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## **The encroaching sea, and it's impact in the coastal areas**

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Early last summer I wrote an article for The New England Real Estate Journal about coastal floodplain regulations and their potential impact on the development and value of real estate. I wrote that flood insurance was subsidized by the Federal Emergency Management Agency (FEMA) about 20 years ago to help people rebuild who were impacted by flooding. Floodplain maps were drawn and various regulations were put in place, predominantly to enable the rebuilding. As an early enabler, our government now recognizes that there is potential for trillions of dollars of losses over the next several decades which will simply be added to our national debt....not a good model these days.

At the time of writing the original article, there was considerable speculation about floodplain maps being redrawn, showing potentially higher levels of coastal flooding and greater impacts in "velocity zones", or high wave areas. Well, here's the update: The potential floodplain changes in the spring have fully matured into final maps, and water oriented owners are in full panic mode. They are scrambling to draw building permits before town meetings, under the older, more lenient flood plain maps and regulations.

Recently, I have been working on property impacted by the new regulations. The height above the land of housing would increase from about 6 feet to about 11 feet. This may not seem like much change, but when you are hauling groceries up the stairs, or trying to landscape out at great shadowy area under your house, it may hurt the value of your asset. Others I have talked to are fearful of losing all value in their property. This typically happens when there is no sewer, and septic systems are required. Many Boards of Health do not allow septic systems built in the velocity zone. For my work, I drove around many coastal towns over the last week. While I was not about to count houses, I was shocked that there appear to be many more houses a few feet above sea level along the coast than there are ones built on high bluffs. This was fine in the old days of large summer homes or "cottages," that were unwinterized, and largely unimproved, and when it was acceptable that one would sweep them out and live rustically through the summer. That was their charm. It was also a time when, if a hurricane came, you moved the furniture upstairs and opened doors to let the water pass through.

Then, most waterfront houses cost less than a couple hundred thousand dollars, and few were over a million. Now, houses routinely sell for \$2 to \$3 million, and people renovate for significantly more, despite town efforts to keep renovations to 50% of building value. Results have added up to a fully renovated house, heated, winterized, and substantially decorated, smack at the lower levels of the floodplain.

There is no question that these houses will be flooded, it is simply a question of when and how often, and whether homeowners will be reimbursed. If they are damaged, but not repaired to flood plain specifications, imagine how an insurance company will look at the potential for a continuing

multi-million dollar liability to be rebuilt using their funds. My guess is that insurance, if available at all, will be prohibitively expensive.

There is no real solution to the issue I raise. People who can afford to, will continue to build in these fragile areas, until they can no longer afford to. At some point even the wealthiest people will grow weary of rebuilding their homes. Perhaps, like many of the sea captains of the 1700s and 1800s, homeowners will tire of the relentless power of the sea, and build their homes further inland, finally convinced they cannot control her fury.

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