

For Immediate Release

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Reports Show Resilient FORTIFIED Construction Offers Strong Return on Investment

November 28, 2022 (Foley, AL) - In 2022 a [study by the Alabama Center for Insurance Information and Research \(ACIIR\)](#) measuring the economic value of using [FORTIFIED multifamily](#), a beyond-code construction method developed by the [Insurance Institute for Business & Home Safety \(IBHS\)](#), found that resilient construction using this method can provide returns as high as 72%. The ACIIR study predicts lower insurance costs due to reduced risk, coupled with increased revenue, more than pay for the incremental cost of achieving a FORTIFIED designation. The size of this return on investment varied based on where the project was located and which FORTIFIED designation was sought but ranged from 8.1% with added hail protection in inland areas to 72% for a gold designation near the coast.

“Our study found that resilient construction can provide an impressive return on investment, both in coastal and inland areas,” said Dr. Lars Powell, ACIIR director. “I think many people will be surprised not only by the low cost of the program but also by the substantial expected savings and revenues.” Although the study found differences in the increased rent tenants in inland and coastal states were willing to pay, a similar percentage were willing to pay more regardless of where they lived. Some renters were willing to pay as much as 5% more in rent, while the average acceptable increase for those willing to pay more was 2.17%.

“With more than 60 million Americans living in multifamily housing, our nation cannot meaningfully reduce the impact of natural disasters without building stronger multifamily communities,” said IBHS CEO Roy Wright. “Our research clearly demonstrates that a significant

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amount of storm damage can be avoided simply by investing in resilient construction, and this new study shows it's financially beneficial to do so."

[The Highland Group](#), a leading real estate development and commercial construction firm, has utilized FORTIFIED construction methods in a multitude of construction projects throughout the southeast. More recently, the firm announced construction on "[The Landing at Oyster Bay](#)" a 40-unit, multifamily rental community in Gulf Shores, Alabama that will utilize FORTIFIED construction techniques. If you're considering developing a project that you believe might benefit from meeting resilient construction methods, [contact The Highland Group today](#) to see how the firm can help you see a better return on investment with FORTIFIED construction.

[The FORTIFIED Multifamily Program:](#)

The FORTIFIED Multifamily program was developed as a way to strengthen homes, commercial buildings, and multifamily properties against severe weather, including hurricanes and tornados. A building can be constructed to a FORTIFIED standard at three designation levels, [including FORTIFIED Roof, FORTIFIED Silver, or FORTIFIED Gold](#). This standard requires upgrades to be verified and documented by an independent third-party evaluator and is publicly available online. More than 40,000 homes in 22 states have earned a FORTIFIED Home designation, leading IBHS to expand the program to include a multifamily designation earlier this year.

[The Alabama Center for Insurance Information and Research:](#)

The Alabama Center for Insurance Information and Research is an institution funded and founded by the [Culver College of Business](#) at [the University of Alabama](#) in the city of Tuscaloosa Alabama. The Center provides highly credible information and research insight for the benefit of key stakeholders across the State of Alabama, including policymakers, the public, insurance companies, intermediaries, trade groups, and other parties who need information concerning management risk. ACIIR is dedicated to providing facts and truths to parties who directly contribute to the economic development of Alabama.

The center frequently reports credible and consistent news and insight into Alabama industries, workforces, and policies through monthly articles and large-scale studies. Follow AIICR on social media or stay tuned to their website to keep yourself up-to-date on the latest information from the center.

[About The Highland Group:](#)

The Highland Group is a real estate development and commercial construction firm that specializes in real estate development, preconstruction services, general contracting,

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construction management, and design-build delivery. Their mission is to develop leaders committed to higher standards who have an impact on their firm and the communities in which they work and live by developing trusting relationships and building quality projects. The Highland Group has offices located in the Gulf Coast Region (501 South McKenzie Street, Suite 2, Foley, Alabama, 36535), the Tennessee Valley Region (415-H Church Street NW, Suite 201, Huntsville, Alabama, 35801), and the Florida Panhandle Region (130 Richard Jackson Blvd., Suite 104A, Panama City Beach, Florida, 32407). They have been proudly serving clients throughout the Southeastern United States since 2005. Learn more at www.HighlandGroup.org