

# Costs That Must be INCLUDED in SI/SD Determinations

Items that must be included in the costs of improvement and the costs to repair are those that are directly associated with the building. The following list of costs that must be included is not intended to be exhaustive, but characterizes the types of costs that must be included:

- **Materials and labor**, including the estimated value of donated or discounted materials and owner or volunteer labor.
  - **Donated or discounted materials.** FAIR MARKET VALUE FOR MATERIALS.
  - **Owner/volunteer labor.** FAIR MARKET VALUE FOR LABOR, BUT NEVER LESS THAN MINIMUM WAGE.
- **Site preparation** related to the improvement or repair (e.g., foundation excavation or filling in basements)
- **Demolition and construction debris disposal**
- **Labor and other costs** associated with demolishing, moving, or altering building components to accommodate improvements, additions, and making repairs
- **Costs associated with complying with any other regulations or code requirement that is triggered by the work, including costs to comply with the requirements of the Americans with Disabilities Act (ADA)**
- **Costs associated with elevating a structure** when the proposed elevation is lower than the BFE
- **Construction management and supervision**
- **Contractor's overhead and profit**
- **Sales taxes** on materials
- **Structural elements and exterior finishes**, including but not limited to:
  - Foundations (e.g., spread or continuous foundation footings, perimeter walls, chain-walls, pilings, columns, posts, etc.)
  - Monolithic or other types of concrete slabs
  - Bearing walls, tie beams, trusses
  - Joists, beams, subflooring, framing, ceilings
  - Interior non-bearing walls
  - Exterior finishes (e.g., brick, stucco, siding, painting, and trim)
  - Windows and exterior doors
  - Roofing, gutters, and downspouts
  - Hardware
  - Attached decks and porches
- **Interior finish elements**, including:
  - Floor finishes (e.g., hardwood, ceramic, vinyl, linoleum, stone, and wall-to-wall carpet over subflooring)
  - Bathroom tiling and fixtures
  - Wall finishes (e.g., drywall, paint, stucco, plaster, paneling, and marble)
  - Built-in cabinets (e.g., kitchen, utility, entertainment, storage, and bathroom)
  - Interior doors
  - Interior finish carpentry
  - Built-in bookcases and furniture
  - Hardware
  - Insulation
  - Carpet installed over an unfinished floor (i.e., subfloor)
- **Utility and service equipment**, including:
  - Heating, ventilation, and air conditioning (HVAC) equipment
  - Plumbing fixtures and piping
  - Electrical wiring, outlets, and switches
  - Light fixtures and ceiling fans
  - Security systems
  - Built-in appliances
  - Central vacuum systems
  - Water filtration, conditioning, and recirculation systems
- **Demolition/construction debris disposal costs**

Items that can be *excluded* are those that are not directly associated with the building. The following list characterizes the types of costs that may be excluded:

- **Clean-up and trash removal**
- Costs to temporarily stabilize a building so that it is safe to enter to evaluate and identify required repairs
- **Costs to obtain or prepare plans and specifications**
- **Land survey costs**
- **Permit fees and inspection fees**
- **Carpeting and re-carpeting installed over finished flooring such as wood or tiling**
  - *If carpeting is being in/re-installed over unfinished flooring (i.e. plywood subfloor), then it is an INCLUDED cost*
- **Outside improvements**, including landscaping, irrigation, sidewalks, driveways, fences, yard lights, swimming pools, pool enclosures, and detached accessory structures (e.g., garages, sheds, and gazebos)
- Costs required for the minimum necessary work to correct existing violations of health, safety, and sanitary codes
- **Plug-in appliances** such as washing machines, dryers, and stoves

## Acceptable Sources of Cost Information

The costs of improvements and the costs to repair are necessary to make the SI/SD determination. The following are acceptable methods to determine the costs:

- Itemized costs of materials and labor, or estimates of materials and labor that are prepared by licensed contractors or professional construction cost estimators.
- Professional building cost-estimating services.
- “Qualified Estimate” of costs that are prepared by the local official using professional judgment and knowledge of local and regional construction costs. This approach is most often used post-disaster when there are large numbers of damaged buildings and when permits must be quickly processed.
- Building owners may submit cost estimates that they prepare themselves. If the community is willing to consider such estimates, owners should be required to provide as much supporting documentation as possible (such as pricing information from lumber companies and hardware stores). In addition, the estimate must include the value of labor, including the value of the owner’s labor.
- FEMA developed the *Substantial Damage Estimator* to provide estimates of building values and costs to repair. In general, this method is most often used in the post-disaster period when local officials need to inspect large numbers of damaged structures and make many substantial damage determinations.