

Customer Service = Resolution



**Safeguard**  
Properties

# Fire Damage

*Please note-this presentation is only intended to be used as a basic educational tool and is by no means all encompassing. Each property should be treated on a case by case basis and vendors will be held responsible for any errors made.*

- In this presentation you will learn how to:
  - Identify fire damage.
  - Identify common causes of fire damage.
  - Identify common methods of repairing fire damage.
- The main objective of this presentation is to learn how to identify fire damage so that you can better assess type, cause, dimensions and location. This is something that needs to be done for every type of damage.
- When fire damage is not correctly identified the following will occur:
  - Improper submission of bids to the client
  - Client approval of bids that are out of scope
  - Wrong department addressing property conditions
  - Possible chargebacks

- Damage caused by fire is different than damage caused by smoke. Smoke damage is often treated as mortgagor neglect. Properties with fire damage are sent to the Claims Department where they are evaluated for hazard claims and to submit any insurance claims.



- Locations of fire damage that are commonly missed during inspections
  - Attic area
  - Garage rafters
  - Basement floor boards
  - Underneath basement stairs
  - Closets
  - Outbuildings that are located away from the property
- Course of action during inspections
  - We treat all fire damage the same, regardless when it occurred. If present at time of inspection, a bid will need to be provided to address the issue.
  - You are required to file a fire report for newly reported fire damage

- When damage is discovered, we need to know:
  - Type of damage
  - Dimensions and scope of damage
  - Cause of damage
  - Location in the property

## Fire Damage Bid

Eyeball estimate of damage

\$120,000.00

Enter a description for the damage

PROPERTY IS APPROXIMATELY 90% FIRE DAMAGED.

Location

Interior/Exterior

Level

First Floor

Room

Other



Example of a correct Fire Damage bid- Small Scale issue

*\*\*\*Remember, the Eyeball Estimate is not the cost to address but the depreciation in value the damage takes from the property\*\*\**

**Fire Damage Bid**

Eyeball estimate of damage

\$3000.00

Enter a description for the damage

Outlet burned

Location

Exterior

Level

First Floor

Bid to remediate damage

\$200.00

Remediate damage bid description

Remove drywall around affected area-visible 5 SQ FT, remove affected outlet & box, remove affect wiring behind drywall approx. 5 LF, replace with new wiring, replace outlet & box, test wiring, install drywall- tape, mud and sand to paintable condition.



The below is an incorrect example of Fire Damage; scope will not address actual issue; it will only cover the cosmetic portion.

**Fire Damage Bid**

|                                    |                         |
|------------------------------------|-------------------------|
| Eyeball estimate of damage         | \$3000.00               |
| Enter a description for the damage | Outlet burned           |
| Location                           | Interior                |
| Level                              | Basement                |
| Bid to remediate damage            | \$3000.00               |
| Remediate damage bid description   | Paint wall above outlet |



## Example a of Correct Report – Large Scale Issue

### Fire Damage Bid

Eyeball estimate of damage

\$120,000.00

Enter a description for the damage

Property has sustained total loss fire damage. Roof is  $\frac{3}{4}$  destroyed, all second story windows were broken out, half of second story structure is destroyed, first floor structure has all walls however property is to unstable to enter. Stairwell from 1<sup>st</sup> to 2<sup>nd</sup> story is destroyed looking through the windows along with kitchen

Location

Exterior, Interior

Level

First Floor, Second Floor

Bid to remediate damage

\$120,000.00

Remediate damage bid description

Out of scope- This required licensed contractor to demo & rebuild with all necessary permits & equipment





## Example of an Incorrect Report

### + Fire Damage Bid

|                                    |                                       |
|------------------------------------|---------------------------------------|
| Eyeball estimate of damage         | \$120,000.00 <input type="checkbox"/> |
| Enter a description for the damage | Total loss                            |
| Location                           | Interior                              |
| Level                              | First Floor/Basement                  |
| Bid to remediate damage            | \$120,000.00                          |
| Remediate damage bid description   | Out of scope                          |

Fire is one of the 'Big 6' therefore must always be repaired for FHA properties. This is true no matter how or when the fire occurred. Fire damage must always be repaired. Smoke damage is handled differently.



When evaluating the damage at a property, it is important to distinguish the difference between fire and smoke damage. This photo clearly shows fire damage.

- Fire at a property can begin in any number of ways.
  - Electrical issues such as faulty wiring can ignite a fire.
  - Lightning can strike a building and start a fire.
  - Wildfires can spread and damage or destroy houses.
  - Negligence such as a stove or space heater being left on can start a fire.



- Fire damage in a house can range between a small area or the entire structure.

- The cause of fire damage can be determined in a number of ways
- Photographs of the damage may indicate why a fire was started. For example, a damaged kitchen may be the result of a pot left on a hot stove.
- If a wildfire has swept through an area, we may be able to obtain information from FEMA or a state agency.



- Temporary measures
  - It is imperative that immediate action is taken to prevent damage from worsening until a permanent repair is made.
  - If roof is damaged from a fire, patching is the preferred method of repair to prevent any further damage to the property.
    - Refer to your work order for roof allowable amounts or call from site
    - At this time, Safeguard Properties should be notified immediately for further action.

- Please refer to the Out of Scope presentation that previously took place in December if you have any questions in regards to submitting bids for fire damage.

