



Flood Risk Case Study

Flood Risk Analysis Saves National Multifamily Owner/Operator \$111,887!

The Challenge

A large real estate asset management and advisory company with 17 multifamily properties in its portfolio that standard flood zone determinations indicated to be within FEMA-designated Special Flood Hazard Areas (SFHA), which include flood zones beginning with letters A or V.

Number of SFHA Properties: 17
Cost of Annual Premiums: \$137,962

The Performance

Flood Zone Correction, Inc. (FZC) performed a thorough flood risk analysis on 17 of these properties and found that 14 properties were not at high risk of flooding during 100-year storms. Therefore, these 14 properties had been wrongly included in the SFHA. FZC worked with FEMA to successfully remove the 14 properties from the high-risk flood zone and to reclassify them into a low-risk flood zone, where they should have been in the first place. This successful reclassification of 14 apartment buildings increased property values by \$1.6 million (based on the application of a 7% capitalization rate to the amount of savings) and eliminated \$111,887 in premium costs.

Properties Removed: 14
Premiums Eliminated: \$111,887

The Opportunity

Given the severe weather events during the past two years, our free, comprehensive analysis will verify whether or not your flood zone designations are correct. If you have properties designated in high-risk flood zones, contact FZC today. FZC welcomes the opportunity to evaluate the true flood risk of buildings in your portfolio. A few minutes of your time may reduce and save significant expenditures on flood coverage.

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