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## **REALTORS® on the East Coast Help Clients Pick Up the Pieces Following Hurricane Sandy**

*On November 1, 2012, in [Breaking News, NAR](#) by [Erica Christoffer](#)*

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The dock that Kate Koplinka grew up crabbing off of in Mastic Beach, Long Island, New York, vanished beneath the wind and flood waters of Hurricane Sandy this week. Yet Koplinka, ABR, vice president and associate broker of Coldwell Banker M&D Good Life in Moriches, New York, feels lucky. The devastation could have been worse—as it was for too many others, she says. Koplinka’s area of Suffolk County along eastern Long Island has 100-year-old trees strewn over electrical lines. Additionally, all major bridges, tunnels, and public transportation systems are closed, and school hasn’t been in session since last week.

Hurricane Sandy surged across the East Coast Monday and Tuesday, bringing with it rain and 75-90 mph wind gusts, causing devastating damage and flooding from Virginia to Massachusetts. At least 32 people have lost their lives, many are still missing, and numerous residents have lost their homes, continuing to take shelter in local schools and community centers.



Flooding in Suffolk County, eastern Long Island, New York. —  
Photo submitted by Kate Koplinka

An early assessment released Tuesday from economic analysis firm IHS, estimates economic loss between \$30 billion and \$50 billion for the region, including infrastructure damage, oil production loss, shipping and distribution delays, and various other commercial product shutdowns. On Monday, research firm CoreLogic estimated that 284,000 properties valued at \$88 billion were at risk of damage or destruction from the superstorm. New York had the highest number of properties at risk with just over 81,000 valued at \$35.1 billion, followed by 75,000 properties in New Jersey totaling \$22.6 billion.

The REALTORS® Relief Foundation is currently accepting donations to provide housing-related assistance to victims of the disaster. The foundation is working with state associations in the affected areas to distribute the funds to those in the REALTOR® family and the community at-large. All of the money donated goes directly to help those in need; NAR covers all administrative costs associated with the 11-year-old program. [Make a donation today.](#)

“We were at an open restaurant yesterday and an older man was sitting alone, his apartment was flooded and he had nowhere else to go,” Koplinka said. The man, who lived in Rocky Point, New York, said all of the hotels were full and the shelters were allegedly turning people away. To make matters worse, 85 percent of Long Island is currently without power, she said, and the drinking water in Nassau County in western Long Island is off limits.

Sales associate Lisette Guzman, ABR, SRES, with Coldwell Banker in Westfield, N.J., said she’s been without power since Monday and lost water Thursday. She will be relocating from her home temporarily, but plans to be back to work over the weekend. “My family is safe and that’s the most important thing,” she said.

Initial conversations between REALTORS® and clients will involve having homes re-inspected. Guzman has already been in communication with all of her

current and past clients. “Thankfully none have lost their homes,” she said. However, her area in Union County is considered a disaster zone, and she advised her clients with homes under contract that there may be a delay in closing because lenders could require another appraisal.



Downed tree in Suffolk County, eastern Long Island, New York. —Photo submitted by Kate Koplinka

“Needless to say, my buyers won’t be going out to see any homes anytime soon,” Guzman said.

There is so much devastation on Long Island, Koplinka said, that people are simply focused on getting running water and finding a hot shower.

“We are all coming out of a daze, and this is when the public needs REALTORS® at our best and strongest,” said Koplinka. “We are back to work as of today, in the office, calling clients and seeing how we can help.”

One of Koplinka’s clients, who has lived in her waterfront home for 40 years, has about four feet of water in her home. Another seller has 10 inches of water in the basement and has already moved out of the house.

“Risk of loss is a huge issue,” said Andrew M. Lieb, managing attorney and real estate instructor at Lieb at Law, P.C., in Long Island’s Center Moriches, who has already been getting e-mails about broken AC units and holes in roofs.

If a property under contract of sale has [damage caused by Hurricane Sandy](#), Lieb said the first issue is to determine whether the damage is material to the contract or merely ancillary. Loss of electrical connection or a few shingles falling down would likely be immaterial, Lieb said, whereas flooding with structural damage is typically material.

If the damage is material, then the contract is unenforceable at the option of the purchaser – the seller has no option in this situation, Lieb said. “In this scenario, if the purchaser does not want to pursue the contract, and, therefore, does not want to close on the real estate transaction, the purchaser can have their deposit returned,” he said.



Hurricane Sandy property damage in Suffolk County, eastern Long Island, New York. —Photo submitted by Kate Koplinka

However, if the damage is immaterial, then the contract is enforceable, but the purchaser has a right to a reduction of the purchase price reflecting the damage. But if there is a prepossession agreement — and the buyer has taken possession of property prior to a closing — regardless of whether the damage is material, the contract is enforceable as is, Lieb said.

Residential contract disagreements in situations of natural disasters such as Hurricane Sandy are usually settled out of court, Lieb added. But when you’re dealing with a \$30 million commercial building with a flooded infrastructure, the parties may end up going to trial.

## Lieb [offered some tips](#) on how REALTORS® can advise their clients in the wake of a natural disaster:

1. Home owners should review their insurance policy and learn their rights before they begin the claim procedure.
2. Find out what the deductible is — it’s likely that the home owner has a “hurricane deductible” in their policy. (States and territories that include hurricane deductibles in homeowners’ policies include Alabama, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Rhode Island, South Carolina, Texas, Virginia, and the District of Columbia.) Instead of a flat fee, hurricane deductibles charge a percentage of the claim prior to the policy paying. “Some are in the neighborhood of 4 percent of a claim, so it can get quite pricey,” Lieb said.
3. Act quickly so that the insurance company can’t disclaim coverage for untimely notice.

“The reason it’s a good idea to look at your policy is that this deductible may not be triggered by a tropical storm,” said Lieb. However, because Sandy was downgraded to a post-tropical cyclone by the National Hurricane Center on Monday night, it may have saved East Coast home owners thousands of dollars in their deductibles. “Remember, insurance companies are not excited to pay claims and you need to be a great advocate for your own rights; you may even want to hire a lawyer if you get into a dispute with your insurance company about coverage.”

Also remind your clients that there may be financial relief programs available to them. For example, borrowers with [Freddie Mac](#) or [Fannie Mae](#)-backed loans who suffered damage to their homes by Hurricane Sandy may qualify for temporary forbearance on their mortgages.

***Update:** [New York Governor Andrew Cuomo announced](#) that New York home owners will not have to pay hurricane deductibles on insurance claims because Hurricane Sandy was downgraded to a post-tropical cyclone before it touched land on the East Coast.*



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