

Mitigation Saves: At the WUI, Complying with the 2015 IWUIC Provides \$4 Benefit for Each \$1 Invested

EVERY AMERICAN FACES NATURAL HAZARDS, AND THE RISK IS GROWING

U.S. disaster losses from wind, floods, earthquakes, and fires now average \$100 billion per year, and in 2017 exceeded \$300 billion—25% of the \$1.3 trillion building value put in place that year. Fortunately, there are affordable and highly cost-effective strategies that policymakers, building owners, and the building industry can deploy to reduce these impacts. These strategies include adopting and strengthening building codes, upgrading existing buildings, and improving utilities and transportation systems. The benefits and costs associated with these mitigation measures have been identified through the most exhaustive benefit-cost analysis of natural hazard mitigation to date and documented in Natural Hazard Mitigation Saves. The study was funded by three federal agencies and four private-sector sponsors and produced by the National Institute of Building Sciences – the nation’s Congressionally chartered convener of experts from the building professions, industry, labor, consumer interests, and government. For the report and accompanying fact sheets, see www.nibs.org/mitigationsaves. This fact sheet summarizes the study findings and significant savings associated with various mitigation measures.

- Adopting the latest building code requirements is affordable and saves \$11 per \$1 invested. Building codes have greatly improved society’s disaster resilience, while adding only about 1% to construction costs relative to 1990 standards. The greatest benefits accrue to communities using the most recent code editions.
- Above-code design could save \$4 per \$1 cost. Building codes set minimum requirements to protect life safety. Stricter requirements can cost-effectively boost life safety and speed functional recovery.
- Private-sector building retrofits could save \$4 per \$1 cost. The country could efficiently invest over \$500 billion to upgrade residences with 15 measures considered here, saving more than \$2 trillion.
- Lifeline retrofit saves \$4 per \$1 cost. Society relies on telecommunications, roads, power, water, and other lifelines. Case studies show that upgrading lifelines to better resist disasters helps our economy and society.
- Federal grants save \$6 per \$1 cost. Public-sector investment in mitigation since 1995 by FEMA, EDA, and HUD cost the country \$27 billion but will ultimately save \$160 billion, meaning \$6 saved per \$1 invested.

National Institute of BUILDING SCIENCES™		ADOPT CODE	ABOVE CODE	BUILDING RETROFIT	LIFELINE RETROFIT	FEDERAL GRANTS
Overall Benefit-Cost Ratio		11:1	4:1	4:1	4:1	6:1
Cost (\$ billion)		\$1_{/year}	\$4_{/year}	\$520	\$0.6	\$27
Benefit (\$ billion)		\$13_{/year}	\$16_{/year}	\$2200	\$2.5	\$160
 Riverine Flood		6:1	5:1	6:1	8:1	7:1
 Hurricane Surge		not applicable	7:1	not applicable	not applicable	not applicable
 Wind		10:1	5:1	6:1	7:1	5:1
 Earthquake		12:1	4:1	13:1	3:1	3:1
 Wildland-Urban Interface Fire		not applicable	4:1	2:1	not applicable	3:1

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TABLE 1. Nationwide average benefit-cost ratio by hazard and mitigation measure. BCRs can vary geographically and can be much higher in some places. Find more details in the report.

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RESULTS OF COMPLIANCE WITH THE IWUIC

If all new buildings built in one year in census blocks with a benefit-cost ratio (BCR) over 1 complied with the 2015 IWUIC, compliance would add about \$800 million to total construction cost for that year. The present value of benefits would total approximately \$3.0 billion, suggesting a BCR of approximately 4:1, e.g., \$4 saved for every \$1 of additional construction and maintenance cost.

Table 1 provides BCRs for each natural hazard the project team examined. Figure 1 shows the overall ratio of costs to benefits for the design of new buildings to comply with requirements of the 2015 IWUIC. The BCR only exceeds 1.0 where the fire risk is moderate or higher. Of the 47,870 census blocks, about 10,000 of them (21%) have a BCR greater than 1.0. About 10.5% have BCR > 2.6. About 2% have BCR > 8, and the highest BCR is 15.3. Figure 2 provides the BCR by county. The project team aggregated state and local BCRs to determine the national-level BCR.

If all new buildings built the year after were also designed to meet IWUIC requirements, the benefits would be that much greater, in proportion to the quantity of new buildings.

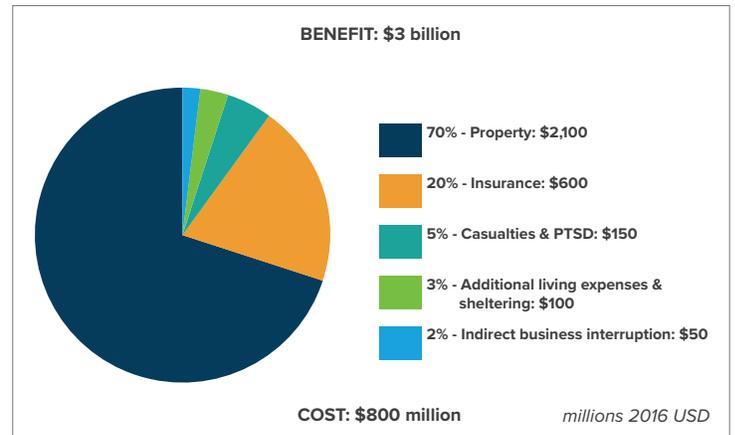


FIGURE 1. Contribution to benefits from 1 year of compliance with the 2015 IWUIC where it is cost-effective to do so.

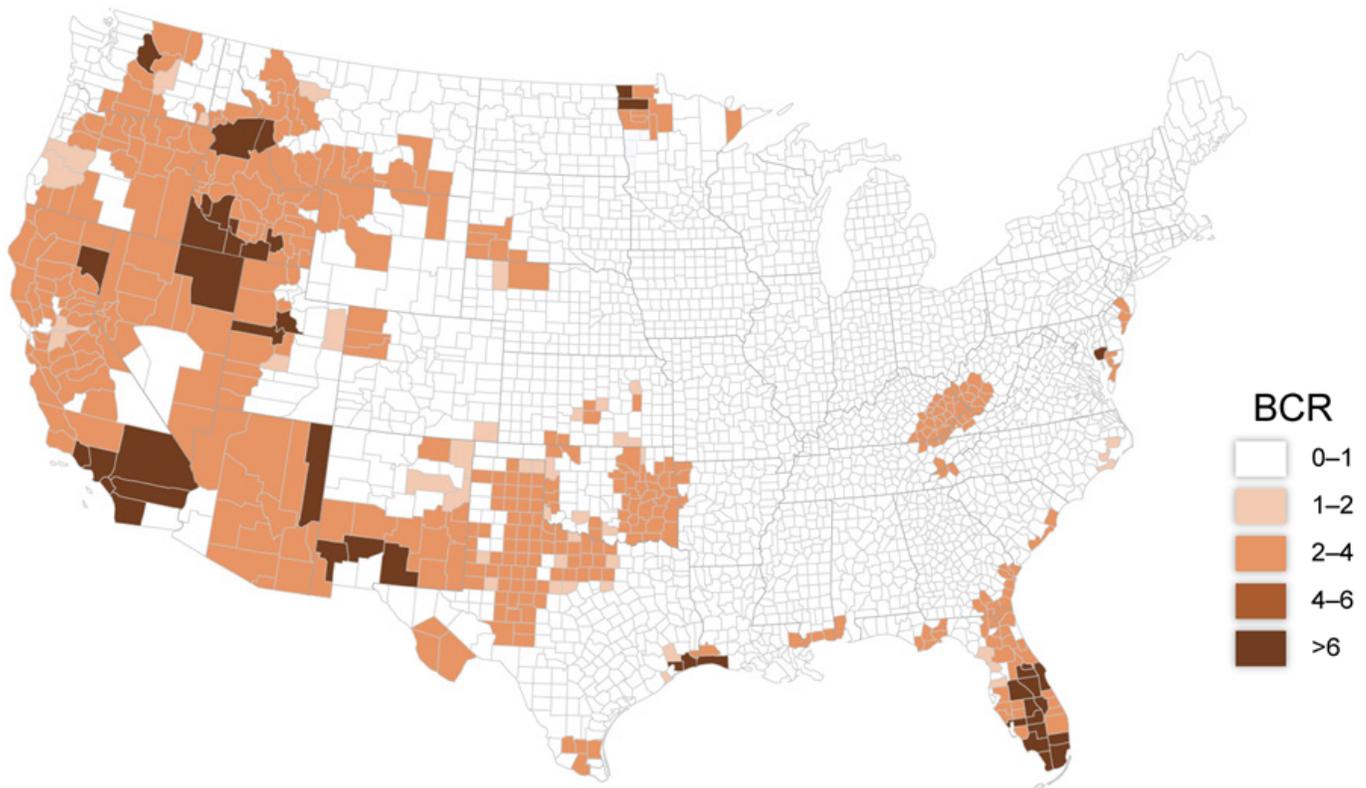


FIGURE 2. BCR of WUI fire mitigation by implementing the 2015 IWUIC for new buildings (by county).