

# FACT SHEET: Local Officials Determine ‘Substantial Damage’

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In communities impacted by flooding from Hurricane Florence, the determination that a structure has been “substantially damaged” is made by a local building official or floodplain manager.

“Substantial damage” applies to a severely damaged home or other structure in a Special Flood Hazard Area where the community participates in the National Flood Insurance Program. If the cost of repairing the structure is 50 percent or more of its market value before the disaster, it is considered substantially damaged.

For example, if your home’s market value before a disaster was \$200,000 and repairs are estimated to cost more than \$100,000, the home is determined to be substantially damaged. Land value is not considered as a factor in determining if the home is substantially damaged.

FEMA specialists are assisting local officials in inspecting damaged buildings. FEMA does not make a determination of substantial damage.

Rebuilding a substantially damaged structure in a floodplain requires that the property be brought into compliance with local floodplain management regulations. You may decide to:

- Elevate the building to a height determined by local officials.
- Relocate the structure outside the floodplain.



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- Demolish the home.
- Floodproof a non-residential structure.

You should check with local building officials to determine which permits for repairs are required before beginning work.

If you are an NFIP policyholder whose home was damaged extensively by flooding, you can ask your claims adjuster or insurance agent about Increased Cost of Compliance coverage. This coverage is a resource for flood insurance policyholders who need additional financial help to meet rebuilding requirements after a flood. Policyholders may receive up to \$30,000 through ICC to help meet the cost of complying with building codes and ordinances.

For more information on general flood insurance questions, contact your local floodplain administrator, NFIP at 800-427-4661, or your insurance agent. You can also email [FloodSmart@dhs.gov](mailto:FloodSmart@dhs.gov) to request information in a language other than English. Information also is available at [FEMA.gov](https://www.fema.gov) and [FloodSmart.gov](https://www.floodsmart.gov).

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