



The magnitude 4.8 earthquake in New Jersey last week, April 5, 2024, has “shaken” the residents of New Jersey and several surrounding states, from their sleepy bedroom communities to the big city. With the epicenter of the earthquake being in Lebanon, the earthquake was right under our headquartered office’s backyard. While this earthquake was a rare occurrence, with the last major earthquake in New Jersey happening in 1783, New Jersey is not a stranger to other natural disasters. Unfortunately, disasters happen regularly all around the country.

Superstorm Sandy and Hurricane Ida were only two of the recent disasters we have faced in this state, with more occurrences of tornados, blizzards, and nor’easters as well. Due to the rise in these events, residents in the state may have received warnings from their home insurance providers of potential rising costs in insurance, rising even as much as 50% in recent years.

Natural disasters may cause catastrophic damage to homes, commercial property and communities, devastating families and businesses and leaving people homeless or jobless.

Luckily, Federal Appraisal can help with appraising all types of businesses, real estate and personal property immediately after a disaster. We also appraise damages and lost income to utilities, telecommunication lines, pipelines, waterlines, and various infrastructures. Our appraisers are uniquely qualified to determine the value damage that natural disasters may have caused and ultimately estimate the cost to repair.

An appraisal for insurance claim purposes requires the appraiser to consider some nuances that normally are not considered for regular appraisals. The appraiser would need to be well versed in what kinds of information needs to be gathered to determine the correct quality and condition of the property that is damaged.

Additionally, the appraiser would need a good understanding of the general market and how the natural disaster has also affected the surrounding neighborhood. The natural disaster may also have an impact on values in that market area as a whole, now that there is a known risk of hazards. On the contrary, property values may even increase due to the scarcity of supply from destroyed properties and increasing demand. The effective purchasing power of potential property owners may be affected as these disasters affect people, businesses, and even lenders.

In some occurrences, due to the possible extent of the damages, some properties may be eligible for a reduction in property taxes. The appraiser would need to be competent on different policies and laws that could affect these damages and also property consult clients on what steps they should take to receive fair compensation for these damages.

There are a few additional questions surrounding value that need to be asked and properly answered by an expert appraiser: How has the natural disaster affected property values? In addition to the damages and costs to repair, is there lost income until repaired or even afterwards? Will the property or business now suffer a stigma? If values are higher or lower, do these values actually represent a "market value?" Are the parties to these transactions "typically motivated" and acting in their best interest or is their behavior irrational due to the disaster? Are the properties being exposed to the market for a reasonable length of time prior to the sale? Federal Appraisal has the expertise and experience to properly research and analyze answers to these questions in order to perform an accurate, reliable, and credible appraisal.

If your property has been affected by any natural disasters, please do not hesitate to give us a call or email for an initial consultation for an appraisal - 908-534-3590 or mark@federalappraisal.com.