



3 STRATEGIES SMART BUYERS DEPLOY WHEN APARTMENT-HUNTING IN NYC FLOOD ZONES

by Virginia K. Smith | 10/21/15 - 1:59 PM



[Flickr/Shinya Suzuki](#)

If you're looking to buy anywhere within sight of water in New York City, there's a good chance you're looking to buy in a flood zone. That means along with scenic waterfront views, you'll also inherit higher insurance rates, the possibility that you'll have to evacuate during storms, and of course, potential damage if worse comes to worse.

Not that this should deter you from your dream neighborhood. After all, NYC itself is nothing but a series of highly weather-vulnerable islands, and last time we checked, that hasn't stopped people from flocking here. But it *does* mean you should arm yourself with some extra knowledge so you can start your search with eyes wide open:

ASK THE RIGHT QUESTIONS

Whether you're looking at standalone houses or apartments in co-op or condo buildings, you'll want to be alert for a few extra red flags during your search. And if you're not sure whether or not your prospective new 'hood is a potential flood risk or not, aside from [FEMA's maps](#), neighborhood data start-up [NeighborhoodX](#) put together a list of the city's flood-prone neighborhoods, as well as which ones were hit by Sandy, and which by Irene ([click to open in PDF.](#))

"The most important thing is finding a building that's learned from past experiences, like Hurricane Sandy," says broker [Gea Elika](#). For example, check if the building's key electrical equipment and generator have been moved out of the basement and to higher floors, [a move many residential and commercial buildings have made post-Sandy.](#)

"Ask if the brains of the building are in the basement, on the roof, or on the second floor," says Elika. Many buildings in areas like lower Manhattan have also invested in portable floodgates, another plus to protect residents from potential flood waters. It's not necessarily a dealbreaker if a building *hasn't* made these upgrades, but know that if the building *does* get flooded, you and your neighbors could potentially find yourselves facing down costly assessments for the repairs.

The same strategy goes if you're on the hunt for a house—if the furnace, boiler, and electrical system are all in the basement, you'll either need to brace yourself for damage in the event of serious flooding, or the extra cost of moving them yourself (more on that below). "It's easy to tell a house that was damaged during Sandy," notes Larry Ubell, and inspector with Brooklyn-based [Accurate Building Inspectors](#). "If the boiler, heater, and electrical panel are all brand new, that probably means they were damaged in the storm and had to be replaced."

Halstead broker [Peggy Aguayo](#), who has bought and sold many townhouses in Brooklyn, suggests "bringing in an engineer who's familiar with flood areas [to inspect the house]." A professional can check for what Aguayo calls "telltale signs" a home has been flood damaged, such as water lines along the building, and moisture (or full-blown mold) in the walls. "If it has a brick or wood facade, look at the lines that go horizontally along the building," adds Ubell. "If they're no longer straight, that tells you the foundation has probably moved."

If the place shows signs of serious damage, you may want to move on, but if it just means you'll need to make extra repairs, that's helpful information to bring to the negotiating table.

GET YOUR INSURANCE LINED UP

Insurance is one of the trickier (and pricier) aspects of buying in a flood-prone area. While you can check the status on the address on [FEMA's flood insurance rate maps](#), keep in mind that the zones have changed over the past few years, and [city officials have disputed FEMA's recent updates as overreaching](#) (meaning it's possible the current designations could change in the near future).

Also keep in mind that the maximum coverage for FEMA's flood insurance is \$250,000 for a house's structure, and \$100,000 for the contents, notes insurance broker Jeff Schneider of [Gotham Brokerage](#) (full disclosure, a BrickUnderground sponsor). If you think you'll need more than that, "there are private insurers who also write flood policies and who offer high levels of coverage," says Schneider, "but most people start with the FEMA coverage."

Prices vary, but in lower risk zones, he says, the premium for a house with a basement starts at around \$470 per year if it's your primary residence. For higher risk zones, says Schneider, you'll usually need a surveyor to come in and write up an elevation certificate (at a cost of around \$1,000) to determine the price of your policy. (Though it's worth asking if the seller has had a recent inspection before shelling out.) "The higher your house is elevated above the expected flood water height, the lower the premium," Schneider explains.

As for apartment buildings, Erika notes that many buildings that have either been through floods or are being built in flood-prone areas are now covering themselves with a master policy, and "sometimes that's all you need." (For instance, [On the Sound](#), a new development on City Island, is including flood insurance coverage in the cost of its monthlies.)

And if you're buying with financing, the insurance will be key to landing a mortgage. "In my experience, we can still finance in a flood zone," says Everbank loan officer [Julie Teitel](#). "We just need to know what flood zone it's in, and have the proper insurance."

CONSIDER WAYS TO FORTIFY YOUR INVESTMENT

For home buyers, if the seller hasn't already invested in flood-proofing of their own, you may want to spend extra money up front to make the place as waterproof as possible. "The key is strategic planning," says Ubell, "which means looking objectively and thinking about what will happen to this space if it fills up with water."

Ubell recommends avoiding significant finishes like drywall and carpeting in the basement (instead, opt for area rugs and other easily removable decor), and, as mentioned above, to strongly consider moving significant equipment to a higher floor, or when possible, the roof. Between the electrical, furnaces, and boilers, "you're looking at an expenditure between \$5,000 and \$10,000," he says, depending on what type of equipment is in place.

Aguayo also notes that many homeowners in low-lying areas invest in sump pumps (which [cost between \\$100 and \\$200](#)) to help clear liquid out of basements in case of flooding. A de-humidifier can help on this front, too, with [some models even coming with built-in pumps](#) to help discharge moisture. "A house that has proper de-humidification performs better and is a healthier house overall," Ubell notes.