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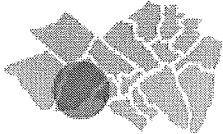
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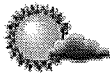
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Monday, September 10, 2007

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Flood zones wash away sales

By BRIAN McCULLOUGH

As if Realtors didn't have enough to worry about with a stagnant market, some sales in Chester County are now being threatened by changes in flood zone maps updated by the Federal Emergency Management Agency.

"I've heard of several deals falling off the table because the flood insurance made the homes unaffordable," said Jamie Ridge, president and CEO of the Suburban Realtors Alliance. "The new flood zones can have a big impact on the required flood insurance."

The flood map changes were made as part of a national review for which Congress earmarked \$1 billion, said Frank Ferreira, external affairs specialist for FEMA in Philadelphia.

"They wanted a better product to give us better data," he explained.

In the Philadelphia region, only Chester County and the city are working under new boundaries — Bucks, Montgomery and Delaware counties have yet to be updated, the alliance president said.

Being re-categorized from a low-to-moderate flood zone to a high-risk designation can be expensive.

Those in the lower category can purchase flood insurance — most homeowner policies don't cover natural flood damage — for about \$500 or less a year, while those in high-risk areas often pay more than \$2,000 a year, said Erin Smist, government affairs manager for the Suburban Realtors Alliance.

Development — new construction, roads and parking lots — can lead to a greater flooding risk in an area, Ridge said; conversely, developers in some areas sometimes lower flood risks when municipalities require certain remediation work.

"It can work both ways," Ridge said.

Residents who have been moved from the lower category to the higher risk also can protest the change if they believe the redesignation has been done in error.

But those living in high-risk areas who have federally insured mortgages must purchase the insurance, the Realtors alliance representatives said.

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Even those living in low-to-moderate-risk areas should strongly consider buying flood insurance, they advise.

"What we are suggesting is that they just go ahead and get flood insurance because more than 25 percent of flooding occurs in low-to-moderate-risk areas, and it's not that expensive," Ridge said.

And while recent floods in the Midwest and flooding from hurricanes in the South are what most people think of when they consider flooding, Pennsylvania ranks in the top 10 in terms of flood claims, Smist noted.

After the new boundaries went into effect in Chester County last September and in Philadelphia in January, some of the 3,000 Realtors in the county have gotten an unwelcomed surprise as their transactions move to closings.

"It has caught a lot of people off guard," Ridge said.

Getting information on whether the designation of their properties has changed can be a bit tricky for consumers, but answers are out there.

FEMA suggests two Web sites to check: www.fema.gov, where consumers can click on "flood" under types of disaster and follow links to its flood mapping area, and www.floodsmart.gov for general information to see if they are in a flood plain.

The Realtors Alliance also has information on the subject at its Web site, www.suburbanrealtorsalliance.com.

Individual municipalities — there are 73 in Chester County — also have updated maps, Ridge said.

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