



## Substantial Improvement/Damage Construction Cost Itemization Schedule

If your home or business is in the Special Flood Hazard Area (SFHA) and is not flood compliant (i.e. structure is below the **Design Flood Elevation (BFE + 1 foot)**, the **Borough of Highlands** has flood damage prevention regulations that may affect how you remodel, renovate, or add on to your building. If your proposed project is too close to the 50% threshold to determine if work is considered to be “**Substantial Improvement**”, then you will be asked to obtain and submit this detailed and complete cost estimate for the addition, remodeling, or reconstruction of the structure, prepared and signed by the **Contractor**. The **Contractor** must sign an affidavit indicating that the cost estimate submitted includes all damages or all improvements to your structure, not just structural. If the **Homeowner** is the **Contractor**, the **Homeowner** is responsible for submitting the cost estimate and providing documentation, including subcontractor bids, to document the cost estimate.

### What is to be included in calculating the costs of the project?

#### ITEMS TO BE INCLUDED

**All structural elements, including:**

1. Spread or continuous foundation footings and pilings
2. Monolithic or other types of concrete slabs
3. Bearing walls, tie beams and trusses
4. Joists, beams, framing, subflooring and ceilings
5. Attached decks and porches
6. Interior non-bearing walls
7. Exterior wall finishes (brick, stucco, siding, paint, moldings)
8. Windows and exterior doors
9. Roofing, gutters, downspouts
10. Hardware

4. Kitchen, utility and bathroom cabinets
5. Built-in bookcases, cabinets, and furniture
6. Hardware, insulation, interior doors

**All utility and service equipment, including:**

1. Heating, ventilation & air condition equipment
2. Plumbing piping & fixtures, electrical wiring
3. Electrical fixtures, outlets, switches, ceiling fans
4. Security systems
5. Built-in appliances, central vacuum systems
6. Water filtration, conditioning, or recirculation systems

**Other costs, including:**

1. Cost to demolish storm-damaged building components
2. Labor and other costs associated with moving or altering undamaged building components to accommodate improvements or additions
3. Overhead and profits

**All interior finishing elements, including:**

1. Tiling, linoleum, stone, or carpet over subflooring
2. Bathroom tiling and fixtures
3. Wall finishes (drywall, painting, stucco, plaster, paneling, marble, etc.)

#### ITEMS TO BE EXCLUDED

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| <ol style="list-style-type: none"> <li>1. Plans and specifications</li> <li>2. Land Survey costs</li> <li>3. Permit &amp; inspection fees</li> <li>4. Post-storm debris removal and clean up</li> <li>5. Costs to stabilize a building</li> <li>6. Carpeting</li> <li>7. Landscaping</li> <li>8. Sidewalks</li> </ol> | <ol style="list-style-type: none"> <li>9. Driveways</li> <li>10. Fences</li> <li>11. Yard lights</li> <li>12. Swimming pools</li> <li>13. Screened pool enclosures</li> <li>14. Detached structures (garages, sheds, gazebos)</li> <li>15. Landscape irrigation systems</li> <li>16. Plug-in appliances</li> </ol> |
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#### ACCEPTABLE ESTIMATES OF MARKET VALUE CAN BE OBTAINED FROM THESE SOURCES

- ◆ Independent appraisal by professional appraiser - must exclude value of land and not use “income capitalization approach”
- ◆ Detailed estimates of structure’s actual cash value—the replacement cost for a building, minus a depreciation percentage
- ◆ Property values for tax assessment purposes with adjustment by tax appraiser to reflect current market conditions
- ◆ The value of buildings taken from NFIP claims data (usually actual cash value)
- ◆ Qualified estimates based on sound professional judgment local building department or tax assessor’s office
- ◆ A detailed estimate of the Actual Cash Value as determined by the FEMA Substantial Damage Estimator (SDE)

#### PROJECTS AFFECTED:

All building improvement projects worthy of a permit must be considered. These include ◆ Remodeling projects  
◆ Rehabilitation projects ◆ Building additions ◆ Repair and reconstruction projects