{Property}

Vacant and Unoccupied Units DAMAGE

Introduction

Every winter thousands of pipes, fixtures and appliances, inside vacant units, freeze and burst because the heating system was shut down or the winterization process was not done or done improperly. This can result in extensive water damage. While all properties in cold climates are susceptible to this type of loss, vacant and unoccupied properties are even more susceptible.

A typical water damage loss for a plumbing related freeze and burst in a multi unit property can involve two or more units and have an average repair cost exceeding $30,000 after the deductible. Nationwide, these losses result in hundreds of millions in dollars of unnecessary and easily preventable property damage each year.

This article will discuss what plumbing components can freeze, the increased hazard in vacant or unoccupied units, and steps that an association and unit owner can take to minimize the chances of plumbing components freezing and bursting inside a unit.

What CAU Recommends:

The quantity of vacant and unoccupied units fluctuates year to year and in different regions of the country. The potential for catastrophic water losses in vacant or unoccupied units is a constant concern for associations. CAU recommends that associations take the following actions:

Check the association's governing documents for the right of entry for repairs and maintenance

> Develop and enforce a winterization policy

> Notify all owners and residents of their responsibility to maintain heat during the colder months

> Send winterization requests to lenders for units in default or foreclosure

> Verify utility status on units in collection and foreclosure

> Inform owners and mortgage holders that the association's insurance policy excludes water damage in the unit unless heat is maintained or the water is turned off and all lines and appliances are drained

> Watch units for utility termination notices, notice of default, or trustee sales

Need More Information?

The Institute for Business & Home Safety (www.ibhs.org) has a variety of risk management information relating to water damage. Associations may also request additional information on this topic by contacting CAU's Loss Control Department.

CAU
Community Association Underwriters of America, Inc.
2 Caufield Place, Newtown, Pennsylvania 18940 | cauinsure.com

What Can Freeze?

When water freezes at a temperature of 32ºF or below it expands up to 10 percent in volume. When water freezes inside a pipe the internal water pressure in the pipe increases and causes the pipe to burst. Interestingly, the burst is often in a section of pipe that did not actually freeze.

Anything inside a unit that transports, stores or uses water can freeze and burst if it contains water and the temperature drops below 32ºF. The freezing of plumbing supply pipes is an obvious concern, but sprinkler pipes, drain lines (traps), and appliance supply lines for a washer, icemaker or dishwasher can also freeze and burst. There are other fixtures and appliances within a unit that can also freeze and burst including hot water heaters and toilet tanks and bowls.

Additional water damage can occur when sump pumps fail to operate inside units that have had the electricity shut off.

Vacant and Unoccupied Units

Extensive and often undetected water damage from pipes, fixtures and appliances that freeze and burst is the biggest concern in a vacant or unoccupied unit.

The resident status and the presence of personal belongings inside the unit determine whether a unit is vacant or unoccupied.

A vacant unit has no occupants or furnishings, usually because of abandonment or foreclosure. An unoccupied unit has occupants and furnishings but the owners are away for an extended time or it is a rental unit or seasonal property without a current occupant. In both cases, many owners and banks will shut off the gas and electric to save money but fail to shut off the water and drain the pipes, fixtures, and appliances.

Whether a unit is vacant or unoccupied does not matter, the unit is unattended with no one there to detect a potential problem and take the appropriate steps to correct it before it causes damage.

Most insurance policies exclude coverage for water damage in a vacant or unoccupied unit unless there is adequate heat or the water lines are closed and drained. With this in mind, it is in the best interest of all associations to establish and enforce a policy addressing owner responsibilities for vacant and unoccupied units, often called a "winterization policy."

Establishing a Policy

The governing documents usually grant the association the right to enter a unit for emergency repairs and maintenance. Verifying that this right exists is the first step in establishing a winterization policy.

An effectively written winterization policy will allow the association to enter an unattended unit to prevent an impending water damage loss and enforce the winterization requirements.

A winterization policy should give unit owners a choice of either of following minimum requirements:

1. Require owners to maintain heat in the unit and

- Set the thermostat no lower than 60˚F
- Open kitchen and bathroom cabinets to allow warm air to circulate
- Turn off the water supply to individual appliances
- Turn off and drain outside hose bibs
- Set water heater temperature to the "vacation" setting

2. Require owners to turn off the water supply and

- Drain all water lines by opening faucets and flushing toilets
- Turn off the water supply to all outside hose bibs then drain the lines and keep the outside faucets open
- Drain any appliance, such as a water heater, that may have residual water in it
- Add bio-friendly antifreeze solution to drain traps and toilets

Other points to consider relate to residential fire sprinkler systems and hot water heating systems. When units have a residential fire sprinkler system, heat must be maintained in the unit because the sprinkler system will not operate if the water supply is turned off. When units are heated with hot water radiant heating systems it is generally more dangerous to leave the hot water boiler unattended so the owner should be required to shut down the boiler, turn off the water supply and drain the lines.