website at floods��.art to find out more information about these potential changes.

Local and state ordinance changes

Lender and insurance company requirements

Availability of funding for elevation and other compliance measures