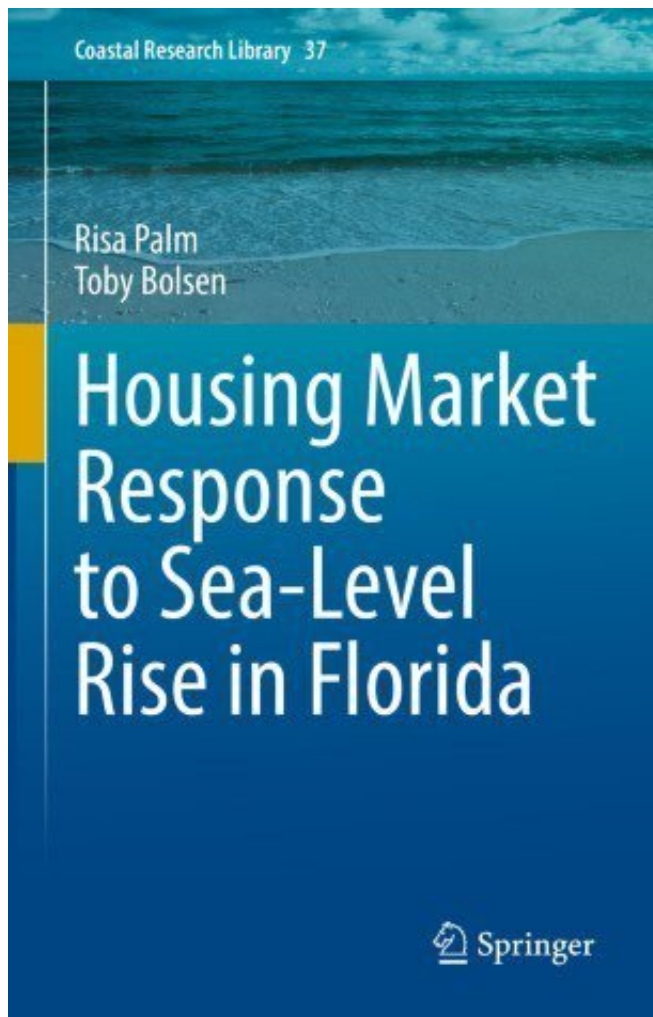


Rising sea levels have little impact on coastal housing markets, new book finds

February 22 2022, by Jennifer French Giarratano



Credit: Springer

Questions today about rising sea levels don't start with "if" or even

"when." They now center on the impact on coastlines, built and natural environments and economies, and how to adapt.

In their new book, "[Housing Market Response to Sea Level Rise in Florida](#)," Georgia State University professors Risa Palm and Toby Bolsen surveyed 680 Miami [real estate](#) agents to examine whether projections on flooding in South Florida—made public via flood maps—result in greater market awareness and responses to this environmental risk.

It will take more than the release of new maps to change the real estate market, they found. Input from this market's players—buyers, sellers, mortgage and insurance brokers, and real estate professionals—is necessary to assess how the market truly works. This knowledge will ensure public and private policymakers develop effective measures to keep Americans safe, now and into the next century.

In this Q&A, Risa Palm offers more details on their research and findings.

What led you to your research question?

In 2018, Toby and I did a general survey of South Florida homeowners and renters living in ZIP code areas that will be flooded by rising sea levels to find out what they believed. We found that some people were aware and frightened, but the majority felt their homes would not be affected. We also found a relationship with political affiliation: Republicans were less inclined to feel they were at any sort of risk.

These findings said to us that South Florida is "business as usual."

At the same time, we were reading a lot of news articles about area [house prices](#) falling because of sea level rise. News stories would report

on things like "climate gentrification," comparing house prices and elevation.

Given my previous research, I know that housing is bought and sold locally, and that house prices arise because of local conditions. No one thinks about buying a house "on the Atlantic coast." Instead, they are looking for a house, say, in the Miami Beach area. So, we decided to ask local real estate experts what they knew, whether they were seeing price effects or hearing about people not wanting to move to the coast. We were looking for econometric findings on house pricing based on sea level rise.

What did you learn?

We contacted real estate brokers and salespeople with offices in coastal South Florida. Overall, they told us they were not only seeing a very hot market for coastal property, they were optimistic about the future.

Those we surveyed did not corroborate the stories about the avoidance of coastal property, although the newspapers continued to report on sea level rise. There wasn't any kind of pattern of people avoiding the coast, according to them. And when you look at real estate maps, the prices of properties for sale in South Florida remain very high.

Real estate agents and buyers know the homes that are prone to flooding. The news about sea level rise and flood map information is easily available to everyone. The fact is, buyers and sellers are not responding.

Another big part of the story is flood insurance. All real estate agents said that if the cost of flood insurance goes up, if the market speaks to buyers, it will have an impact. Now they have better flood maps and are looking at market costs for flood insurance. But let's not delude ourselves that this information has the impact it should have. People

view living on the coast is an amenity and not a risk.

Were there any surprises in your research?

I expected the findings we got, that the real estate agents would tell us there was no impact on house prices. However, I was surprised agents told us that sellers and buyers were having no reaction to these maps.

What do your findings suggest to policymakers?

The notion that simply providing people with more information will result in changed behavior seems common. It would suggest that when new flood maps are released showing property damage associated with sea level rise, or when new disclosure processes are enacted, they will influence the home-buying population.

South Florida real estate agents, however, reported little to no impact of these maps on selling prices at present, nor do they expect there to be an impact in the foreseeable future. Instead, the market for coastal property is booming.

Lots of expert study committees are addressing [sea level](#) rise and flooding, but they rarely, if ever, explicitly consider the market experience of real estate agents and brokers, insurers, mortgage loan originators and real property appraisers, as well as buyers.

We need a national assessment of the impacts of climate change that includes realistic portrayals of how buyers are making home-buying decisions, how mortgage lenders are deciding the value and terms of non-conforming mortgage loans and off-loading the risks to conforming loans, and how property appraisers are assessing the current and future value of individual properties.

The goal should be to identify systematic and concrete policies that could be implemented by the public and private sectors to improve the safety and security of all Americans. Such policies should include ways to manage the retreat of private residences from vulnerable environments and their conversion to other uses.

Policymakers can't get to a solution in a capitalist [market](#) if we don't involve all the players. Those in the [real estate market](#) must be included in conversations designed to recommend policies that will make Americans safer from the looming threats of climate change.

Provided by Georgia State University

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