



Why have a Flood Search?

In June 2009, the Environment Agency (EA) published its report 'Flooding in England' which estimated that 5.2 million (1-in-6) properties in England were at risk from flooding. This was nearly twice the previous estimates, primarily because it included, for the first time, properties at risk from surface water flooding.

2012 was then the wettest year on record. Quotes then included "Events of this kind are expected to become more frequent" (Pitt review). "Severe flooding is likely to be a phenomenon we will have to learn to live with" (Met Office).

Sadly, this has been borne out in 2014. Areas around the Thames, which have not been flooded in over 50 years, or in other cases, since records began, have now flooded. The cost to insurers in 2008 from the 2007 floods was £3 billion, and we can safely assume that the costs from the current flooding will far exceed that figure.

In 2007 surface water caused 70% of the property damage in those floods. As a result, there was considerable debate amongst insurers about whether they would continue to offer flood cover at all. An agreement was reached in 2008 between the Association of British Insurers (ABI) and Government, confirming the basis on which their members would continue to offer flood risk insurance. This expired in June 2013 and there is now an agreement in place to work towards a replacement agreement, which will come into effect in or around mid 2015. In simple terms insurers are to continue to offer flood cover where the flood risk is moderate or low. Properties at significant risk may also be insurable but only where the EA has announced plans to do flood protection works within five years that will reduce the annual risk below the significant (1.3%) level. In such cases the insurers are to (if the property is sold) continue to offer cover for domestic property as long as it receives satisfactory information about the new owner (especially their claims record). The new scheme, however, if it does proceed, does not extend to property built after 1.1.2009 or property in Council Tax bracket H or over. The logic is that builds after 2009 would not be on a floodplain, would include sufficient flood prevention measures, or, have sustainable

drainage systems in place. If the property is in band H the owners are supposedly rich enough to be able to afford the consequences. These properties may be offered cover but potentially subject to massive excesses.

The Flood Search is an optional search that will assess the risk from all four main types of flooding (river, coastal, groundwater and surface water). The predictive maps for ground and, the unpredictable surface water flood in particular, have been shown to be very accurate.

We usually recommend our clients have an Environmental Search, which contains flood data and a flood risk assessment. If this indicates a flood risk we recommend clients have the flood search as well. It is a small cost, particularly against the value of a home, and is relevant to people buying both houses and flats.

Flood risk and insurance issues can have a devastating impact on the value and marketability of property. Lenders are increasingly concerned as well at these risks. This is only a brief note on this area. If you require further information we would refer you to:

www.rics.org/Global/RICS-Flooding-consumer-guide.pdf

www.gov.uk/government/policies/reducing-the-threats-of-flooding-and-coastal-change

www.bbc.co.uk/news/uk-england-tyne-19725952