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Metal thefts go through the roof costing building owners

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Confirming what many real estate owners have experienced directly, metal thefts have increased dramatically over the last 3 years, according to a new study released by the National Insurance Crime Bureau. The insurance body identified a total of 25,083 claims reported between 2009-2011 across the country, marking a staggering 81% increase from 2008. Rhode Island experiences the most metal theft claim per resident when compared to other states. Ohio which experienced the second highest numbers of metal theft per residents had 25% less than Rhode Island. The number of claims per residents by state was found to be correlated with estimated state drug abuse/dependence rates.

The U.S. department of Energy has estimated that metal thefts cost U.S. businesses around \$1 billion a year. As critical infrastructure such as electrical substations and cellular towers have been targeted, the FBI has called the high incidence of copper thefts a threat to our national security. In one reported case, the theft of copper wiring blacked out the runway approach lights at the Modesto, Calif., regional airport.

Metal roofing, copper coils within air conditioning units and wiring and piping in buildings and at construction sites are often targets for the thieves, who will stop at nothing to get the metal. The damage caused by the thieves is often many times more the value than the copper actually stolen, leaving real estate owners and insurance companies to pick up the tab. One such example involves a strip mall hit by thieves. The thieves cut out copper coils from the HVAC units supplying three units. The scrap metal of the copper was under \$5000, but the resulting claim was in excess of \$300,000.

The thieves are often drug addicts; who sell the stolen metals to scrap dealers. The problem is a global one; the U.K. government is moving to ban cash payments by scrap metal dealers and in July last year, the French passed a law that all payments for scrap metal should be cashless and that any payment over 450 euros must be made by bank transfer.

With the price of copper continuing to hover around the \$4 a pound, the problem looks set to continue. This is a nationwide problem and a scourge for the real estate community. Working with insurers and our clients, we have devised a 10 point action plan real estate owners can implement to reduce the risk of metal thefts, potentially saving them hundreds of thousands of dollars in reduced losses and lowering the cost of their insurance premiums

Measures within our action plan include: resisting plea bargains if the perpetrators are caught by law enforcement, the installation of lights with movement detectors, the installation of the latest video alarm technology and various measures to restrict access to roof tops.

Sources:

* National Insurance Crime Bureau Report - Metal Theft Claims and Questionable Claims from Jan 1 2009 to Dec 31 2011

* Federal Bureau of Investigation - Copper Theft Threatens U.S Critical Infrastructure.
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