



Metro Arson Strike Team



Guide to Estimating Fire Damage

Background:

Fire officers provide dollar loss figures in NFIRS reports. These dollar amounts are *estimates* used for statistics that affect public policy and funding. Insurance companies utilize software and industry experts, producing a *precise* dollar loss amount to pay the insured.

Key Points:

- Fire loss includes damage from water, smoke, fire, and overhaul
- Fire loss does not include indirect loss such as business interruption

Procedure:

1. Determine the effective square footage of the structure damaged
2. Multiply the effective square feet by the cost per square foot to rebuild the structure and round to nearest \$10,000
3. Pre-incident value can be calculated by multiplying the square feet of the entire structure by the cost per square foot to rebuild it
4. Estimating loss to contents can be made by speaking to the occupant and utilizing your own observations

Cost Factor to Rebuild (cost per square foot):

Commercial	Residential
\$700	\$500

Example:

Room and contents fire in a 1600 sq ft wood framed house. One bedroom burned post-flashover and smoke/water damaged the remaining rooms.

100% loss of 150 sq ft bedroom, 10% smoke/water damage to remaining 1,350 square feet

100% Loss	10% Loss	Total Loss
150 x \$500 = \$75,000	1,350 x \$50 = \$67,500	\$142,500

- **Rounded to nearest \$10,000 (Total Fire Loss \$140,000)**