

April 14, 2021



Redfin Survey: 1 in 5 Americans Believes Climate Change Is Hurting Home Values In Their Area

Nearly two-thirds of U.S. homeowners have spent money to protect their homes against climate risks, with over one-third investing \$5,000 or more. Extreme temperatures and flooding are among the top concerns.

SEATTLE, April 14, 2021 /PRNewswire/ -- (NASDAQ: RDFN) — One in five Americans (21%) believes the increasing frequency or intensity of natural disasters, extreme temperatures and/or rising sea levels are hurting home values in their area, according to a new survey featured in a [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. A comparable share—23%—expect one or more of these factors to hurt local housing values in the next five years, and 12% think values will be negatively impacted in the next five to 10 years. Just over a third (35%) of Americans believe these factors will never diminish home values where they live.



"Climate change is posing an increasingly large risk to homeowners. As storms, wildfires and rising sea levels render more areas undesirable in the coming years, housing values in those areas will decline. This means a growing number of homeowners will see a major source of wealth—their home equity—wiped away," said Redfin Chief Economist Daryl Fairweather. "We may also see folks in at-risk areas choose to rent instead of own to avoid getting stuck with devalued properties."

The breakdowns in the next three sections of this press release focus on the 419 out of 2,000 respondents who indicated that they believe home values in their area are already being negatively impacted by climate change and natural disasters.

Younger Respondents Are More Likely to Say Climate Change Is Affecting Home Values

About a quarter of respondents aged 44 and younger believe home values in their area are already being negatively impacted by the increasing frequency/intensity of natural disasters, extreme temperatures and/or rising sea levels. That compares with 15% of participants aged 45 to 54 and 9% of participants aged 55 and older.

Midwesterners Are Least Likely to Say Climate Change Is Hurting Housing Values

Seventeen percent of respondents living in the Midwest think climate change is negatively affecting housing values in their area, compared with 20% of respondents in the Northeast, 22% in the South and 23% in the West.

While the Midwest is warming up and experiencing greater precipitation in some areas, it hasn't seen the sudden uptick in devastating natural disasters that other parts of the U.S. have. The West Coast had its most active fire year on record in 2020, with more than five million acres burning across California, Oregon and Washington, and homes in many wildfire-prone zip codes selling for a discount. And in Texas, a massive winter storm in February 2021 left 111 people dead and millions without power.

"Homeowners are still getting their pipes repaired from the freeze. Some are still without water," said Ashley Vasquez, a Redfin real estate agent in Houston, which is also prone to flooding. "I had one home that was supposed to close a month ago, but the process has been delayed because of the storm. We now have to get the home reinspected and reappraised to assess whether the freeze impacted the value."

While buyers are concerned about flooding and storms in Texas, many are overlooking these risks because there are so few homes for sale, Vasquez added.

City Dwellers Are Most Likely to Say Climate Change Is Hurting Housing Values

More than a quarter (27%) of city dwellers think local home values are being negatively impacted by the increasing frequency/intensity of natural disasters, extreme temperatures and/or rising sea levels. That compares with 17% of respondents living in suburban areas and 16% living in rural areas.

"Cities tend to skew younger and more liberal, which is likely why they're home to a larger share of people who are worried about the risks of climate change," Fairweather said. "Many city leaders have committed to carbon-reduction plans that are much more ambitious than the proposals put forth by federal and state officials."

Americans Are Spending Thousands of Dollars to Protect Their Homes Against Climate Change

The remainder of this press release focuses on the roughly 1,200 respondents who indicated they own the property they currently live in.

More than half (59%) of surveyed homeowners have invested in making their homes more resilient to at least one climate-related risk, with over a third (36%) spending \$5,000 or more.

Extreme temperatures and flooding are the top climate threats the surveyed homeowners are bracing for, with roughly 20% of respondents indicating that they have fortified their properties against one of those risks and/or the other. Next come earthquakes (16%), tornadoes (15%), hurricanes or other major tropical storms (13%) and severe snowstorms (10%).

Americans are fortifying their properties not only to keep themselves and their families safe from the dangers of climate change, but also to protect their home equity, according to Fairweather.

"Some homeowners are finding that in order to preserve the value of their properties, they need to invest in making their homes more resilient to climate change," Fairweather said. "However, this can be costly and make owning a home even less affordable at a time when housing prices are already soaring."

Roughly 1 in 3 Homeowners Has Spent at Least \$5,000 Fortifying Their Homes Against Climate Threats

More than a third (35%) of surveyed homeowners have invested \$5,000 or more to make their properties more resilient to climate risk, while 20% have spent up to \$5,000. Of the respondents who have invested in fortifying their homes, the most common amount spent was \$5,000 to \$9,999.

Ever since the destructive 2017 Tubbs Fire hit northern California, people who stayed in the area have been hard at work strengthening their homes, according to Napa, CA Redfin real estate Christopher Anderson.

"Homeowners are fireproofing their houses and empty lots and removing dead trees and bushes. If they have wood-shake roofs, they're changing them out for roofs made of concrete or some other material that doesn't burn. They're replacing wooden fencing with steel fencing, and wooden decks with stone patios," Anderson said. "Buyers are also paying more attention than they used to. They're looking at every property a bit more closely. How close did the fire get? What steps has the seller taken to mitigate fire risk?"

Natural Disaster Insurance Premiums Are on the Rise

About two-thirds (65%) of surveyed homeowners have a home insurance policy covering some type of natural disaster. Flooding is the most common threat for which homeowners possess insurance, with a third (33%) of respondents indicating they have policies to protect against this risk. Next come tornadoes (29%), earthquakes (22%), hurricanes or other major tropical storms (19%) and wildfires (15%).

As weather catastrophes become more frequent, insurance costs have jumped. Almost half (45%) of surveyed homeowners with natural disaster related insurance policies have seen their premiums increase in the last year.

To view the full report, including charts and methodology, please visit:

<https://www.redfin.com/news/climate-change-impact-home-values-survey/>

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