

# Report outlines measures to protect commercial real estate owners against floods

October 30 2019

---



Credit: CC0 Public Domain

The Intact Centre on Climate Adaptation is aiming to give Canada's commercial real estate a safe harbour ahead of a growing storm.

The University of Waterloo research centre has developed [a comprehensive report outlining 20 measures](#) that can be implemented by commercial real estate owners and managers to enhance [flood](#) resilience.

Flooding is the costliest natural disaster affecting Canadians and is the lead driver in rising catastrophic insurable losses for the property and casualty insurance sector in Canada. From 2009 to 2018, insured losses averaged \$1.8 billion annually, compared to \$405 million annually from 1983 to 2008.

"The commercial real estate sector has fallen victim to the ravages of flooding across much of Canada in recent years," said Dr. Blair Feltmate, Head of the Intact Centre on Climate Adaptation at the University of Waterloo. "Such extreme weather, driven by irreversible climate change, will only get worse. Fortunately, direction outlined in Ahead of the Storm offers a timely reprieve to stewards of commercial real estate that will help to ensure business continuity despite a changing climate"

Commercial real estate owners and managers, as well as their tenants, are increasingly exposed to impacts of flooding, such as a higher potential for property damage, business disruptions and loss of life. For example, following the 2013 floods in Alberta, between 150,000 to 180,000 people could not access [office buildings](#) located in downtown Calgary for approximately two weeks. This resulted in 5.1 million lost work hours, equivalent to half a billion dollars in GDP loss to the province. In August 2018, when a flash flood occurred in Toronto, Ontario, two individuals almost lost their lives as they became trapped in an elevator of a commercial building and nearly drowned as the elevator was stuck at the basement level, full of water.

Examples of the flood resilience measures include:

- Plans and Procedures: ensuring that [emergency preparedness](#) and response plans include flood event procedures and that building operations staff and tenants are annually trained on these procedures.
- Equipment and Supplies: ensuring that critical equipment and supplies are available on-site to respond to flood emergencies, such as reusable sandbags, submersible sump pumps, portable generators, fuel, portable lights, extension cords, air dryers, air moisture sensors, dehumidifiers, protective clothing, two-way radios, batteries and medical supplies. As well, retrofitting elevators with water sensors that prevent them from proceeding to flood-inundated levels.
- Major Retrofits: elevating heating, cooling, ventilation, and air conditioning (HVAC) equipment, electrical transformers, switchgear and service panels, as well as communication systems above expected flood levels.

The development of the report was supported by Intact Financial Corporation, the Real Property Association of Canada (REALPAC) and the Building Owners and Managers Association of Canada (BOMA Canada) and relied on input from a national consultation with commercial real estate owners, managers, [institutional investors](#), asset management consultants, insurance industry representatives and others.

All 20 measures identified in the report are broadly applicable for implementation across office towers in Canada and should be integrated into risk assessment checklists, acquisition and investment questionnaires used by property managers, owners and institutional investors, respectively.

Furthermore, as the National Building Code of Canada is being revised to incorporate climate change impacts, some measures outlined in this report, such as water sensors that prevent elevators from proceeding to

flood-inundated levels, should be prioritized for inclusion in code revisions.

"Bigger storms are yet to come. Those are the chilling final words in the Intact Centre's CRE Flood Resilience Report, which we were pleased to co-sponsor with BOMA Canada. Most of REALPAC's institutional, public and private company members are leaders in the sustainability space—but even they will have a way to go to fully manage flood and climate hazard risk in their portfolios coast-to-coast. This report is an important step forward in that management process," said Dr. Michael Brooks, chief executive officer, REALPAC.

"BOMA Canada's members are at the forefront of the effects of extreme weather, and the consequences of climate change on commercial real estate has emerged as a key challenge facing our industry. Building on our own Resilience Brief, we are proud to co-sponsor the Intact Centre's CRE Flood Resilience Report with our partners at REALPAC. This landmark report is another vital resource to help our membership meet this pressing issue," said Benjamin L. Shinewald, president and chief executive Officer, BOMA Canada.

"We're in the business of protecting Canadians and we see the effects of climate change on our customers every day. As such, we are focused on finding practical and effective solutions to build a more climate-resilient society. In the same way that the Intact Centre on Climate Adaptation has provided homeowners with easy steps to protect their homes from floods, this guideline will help commercial real estate owners and managers protect people and their assets," said Charles Brindamour, [chief executive officer](#), Intact Financial Corporation.

Provided by University of Waterloo

Citation: Report outlines measures to protect commercial real estate owners against floods (2019, October 30) retrieved 18 June 2024 from <https://phys.org/news/2019-10-outlines-commercial-real-estate-owners.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.