

Buying RainReady: A Checklist for House Hunters



In *RainReadySM* communities, better water management means that homes, schools, and businesses are prepared for rain—whether too much or too little. RainReady programs keep residences secure and dry, services running, and rivers and lakes clean.

Photo credit: Eric Allix Rogers, Flickr Creative Commons



For most people, a house is the largest single purchase they will make in a lifetime. To guarantee that they are making a sound investment, homebuyers need to ensure that their new basements and backyards aren't likely to flood when it rains. Buying a home that is RainReady could save tens of thousands of dollars, and prevent a lot of misery.

Though homes that have been flooded can retain their value in the long term if the owner makes the necessary repairs, visible flooding damage can immediately decrease property values.

How can prospective homebuyers protect themselves from the possibility of urban flooding? CNT consulted five Realtors and developed an **eight-point checklist** of actions buyers can take to ensure that they are purchasing a RainReady home:

1

✓ **CHECK THAT YOUR REALTOR IS KNOWLEDGEABLE ABOUT FLOOD RISKS IN THE AREA** and can identify the telltale signs on a property. As a buyer's representative, an agent can advocate for repairs before finalizing a sale. Realtors who rely on personal contacts and referrals for expanding their business may be particularly sensitive to your concerns.

2

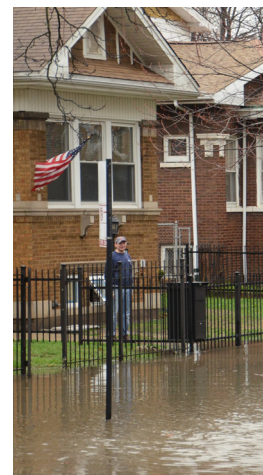
✓ **BE RIGOROUS IN YOUR RESEARCH.** Neighbors and community officials are often not fully aware of the risks in their neighborhoods, so ask around widely and search the internet for information about past flooding. For a community participating in the National Flood Insurance Program (NFIP), contact the community's Floodplain Administrator or [State Floodplain Manager](#), as they may be able to shed some light on localized flooding issues. Local neighborhood associations may also be helpful in identifying past flooding within a particular area.¹

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✓ **LOOK FOR SIGNS OF WET BASEMENT PROBLEMS,** such as standing water, water marks on the basement walls or drywall, and a musty, moldy smell in the basement. The signs may not always be obvious. A recently finished basement could be a sign of inspired decorating or of previous flood damage, and some people proactively install flood control systems (such as a rain blocker or sump pump) even if they don't have flooding. Be sure that any flood control system warranties are transferred to you, the new homeowner, as part of the property contract.

4

✓ **ARRANGE FOR A HOME INSPECTOR TO ASSESS THE PROPERTY,** preferably one who is independent from the real estate agent and who is a member of a national professional association. A thorough home inspection, using the latest technologies like thermal imaging to augment the standard moisture readers, can reveal hidden water damage or basement moisture issues. We recommend the [National Association of Home Inspectors](#) or the [American Society of Home Inspectors](#).^{2,3}



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✓ **CHECK THE RESIDENTIAL REAL PROPERTY DISCLOSURE REPORT**, but be skeptical if the property is shown to have no flooding issues since a seller may be reluctant to fully disclose previous flooding incidents.⁴ However, it is in the seller's best interest to disclose to guard against possible future litigation from a buyer. Although the disclosure report has limitations, it may give the buyer some legal protection if it turns out that the seller willfully provided false information and the home does have a history of flooding. If a disclosure violation is discovered, the buyer has one year from the date of possession, date of occupancy or date of recording (whichever is earlier) to commence any action against the seller. The buyer also has the right to terminate a contract if the seller fails or refuses to provide the disclosure document.

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✓ **ASK YOUR REALTOR TO REQUEST A LOSS HISTORY REPORT FOR THE PROPERTY**, either a Comprehensive Loss Underwriting Exchange (C.L.U.E.) or an Automobile-Property Loss Underwriting Service (A-PLUS). These will reveal any insurance claims made against the property in the past five to seven years. Although loss reports are only available to individual property owners and insurance companies since the information is protected by federal law, a buyer can request that the report be supplied during the home buying process.

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✓ **REQUEST THAT THE SELLER TAKE ACTION TO MITIGATE FLOODING.** Flood damage and mitigation can cost tens of thousands of dollars. If you think that the property floods but you would still like to buy it, you can request that the seller take appropriate action. For example, you could request that an independent residential flood assessment is carried out and recommendations implemented. Sometimes simple, low-cost measures like drain inspections or green infrastructure/functional landscaping can be implemented to reduce flood risks.



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✓ **GET INSURANCE.** Most residences and businesses lie outside of floodplains, yet many still flood.⁵ Low-cost insurance plans are available for these homes through the federally backed **National Flood Insurance Program (NFIP)**.⁶ However, the NFIP does not cover sewer backups, which require a separate rider to homeowners insurance.

DOES YOUR COMMUNITY HAVE A RAINREADY PLAN? LEARN MORE AT WWW.RAINREADY.ORG

1. www.floods.org/index.asp?menuID=274&firstlevelmenuID=185&siteID=1
2. www.nahi.org/
3. www.ashi.org/

4. www.illinoisrealtor.org/sites/illinoisrealtor.org/files/old/Member/memberservices/forms/sellerletter.pdf
5. www.cnt.org/2013/05/14/urban-flooding-is-chronic-and-costly-but-not-correlated-with-floodplains/
6. www.floodsmart.gov