



The Costs of Demolishing a Blighted House



Property inspections and surveys	Abatement and disposal of hazardous material	Utility cuts	Demolition permit	Structure and basement removal	Backfill with clean soil and initial site grading	Final grade including seeding and mulching	AVERAGE COST OF DEMOLISHING A HOUSE \$11,600					
\$300- \$600	+	\$0- \$15,000	+	\$250- \$600	+	\$75- \$350		+	\$2,300- \$25,000	+	\$1,200- \$2,000	+

There is a good deal of confusion about demolition costs. When people talk about the cost of demolishing a house, they are often talking about different things. Some people are only talking about the cost of knocking down the house while others are talking about the full costs associated with demolishing a house in compliance with all relevant state and federal requirements. This includes inspections, abatement and proper disposal of hazardous material, utility cuts, permits, full basement removal, backfill with clean soil (including top soil), and site grading, seeding and mulching. The Land Bank's average demolition cost of \$11,600 includes all demolition-related expenses from start to finish.

The Genesee County Land Bank will continue to encourage and support local contractors and use an open and competitive bidding process to secure the most qualified contractor to complete the work for the lowest cost. In the past the Land Bank has had as many as six contractors bidding on a single demolition related project. With a higher volume of demolitions, the Land Bank hopes to secure competitive pricing. The Land Bank provides incentives for contractors who hire local workers. To learn more about what it takes to become a demolition-related contractor and to see bids as they are available, go to:

http://thelandbank.org/contracts_bids.asp

The average cost for the Genesee County Land Bank to demolish a single family home is well below the state-wide average. Since 2003, the Land Bank has managed the demolition of more than 5,000 structures in cooperation with the City of Flint and other local units of government in the County. The Land Bank's current average cost of \$11,600 to demolish a single-family home is well below the statewide average cost of \$14,730.

Demolishing several blighted houses in a row makes sense and it helps to reduce costs. However, it is not always feasible. Whenever possible, the Land Bank demolishes structures within close proximity. However, the Land Bank does not often have the authority to demolish blighted privately-owned houses that have not

gone through the city's process to clear it for demolition. And, due to restrictions under the Hardest Hit Fund grant, demolishing any privately owned structures is not feasible.

The lack of consistency in securing utility cuts in geographic areas has sometimes created challenges for demolishing adjacent structures in the past. Given tight grant time frames, demolitions often had to move forward as the cuts were completed. Under new grants, the State of Michigan has received a firm commitment from Consumers Energy to work closely with local grant recipients to secure cuts in very tight timeframes. This will enable contractors to complete demolitions that are in close proximity to each other to reduce the overall demolition costs.

The cost of demolition-related activities varies greatly based on the size and condition of the structure. Costs can range anywhere from \$3,000 to \$25,000. Abatement and demolition contractors develop their cost estimates based on the size and the complexity of the job. The building material of the house also impacts the costs; brick structures often cost more to demolish than wood structures. The amount of recyclable material in the structure can also help to reduce the overall cost as contractors may be able to salvage any remaining metals in the structure.

The abatement of asbestos and hazardous materials greatly impacts the cost of a demolition. Some structures are loaded with asbestos-containing materials and can cost as much as \$25,000 to abate while others have few or no abatement costs. Houses that are severely burned often do not have inspection or abatement costs. However, all debris material must be treated as hazardous and asbestos-containing materials and disposed of in special landfills with higher tipping fees. The complexity of the project and the expertise required on the site also impacts the cost.

Those who claim to do very low cost demolitions should clarify what they are including in their costs and back up their claims. Often times, only the cost of demolishing the structure is cited and not the full costs of completing a demolition in FULL compliance with all local, state or federal requirements.

While cutting corners in the short term may reduce the immediate cost of demolition, it creates many long-term costs. State and federal regulations controlling demolition exist to protect public health, the environment, and the safety of demolition contractors. Local ordinances that require basement removal do so to prevent the many complications that basements left behind after demolition create for residents and developers. Beyond protecting community residents, following these regulations enables the Land Bank to avoid hefty fines from regulators and prevent having to return grant funds for lack of compliance. It also positions the Land Bank for future state and federal funding.

Updated on November 10, 2015

For more information about the Genesee County Land Bank's blight elimination grants, contact:

Christina Kelly
Director of Planning and Neighborhood Revitalization
ckelly@thelandbank.org, 810-257-3088 ext. 527

