



Measuring the long term financial impact of flooding on homeowners – data issues and opportunities

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In the UK official estimates state that half a million homes are situated in the floodplain and face the risk of flooding. The long and short term implications of a flood event are diverse and complicated. Alongside stress, loss of life, trauma, loss of treasured possessions and short term financial hardship there are longer term impacts. This research examines the long term financial impacts, loss of property value and increased insurance costs within the UK. Data issues make the measurement of these phenomena problematic.

The current research has taken the approach of combining newly available secondary data with survey generated primary data to build a more complete picture of flood history and status on a property by property basis. It is shown that the experience of floodplain residents does not always correspond to expectations based on the publicly available risk information.

A feature of extant studies into the impact of flooding on property values has been the reliability of flood history data and therefore the researcher must take care in selecting the most appropriate measure of flood risk status for inclusion in any analysis. In the UK the differences between three status variables of flood risk, flood history and insurance cost can be seen as an opportunity to explore the different significance of these factors in the mind of the property buyer. By combining data sources the current research aims to address this issue.

This paper discusses the data issues surrounding the measurement of financial impacts of flooding in the UK and presents a proposed synthesis of new data sources with a novel framework designed to address them.