

Macro Roundup Article

Headline: [Rising Insurance Costs Start to Hit Home Sales](#)

Article

Link: <https://www.wsj.com/real-estate/rising-insurance-costs-start-to-hit-home-sales-d8787f0f>

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Tweet: The average home insurance cost for Floridians has tripled in the past five years. Homebuilders in California and Florida are reporting insurance costs are "somewhat slowing sales."

Summary: Almost a third of house builders in Florida said buyers' concerns about home insurance were "somewhat slowing sales." The proportion in Southern California was very similar, at 29%, the survey by John Burns Research & Consulting found. That is much higher than the national figure of 9% of builders reporting sales affected by insurance concerns. The risks of disasters haven't been fully priced into property markets, partly because of flaws in the way federal flood insurance was priced, researchers say. If flood risks were taken into account, U.S. residential properties would be worth at least \$121 billion less, according to a study earlier this year by nonprofit the First Street Foundation, the Federal Reserve and others. In Florida alone, properties in flood zones are overvalued by more than \$50 billion. Related: Your Homeowners' Insurance Bill Is the Canary in the Climate Coal Mine and Why California and Florida Have Become Almost Uninsurable and How a Small Group of Firms Changed the Math for Insuring Against Natural Disasters

Primary Topic: Housing

Topics: Financial Markets, GDP, Housing, News article, Politics, Weekly

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