

Chubb Homeowners Risk Survey: Executive 2020 Summary

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Personal Risk Services

U.S. homeowners' attitudes and behaviors toward home protection have changed as the result of COVID-19, but where are they still overlooking risks?

2020 has been a year unlike any other. As COVID-19 spread around the world and our country, it left no community untouched. As a result, Americans were forced to quarantine at home—in many cases also turning their residences into both virtual offices and classrooms.

To understand American homeowners' approaches and behaviors toward property protection, including COVID-19's impact on owning a home, Chubb commissioned its fourth annual homeowners risk survey. As with previous surveys, Chubb looked at how home risk has evolved and the top property threats facing homeowners, such as water damage, and explored attitudes on renovation and property maintenance activity. In light of reports of a flight of residents from urban areas moving to the suburbs due to COVID-19, Chubb also examined trends around relocation and new home purchases.

Overall, the COVID-19 pandemic is having an impact on homeowners and has changed the way that homeowners perceive risk, protect their property, and overcome a range of challenges associated with the pandemic.

Chubb's recent survey captures responses from 1,000 homeowners across the U.S. during the first two weeks of August. Please read on for a complete account of survey findings.

Life May Be On-hold Due to COVID-19, but Property Risk Isn't

≈20%
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When it comes to COVID-19, we can all agree that much of our everyday lives has been put on hold or changed—everything from weddings and graduations to how we work and eat has all fundamentally shifted. However, during this time, one thing has unfortunately remained the same—property wear and tear.

According to Chubb's 2020 survey results, homeowners continue to be aware of home maintenance and protection needs. When it comes to what concerns them most specifically, per the results, homeowners are most concerned about the day-to-day upkeep of their home (60%) and maintaining home value (45%). Rounding out the top three concerns for homeowners is weather-related water damage (38%). Which when compared to 2019, 2020 data shows lasting awareness of these issues, but it also indicates a significant dip in related concerns—as 72% of homeowners were concerned around day-to-day upkeep, 81% around maintaining home value and 75% concerned about external or weather-related water damage in 2019. Perhaps as we've all felt the pressures of COVID-19 and its related health and safety concerns, these quieter home risks may have taken a back seat.

In addition, this awareness of weather-related water damage among homeowners is both encouraging and concerning. On one hand, awareness means homeowners will likely be better prepared to protect their property from [increasingly ferocious and frequent storms](#). On the other hand, it suggests a majority of homeowners may be overlooking the most common and costliest form of property damage—interior water leaks.

As many have become bombarded with competing anxieties during the pandemic, it is easy to forget the quieter lurking threat that leaking pipes bring. However, according to Chubb claims data, a single leak, on average, can cost \$65,000 in damage—highlighting the fact that water remains a top risk for homeowners.

Why? While most people associate water leaks with empty homes, Chubb's survey found that roughly 20% of homeowners have experienced some form of water damage since they've been quarantining this year. To put that in perspective, that represents 25 million U.S. households. Put simply, this should dispel any myth that water leaks are something that only happens while we are away from our homes. We must always be attentive.

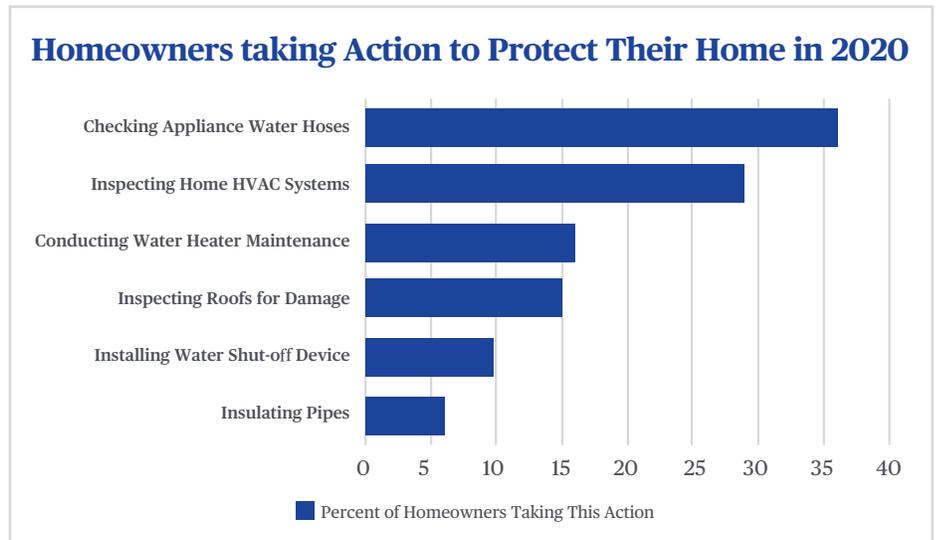


Flattening the “Property Risk Curve”

One-third of all homeowners report putting off home maintenance because of concern around COVID-19

While homeowners report being attentive to the day-to-day upkeep of their homes, the impact of COVID-19 on property maintenance has been significant. In fact, a third of all homeowners have put off home maintenance because of COVID-19, and 45% say that COVID-19 has reduced contractors’ ability to address maintenance needs. On the other hand, Chubb’s 2019 survey showed that 89% of homeowners were “very” or “somewhat” confident in their ability to check for possible damage or maintenance issues around their homes, with more than half (55%) claiming to be vigilant about taking such home protection measures.

Delaying necessary maintenance needs can be a critical error, as letting a small problem grow can lead to costly out-of-pocket clean-up and repair costs. Even so, despite not wanting contractors in their homes, homeowners aren’t taking matters into their own hands. For example, per the chart below, in no more than a third of cases do homeowners employ the easiest home protection behaviors, including checking appliance hoses, inspecting home heating systems and conducting water heater maintenance. This is up only slightly from 2019, in which less than 20% of homeowners utilized any of these best practices—conducting home heating system inspections (19%), periodically checking appliance hoses (19%), performing water heater maintenance (16%), shutting off the water supply while on vacation (15%) and installing pipe insulation (12%).



This hesitance in addressing maintenance needs is surprising, especially since homes are seen by many Americans as their largest financial asset. In these uncertain times, maintaining a home’s value is more important than ever in order to protect one’s investment. Despite this, and potentially due to COVID-19, less than half of homeowners (43%) have been able to conduct home improvement or renovation projects, with just 17% able to bring in a contractor and 26% relying on their own DIY skills. Further, 12% spotted an issue but were too concerned over potential virus exposure to bring a contractor inside their home to address the problem.

Building Work Life Balance for the Under 45 Crowd

When asked which home improvement projects, if any, they were looking to complete before another potential wave of COVID-19, most said they were interested in building an environment that supports a more significant work/life balance—as many felt this divide eroded during our quarantines this past spring and summer.

According to the data, the top areas for investment among homeowners under 45 years of age are living room (27%), backyard (25%) and fully functional home office (23%). For comparison, last year, this age group prioritized updates to their kitchen (44%), master bathroom (39%) and master bedroom (29%)—pointing to a recent shift in thinking, as homeowners turn their attention to dedicated spaces, that in the past have been overlooked, in order to facilitate a better work/life balance.

How to Safely Hire a Contractor During COVID-19

Whether homeowners lack necessary home repair skills or they need help with a significant repair project, contractors can provide the expertise needed to get the job done right.

In light of COVID-19, here are a few tips for how to safely hire a contractor during this time:

1. Ask the contractor questions before they arrive, such as:
 - Are you showing symptoms of COVID-19 (fever, cough, tight chest, etc.)?
 - Have you had recent contact with anyone who has tested positive for COVID-19?
 - What standard daily precautions have you been taking to protect yourself and other customers?
2. Request the contractors wear a mask when they come into your home.
3. Open doors and turn on lights to reduce the contractor's need to touch items in your home.
4. When the contractor arrives, it is important to ensure that everyone within the home (yourself, your family, and the contractor) is wearing a mask and practicing social distancing at all times.
5. Consider utilizing digital payment options.
6. After they leave, fully disinfect the area in which they have worked.
7. Regardless of COVID-19, always request a certificate of insurance from your contractor prior to the starting the job.



Relocating Due to COVID-19

As we can all attest, COVID-19 has meant an abnormally prolonged time indoors at home. This has been a particular challenge for city-dwellers in apartments. As a result, the U.S. has seen [suburban flight at record rates](#). For example, according to [Miller Samuel Real Estate Appraisers & Consultants](#), in July 2020, there was a 44% increase in home sales for all suburban counties surrounding New York City when compared to July 2019—most notably, Westchester saw an 112% increase and Fairfield County, Connecticut, a 73% increase.

Similarly, the results of Chubb's survey reveal that 32% of homeowners in urban areas nationwide are considering moving out of their city. To put that in perspective, that correlates to approximately 2.7 million New Yorkers,

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506,000 Philadelphians, 430,000 Dallasites, and 222,000 Bostonians who might be looking to suddenly leave their respective cities.

It is perhaps not surprising that, among all age groups, those under 45 are particularly interested in relocating, as this cohort is most likely to have younger children and thus need to balance remote learning, work, and day-to-day life—all of which might seem considerably more manageable with a few more square feet.

But in a rush to relocate, many city-dwellers are overlooking significant suburban property risks when making a purchase. For example, city-dwellers may know about water risks associated with their neighbor's condo or apartment, especially if they live below a neighbor who has experienced a leak! However, that same concept is applicable to a suburban home. Consider how many builders have installed laundry rooms on the second floor. If a washer's hose breaks, it can leak approximately 6 gallons per minute, causing a lot of internal water damage on the first and second floors, if someone is not at home to turn off the main water supply. Also, when moving from the city to the suburbs, home buyers need to consider the maintenance that may not apply to city homes, such as the installation of sump pumps and the maintenance of a septic tank.

In a Rush? Here's What to Look for When Buying a Home in a Hurry

In pursuit of more space, here's what buyers of all ages need to consider when buying a home in the suburbs:



Hurricane Safety During COVID-19

When asked how COVID-19 might impact physical safety during hurricane season, more than half (55%) of homeowners did not feel it would have an impact. However, as we reflect on what shaped up to be one of the most active hurricane seasons on record—coupled with health concerns around COVID-19—everything from evacuation plans to home preparedness, became far more complex than many initially might have realized.

But as we look ahead to next year, homeowners in hurricane-prone areas should ensure their storm shutters are replaced or repaired prior to storm season, and consider installing garage door bracing systems, if not already in place. Homeowners should also inspect the trees and landscaping around the home and remove or prune dead or dying trees and branches to avoid potential damage.

Additionally, if COVID-19-related concerns remain into the next hurricane season, developing or updating a well-thought-out evacuation or temporary relocation plan is crucial to preserving everyone’s health and safety from both dueling threats.

Notably, these contingency plans aren’t only critical for homes on the coast, as the impact of a hurricane can stretch much farther through inland flooding. To make matters worse, a [recent report from the First Street Foundation](#) found that nearly twice as many properties may be susceptible to flooding than previously thought. Showing that, across the United States, millions of households are exposed to this unrecognized threat that will likely grow as climate evolves.

Secondary Homes Present Unique Challenges

Over the past few months, there has been an influx in interest in short and long-term rentals of private homes—whether people are trying to make the best of a vacation without hotels or looking to escape cramped city apartments, albeit temporarily.

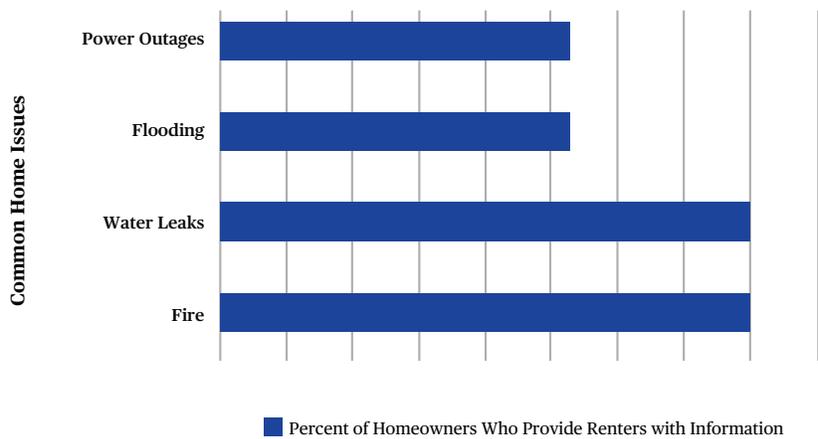
But, as with any other aspect of homeownership, renting out one’s secondary home does not come without risks. This is especially true for homes that are not visited by their owners

home that might sit unoccupied for periods of time.

74% of respondents have not installed a water shut-off device

From a renter’s perspective, COVID-19 has severely impacted what is top-of-mind for them when renting temporary

Temporary Renters Inadequately Prepared for Common Home Issues



frequently, as this would make it easier for a problem area to arise and fester without being properly addressed.

As a result, it’s always essential for homeowners to provide renters with the proper information and resources to help them help you. Chubb’s survey reveals that when renting out secondary homes, less than half of homeowners provide renters with information about some of the most common home issues:

Further, among all homeowners, nearly three quarters of respondents (74%) have not installed a water shut-off device—which is the best way to help prevent any sort of water leak or significant water-related damage before it occurs—with a majority of that group reporting they had never even considered this device before. Yet, these water shut-off devices are even more important for a secondary

homes. Renters are now most concerned about whether a property has been properly cleaned/sanitized before their stay (74%) and who the previous guests have been in contact with prior to arrival (54%). Whereas, before the pandemic, one might have anticipated “proximity to the beach” or “large kitchen area” to top this list.

74% of temporary renters are concerned about whether a property has been properly cleaned before their stay

For more information, please visit: [Chubb.com/water](https://www.chubb.com/water).

About the Survey

This is the fourth survey by Chubb measuring homeowners' approaches and behaviors toward property protection, with a focus on water damage and renovation. This time, however, the survey adopted a COVID-19 lens.

Conducted by Rabin Research Company, the online survey was fielded between August 4-11, 2020. The results are based on 1,000 completed surveys from across the U.S. A breakdown of respondents is as follows:

- **Gender:**
 - Male (49.7%)
 - Female (50.3%)
- **Age:**
 - 18-34 (12.7%)
 - 35-44 (16.1%)
 - 45-54 (19.6%)
 - 55-64 (22.2%)
 - 65+ (29.4%)
- **Regions:**
 - Northeast (32.2%)
 - Midwest (15.3%)
 - South (36.5%)
 - West (16%)
- **Socioeconomic Status:**
 - \$25K-\$50K (13.7%)
 - \$50K-\$100K (33.4%)
 - \$100K-\$150K (25.5%)
 - \$150K-\$200K (11.1%)
 - \$200K+ (9.1%)

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