

Reporting Summary

Nature Portfolio wishes to improve the reproducibility of the work that we publish. This form provides structure for consistency and transparency in reporting. For further information on Nature Portfolio policies, see our [Editorial Policies](#) and the [Editorial Policy Checklist](#).

Statistics

For all statistical analyses, confirm that the following items are present in the figure legend, table legend, main text, or Methods section.

n/a Confirmed

- | | | |
|-------------------------------------|-------------------------------------|--|
| ☐ | ☒ | The exact sample size (n) for each experimental group/condition, given as a discrete number and unit of measurement |
| ☐ | ☒ | A statement on whether measurements were taken from distinct samples or whether the same sample was measured repeatedly |
| ☐ | ☒ | The statistical test(s) used AND whether they are one- or two-sided
<i>Only common tests should be described solely by name; describe more complex techniques in the Methods section.</i> |
| ☐ | ☒ | A description of all covariates tested |
| ☐ | ☒ | A description of any assumptions or corrections, such as tests of normality and adjustment for multiple comparisons |
| ☐ | ☒ | A full description of the statistical parameters including central tendency (e.g. means) or other basic estimates (e.g. regression coefficient) AND variation (e.g. standard deviation) or associated estimates of uncertainty (e.g. confidence intervals) |
| ☐ | ☒ | For null hypothesis testing, the test statistic (e.g. F , t , r) with confidence intervals, effect sizes, degrees of freedom and P value noted
<i>Give P values as exact values whenever suitable.</i> |
| ☒ | ☐ | For Bayesian analysis, information on the choice of priors and Markov chain Monte Carlo settings |
| ☒ | ☐ | For hierarchical and complex designs, identification of the appropriate level for tests and full reporting of outcomes |
| ☐ | ☒ | Estimates of effect sizes (e.g. Cohen's d , Pearson's r), indicating how they were calculated |

Our web collection on [statistics for biologists](#) contains articles on many of the points above.

Software and code

Policy information about [availability of computer code](#)

Data collection

Data analysis

For manuscripts utilizing custom algorithms or software that are central to the research but not yet described in published literature, software must be made available to editors and reviewers. We strongly encourage code deposition in a community repository (e.g. GitHub). See the Nature Portfolio [guidelines for submitting code & software](#) for further information.

Data

Policy information about [availability of data](#)

All manuscripts must include a [data availability statement](#). This statement should provide the following information, where applicable:

- Accession codes, unique identifiers, or web links for publicly available datasets
- A description of any restrictions on data availability
- For clinical datasets or third party data, please ensure that the statement adheres to our [policy](#)

Human research participants

Policy information about [studies involving human research participants and Sex and Gender in Research](#).

Reporting on sex and gender	This information was not collected and was not applicable to our research.
Population characteristics	This information was not collected and was not applicable to our research.
Recruitment	This information was not collected and was not applicable to our research.
Ethics oversight	This information was not collected and was not applicable to our research.

Note that full information on the approval of the study protocol must also be provided in the manuscript.

Field-specific reporting

Please select the one below that is the best fit for your research. If you are not sure, read the appropriate sections before making your selection.

☐ Life sciences ☒ Behavioural & social sciences ☐ Ecological, evolutionary & environmental sciences

For a reference copy of the document with all sections, see nature.com/documents/nr-reporting-summary-flat.pdf

Behavioural & social sciences study design

All studies must disclose on these points even when the disclosure is negative.

Study description	We calculate overvaluation of properties exposed to flood risk based on the difference between our estimates of their empirical and economically efficient price discounts. We estimate the empirical flood zone price discount using a repeat sales panel model, which controls for time-invariant characteristics of individual properties. This approach identifies the effect of rezoning properties into the Special Flood Hazard Area (SFHA; i.e., the 100-year flood zone) as the result of FIRM updates over time. We define the efficient price of properties exposed to flooding as the difference between property values in the absence of flood risk and the net present value (NPV) of average annual losses from flooding between 2020 and 2050, accounting for future impacts of climate change under RCP 4.5.
Research sample	To build the panel model, we employ an extensively processed version of the Zillow ZTRAX database, a comprehensive dataset of property transactions in the US over the last 30 years, joined with newly consolidated historical FIRM layers.
Sampling strategy	The ZTRAX database contains property transaction and tax assessment data for approximately 150 million parcels in over 3,100 counties nationwide.
Data collection	All data used in this analysis were collected by previous publications.
Timing	The ZTRAX database includes property transactions between 1996 and 2021.
Data exclusions	For a property to be included in the estimation sample, it must be outside of the SFHA in the old FIRM, it must have a known floodplain status in the new FIRM, and it must be sold more than once while its flood zone status is known. Sales that occur while the flood zone status is unknown are omitted from the dataset.
Non-participation	Not applicable.
Randomization	Not applicable.

Reporting for specific materials, systems and methods

We require information from authors about some types of materials, experimental systems and methods used in many studies. Here, indicate whether each material, system or method listed is relevant to your study. If you are not sure if a list item applies to your research, read the appropriate section before selecting a response.

Materials & experimental systems

n/a	Involved in the study
☒	☐ Antibodies
☒	☐ Eukaryotic cell lines
☒	☐ Palaeontology and archaeology
☒	☐ Animals and other organisms
☒	☐ Clinical data
☒	☐ Dual use research of concern

Methods

n/a	Involved in the study
☒	☐ ChIP-seq
☒	☐ Flow cytometry
☒	☐ MRI-based neuroimaging