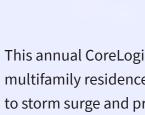
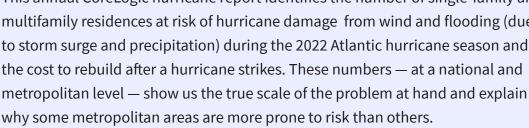
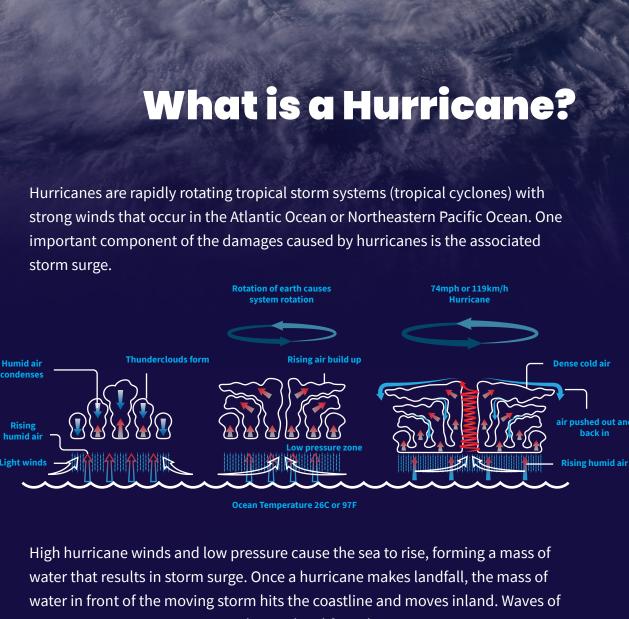


Report 2022





This annual CoreLogic hurricane report identifies the number of single-family and multifamily residences at risk of hurricane damage from wind and flooding (due to storm surge and precipitation) during the 2022 Atlantic hurricane season and the cost to rebuild after a hurricane strikes. These numbers — at a national and



surging seawater pose a tremendous risk to life and property. When storm surge occurs, it's often on top of flooding from excessive precipitation that has overwhelmed the drainage solutions communities rely on, like municipal storm drains, streams and rivers. Consequently, storm surge exacerbates an already drastic flooding situation. The Impact of Hurricanes on Communities

WA MT ND MN OR ID SD WY PΑ IΑ NE NVUT IL IN CO

KS

OK

ΑZ

NM

\$80 billion in damages

7th consecutive season,

following the storm.

pandemic. (Figure 2)

8%

12%

CoreLogic

Inflation (less shelter)

Serious Delinquency Rate (percent)

Pandemio

3rd costliest season on record, behind only 2005 and 2017

that a hurricane struck before the beginning of the official season

Hurricane Ida, a 2021 hurricane, quickly evolved into a Category 4 storm before reaching land near Port Fourchon, LA in August. Winds — exceeding 145 mph and flooding caused substantial damage to property for several days immediately

Both home mortgage delinquencies and shelter costs rose because Hurricane Ida caused severe property damage and put significant strain on the community. This

current-to-30-day delinquency, which had been running at about 1% per month,

Hurricane

Hurricane

Houma-Thibodaux

Louisiana

spiked to over 7% in the Houma metro, LA in the month following the storm.

MO

AR

The 2021 Atlantic hurricane season provides a good starting point for discussing the impact of hurricanes on communities, because it continued several trends.

2021 Catastrophe Report Hurricanes

ΤN

ΑL

MS

NC

SC

GΑ

ME

TX 21 named storms 3rd most active season on record, with (for the second year in a row)

(Figure 1) Figure 1: Current-to-Delinquent Rate Jumps After a Disaster Current-to-Delinquent Transition Rate (percent)

Pandemio

is a typical effect of a hurricane. In Ida's case, the transition rate from

Many homeowners experienced ongoing financial trauma. The percentage of borrowers in Houma who were at least three months behind on payments jumped by 50%, rising from 4.4% in September to 6.6% in November, even though serious delinquency rates declined 16% nationwide during that same period. Six months after Ida, the serious delinquency rate in Houma remained

above Louisiana's and was double what it had been in the months prior to the

Figure 2: Serious Delinquency Rates Jump After a Disaster

Sep. 2020 Mar. 2020 Mar. 2021 Sep. 2021 - - Louisiana - Houma-Thibodaux MSA The Houma economy had already been hurt in the early months of the pandemic by a drop in oil prices. With the additional strain of Hurricane Ida, home prices recovered slowly and rents weakened as workers and families relocated to other areas. When home prices did rise, they increased less than the rate of inflation and also less than one-half the national rise recorded in the CoreLogic Home Price Index. Single-family rents also declined, despite an annual rise of 13% in the national CoreLogic Single-Family Rent Index. (Figure 3) Figure 3: After Ida, Houma's Price and Rent Grew Less Than Louisiana's

Inflation, Home Price and Rent Growth, March 2021-March 2022 (percent)

Home Price Growth

■Houma Metro ■Louisiana

makes landfall. Pressures on **Restoration Efforts** The work done by restoration professionals is a critical element of a community's recovery from natural catastrophe events. As hurricane frequency and severity are expected to increase in the coming years, the catastrophic loss restoration business will be challenged to meet the growing need for workers (at all levels) in resource management, financial risk mitigation, workflow standards, and management of legal risks.

More hurricane damage means more claims will be filed, which means more

insurance carriers to adopt low touch or no touch claim handling solutions.

employed throughout the industry.

Influence of

the risk of structural damage.

Climate Change

people will be needed. At a time of ongoing labor shortages, this is driving some

Recovery efforts will continue to be challenged until adequate solutions — such as more workers, streamlined processes, or a combination of both — are widely

Along with increasing hurricane frequency, sea-level rise, stronger winds, and higher rainfall rates have contributed to the increasingly damaging impact of hurricanes. They exacerbate the risk of coastal and inland flooding and increase

Stronger hurricane seasons mean property losses will continue to mount. The

insurance industry will see increased financial implications because wind

CoreLogic evaluated the storm surge and hurricane wind risk levels for both

CoreLogic identified more than 31 million single-family homes (and almost 1 million more homes in multi unit buildings) that were at moderate or greater risk from the damaging winds of a hurricane. Over 7.5 million of these homes had direct or indirect coastal exposure and subsequent risk from coastal storm surge

Hurricane losses for any given community are severe and infrequent. Insurance proceeds are the primary means through which homeowners rely on to restore

damage from hurricane winds, but flood insurance is not uniformly purchased by

homes and ensure community resilience goals. Most homes are insured for

coasts for the 2022 hurricane season.

and damage from hurricanes.

234,200 🛱

156,948 🗂

94,745 🚳

Total Estimated RCV (MFR) (U.S. Dollars in Billions)

Homes (SFR)

Potentially Affected

6,316,115

14,654,510

22,113,248

31,792,966

Metro Analysis

million homes at risk of storm surge flooding.

which homes need to be fortified.

1.281.273

Category 4

Category 3

Category 2

Category 1

Hurricane Wind

Risk Level

Extreme

High or

Greater

Moderate

or Greater

| 13

14

11

12

13

15

Lafayette

Salisbury

New York

Houston

Philadelphia

Washington

MFR Metro Analysis

Storm Surge

New York

Miami

Boston

Tampa

Cape Coral

New Orleans

Virginia Beach

Jacksonville

Philadelphia

Deltona

North Port

Providence

Naples

Baltimore

New York

Washington

Hurricane Wind

Savannah

13

| 4

15

16

17

18

19

| 10

| 11

| 12

| 13

| 14

115

П

|2

Miami

Baton Rouge

Hurricane Wind

Very High or Greater

single-family (SFR) and multifamily (MFR) residences along the Gulf and Atlantic

damages are covered by standard homeowners insurance policies.

Flood insurance is widely adopted by homeowners within the Special Flood Hazard Areas designated by the Federal Emergency Management Agency (FEMA), but it is rarely purchased outside those zones. As a result, unsuspecting homeowners can be left with very little or zero protection in recovery from intensifying hurricane seasons.

homeowners. CoreLogic studies have indicated that up to 70% of the damages from flood to homes is uninsured. The tables below represent the number of homes at varying levels of surge risk based on hurricane categories and the number of homes at varying levels of hurricane wind risk based on wind risk levels. It is an analysis of which homes could be affected by varying category storms that could occur this year or in coming years. The reconstruction cost value (RCV) figures are based on an assumption of total (100%) destruction of the structure, or the cost to completely rebuild the existing structure assuming total destruction. The RCV combines

Miami 740,744 \$183.9 Tampa 555,474 \$125.9 **New Orleans** \$124.3 405,369 Virginia Beach 397,947 \$120.1 16 **Cape Coral** 330,465 \$84.4 17 **North Port** 293,538 \$73.4 18 **Houston** \$71.0 264,461 19 \$55.4 **Naples** 200,276 **Jacksonville** 194,583 \$55.4 111 Charleston 188,329 \$61.5 **Myrtle Beach** \$41.9 | 12 183,757

148,646

141,932

136,220

Homes at Risk

3,814,468

2,032,661

2,009,913

1,924,785

1,753,336

\$37.1

\$40.8

\$39.3

Estimated RCV US Dollars in Billions

\$1,945.5

\$619.8

\$501.1

\$762.9

\$628.5

Estimated RCV US Dollars in Billions

\$62.8

\$8.7

\$12.6

\$4.9

\$4.1

\$4.4

\$2.2

\$1.8

\$1.8

\$1.5

\$1.0

\$1.1

\$2.0

\$1.0

\$0.5

\$261.8

\$24.8

65%

Estimated RCV US Dollars in Billions

Houma-Thibodaux 0% Sep. 2019 Sep. 2021 Mar. 2022 -Houma-Thibodaux MSA





With ocean temperatures rising, scientists predict that we should expect more frequent and destructive tropical cyclone activity. Homeowners and regional public agency leaders should recognize the need for more resilient city infrastructure and increased financial protection from catastrophe. **National Analysis**

materials, equipment and labor, but does not include the value of the land or lot. **Category 5** 258,821 🗂

2,741,505 🗂

\$1,000

Estimated RCV

in Billions)

(SFR) (U.S. Dollars

\$1,645.9

\$4,024.0

\$6,697.8

\$9,976.6

Focusing on risk counts at the metropolitan level shows us how risk profile varies between different communities. Our review highlights over 4 million homes in the New York City metro area at risk of damage from hurricane winds and almost 1

communities to a greater frequency and severity of storm surge flooding. Some metropolitan areas are at significantly higher risk of storm surge. With granular data and analytics, the most at risk homes can be identified, giving us a sense of

Climate change is resulting in the increasing of sea level and exposing

Population densities in these metro areas affect risk assessment.

Densely-populated areas are significantly more susceptible to damage from

hurricanes. But within any given metro area, some properties will be at higher or

4,436,484 🚳

\$2,000

Homes (MFR)

Potentially Affected

122,087

229,077

647,060

987,727

霝 **Potential**

\$3,000

Estimated RCV

in Billions)

(MFR) (U.S. Dollars

\$42.1

\$85.0

\$327.4

\$519.5

Total Estimated RCV (SFR) (U.S. Dollars in Billions)

lower risk depending on the changes in elevation and barriers that stop the inland flow of water. **SFR Metro Analysis** Storm Surge **Estimated RCV Homes at Risk US Dollars in Billions** П **New York** 786,279 \$369.9 |2 13 | 4 15

Boston 1,303,433 \$555.5 17 \$275.5 Tampa 1,116,079 18 **Baltimore** 910,522 \$283.0 19 Virginia Beach 580,002 \$177.5 | 10 **Jacksonville** 566,825 \$157.0 | 11 **Providence** 474,328 \$176.0 112 Richmond 452,639 \$150.4 | 13 **New Orleans** 435,865 \$133.9 **North Port** 386,689 \$102.0 | 15 \$143.4 Hartford 380,080

Homes at Risk

109,317

28,645

26,640

14,271

13,726

6,626

4,470

4,286

4,219

3,449

3,378

3,330

2,775

2,498

2,126

Homes at Risk

459,184

100,532

ا	Boston	82,249	\$55.7
ı	Miami	61,467	\$20.
ı	Philadelphia	59,237	\$34.3
1	Providence	33,577	\$24.6
•	Tampa	26,324	\$8.7
١	Houston	18,092	\$6.2
(Cape Coral	14,579	\$4.3
ا	Portland, ME	14,370	\$6.2
ا	Baltimore	12,340	\$4.
١	Hartford	11,308	\$9.2
1	New Haven	10,943	\$7.6
,	Jacksonville	8,602	\$3.5
I	Bridgeport	7,733	\$6.0

of 2022 being an above-normal season. **2022 Atlantic Season Outlook Named Storms** Chance of below-normal season 14-21 10% **Hurricanes** Chance of near-normal season 6-10 25% Chance of above-normal season **Major Hurricanes |3-6**

Key Takeaways for Risk,

Recovery, Loss

The analysis in the 2022 Hurricane

Report encompasses single-family

residential structures less than four

duplexes, manufactured homes and

cabins (among other non-traditional

home types). It also encompasses

multi-unit dwellings.

stories, including mobile homes,

December, the official annual hurricane season occurs from June through

November. The forecast released from the National Oceanic and Atmospheric Administration (NOAA) in late May 2022 predicts 14-21 named storms, 6-10

hurricanes, and 3-6 major hurricanes. It also indicates that there is a 65% chance

Prevention Hurricane season begins on June 1 and continues through the end of November, giving storms and other catastrophes significant time to impact homeowners and the communities where they live, work, and play. Hurricanes (and other natural hazards) are important factors in determining risk and coverage for homeowner's insurance. Given the uncertainties that come with hurricanes, insurers and their policyholders should understand this risk on a granular, structure-by-structure basis to ensure homeowners are adequately covered. While it's impossible to stop natural disasters from occurring, understanding risk and ensuring the right financial protections are in place are both critical for swift recovery. Homeowners should work with their insurance provider to evaluate their home's susceptibility to hurricane risk and keep their homes protected. Methodology

multifamily structures, which include with property market values or new apartments, condominiums, and construction cost estimation. Reconstruction cost estimates more It's important to note that the inclusion accurately reflect the actual cost of of high rise residential units such as damage or destruction of residential those listed above may skew both the buildings that would occur from numbers associated with storm surge hurricane driven storm surge and wind, risk. This is because lower level units because they include the cost of materials, equipment and labor needed to rebuild. These estimates also factor in geographical pricing differences (actual land values are not

comparisons should be considered

carefully. To estimate the value of

property exposure of single-family

residences, CoreLogic uses its RCV

total loss and is not to be confused

methodology, which estimates the cost to rebuild the home in the event of a

are most likely to be affected, whereas the units above the second floor will rarely, if ever, experience storm surge flood damage. included in the estimates). The values Year over year changes between the in this report are based on 100%

number of homes at risk and the RCV percent (or "total"), destruction of the can be the result of several variables, residential structure. Depending on the including new home construction, amount of hurricane driven storm improved public records, enhanced surge and wind from a given storm, modeling techniques, fluctuation in there may be less than 100% damage labor, equipment and material costs to the residence, which would result in and even a potential rise in sea level. a lower realized RCV. For that reason, direct year over year PROPRIETARY. ©2022 CoreLogic, Inc. All Rights Reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

The 2022 Atlantic hurricane season hurricane events combine to create is June 1 through November 30. potentially life-threatening events Millions of homes stand along fraught with financial risk. coastlines from Texas to Maine and It's more critical than ever that are vulnerable to the devastating impacts of hurricanes. Developers communities and stakeholders continuing to build properties in including banks, lenders, insurers, high-risk areas, plus rising sea real estate developers and investors take these three actions in order levels, sea surface temperatures, to minimize loss: and an increasing frequency of Be aware of their risk Take steps to prevent **Execute efficient** losses from occurring recovery through advanced tools