

Miami Beach sees rising seas as no threat to real estate boom, for now

April 22 2015



Miami Beach officials are betting that a property boom-fueled surge in real estate tax dollars will bankroll big investments in fighting effects of climate change

Miami Beach's condo boom is bubbling hot, with glass towers being built as fast as they can be—even as scientists say rising seas could

swamp much of the storied city by the century's end.

City officials are betting that a surge in real estate tax dollars fueled by the property boom will bankroll big investments in fighting the effects of climate change.

Many scientists, however, have doubts about how much can be done, and how soon, to stem tides that few until recently thought would rise so fast.

The sea and sand lifestyle is big business for the area. Millions of tourists visit Miami Beach's white sands and Art Deco buildings every year.

Residents of the city—which sits on an island just off downtown Miami—have grown increasingly used to seeing streets flooded with seawater, even on sunny days.

Almost all of low-lying Florida's population of just under 20 million lives crowded along its two sandy coasts. Florida is already the third most populous US state—and expects to grow as the US baby boom generation heads into retirement.

And the island on which Miami Beach sits is on the frontlines for storm and tidal surges. As a whole, the state's mean elevation is just 100 feet (30 meters).

To help get its standing water out, Miami Beach alone is installing a pumping system expected to cost \$300-500 million.

US President Barack Obama, who traveled to Florida's Everglades Wednesday in a high-profile push to raise awareness about the dangers of climate change, acknowledged that "folks are already busy dealing with this."

"We don't have time to deny the effects of climate change," Obama said, as he spent "Earth Day" in the subtropical wilderness.

"Nowhere is it going to have a bigger impact than here in South Florida," he said.

New builds, new protection

For Miami Beach Public Works director Eric Carpenter, "new development is good because it basically strengthens our tax base."

"You need to prepare for a rainy day while it's still sunny outside," he said.

Carpenter is in charge of the massive pumps project.



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"Now is the time that we should be investing the money into improving our infrastructure in the city, because we do have increasing tax-base coming in with these new developments," he told AFP.

In 2014, Miami Beach collected \$128 million in property taxes—up 8.8 percent from 2013, official data show.

The city has already installed 25 of 80 massive pumps in its current plans.

So far, results are fairly encouraging: In October, at a highest tide stage, sea water was almost kept out entirely.

Just a year earlier, Mayor Philip Levine rode around a city street in a kayak to underscore the need to take action.

Raising (parts of) the city?

Authorities say all the pumping in the world is of course a short- to medium-term fix. Pumping cannot turn back rising seas if the pace of sea level rise itself increases.

Some experts have suggested building and retrofitting some city infrastructure at higher levels as a possibility. Miami Beach's real estate alone is valued at more than \$27 billion.

According to a recent US government and scientific report, the Miami

area, with its dense population and low altitude, is among the US cities at greatest risk.

By 2100, seas could rise as much as six feet.

If that were to happen, two thirds of Miami Beach would be under water.

Florida International University geologist Peter Harlem, who works on models to forecast sea-level rise, warned the current strategy cannot save Miami Beach, which just celebrated its centennial.

"If you spend it on the easy stuff, you're not going to have any money left for the hard stuff," he said.

"So my concern is the longer-term sea level rise that's going to get real expensive—and if we're all broke because we blew all that money saving a few places that should have been moved."

Record high-end sales

Ominous forecasts, however, have not scared off real estate developers or buyers.

"People are coming in and paying top-dollar for units, record-breaking prices, higher than ever before," said Harvey Daniels, vice president of development sales at One Sotheby's Miami.

"You know, we have some full-floor residences that are \$10, \$15, \$20, \$30 million in Miami Beach. And they are not getting these numbers anywhere else."

His outlook is rosy, particularly after the market slump just a few years back. Now the US economy is more stable—and purchases from Asia,

Europe and Latin America have surged.

"It is a great moment for Miami Beach, there are a lot of the projects, everything is selling very, very quickly," said Daniels who is selling condos at the Ritz-Carlton, 111 opulent homes from \$1.8 million to \$16 million.

For now, Daniels is not fretting about sea-level rise.

"It is definitely something that I think will have some type of impact far in the future, but the city of Miami Beach is taking major precautions," he said.

"It certainly hasn't affected our sales or slowed down our sales. We haven't lost any deals because of it. And I don't anticipate we will."

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Citation: Miami Beach sees rising seas as no threat to real estate boom, for now (2015, April 22) retrieved 10 April 2024 from <https://phys.org/news/2015-04-miami-beach-seas-threat-real.html>

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