## TURNER DRAKE 2 PARTNERS

Real Estate Counsellors, Brokers & Valuers Registration to ISO 9001:2008

## 31<sup>st</sup> August 2017

Subject: Newfoundland-Between a Rock and a Hard Place

**Comments:** We are on the last of our Relative Sea Level (RSL) Rise Impact series, focusing on waterfront real estate in the Atlantic Provinces. If you missed our previous discussions, don't worry, you can view those trends by <u>clicking here</u>. In this edition, we look at the province with the largest Atlantic coastline: Newfoundland and Labrador.

Comparatively speaking, The Rock has low coastal sensitivity compared to the remainder of Atlantic Canada; its dramatic sea cliffs form a defensive bulwark. That is not to say it is invulnerable. Jutting bravely into the North Atlantic, it is frequently lashed by storms bringing destructive rain and surf. As a result the Province restricts development in areas susceptible to overland or coastal flooding; using 1:20 year and 1:100 year floodplains to define the policy boundaries.

Using hydrology to shape policy is prudent, but it requires accurate hazard mapping and the original analyses did not take into account climate change. Updates are underway initiated by a 2010 paper from the Department of Natural Resources which warned that an anticipated 1 metre of relative sea level rise by century's end could create 'hundred year' coastal flooding every twenty. Faithful readers will know this expectation of RSL rise is increasingly optimistic. More recent research from NOAA suggests increases as high as 2.5 metres. Hopefully policy can catch up, but regardless, avoidance strategies are little help where buildings and infrastructure already exist. Spare a thought for poor Placentia.



Source: Turner Drake & Partners Ltd, Open Street Map

With over 400 years of settlement history, it's also a little late for avoidance in St. John's. Though its iconic topography quickly rises high above the water, some of its most culturally and financially significant real estate hugs the harbour. The map above identifies buildings below the 5m elevation, where sea level rise and storm surge could have an impact in the decades to come. Though small in area, in office space alone it represents nearly 65% of the downtown rental market and \$200,000,000 of the city's commercial assessment base. Property owners may be more concerned with current oil prices, but a potentially greater challenge looms on the horizon. A recent waterfront build perched it's rentable floor area safely atop six storeys of parking, but for most, defensive options are limited. Water Street, it seems, is aptly named.

©2017 Turner Drake & Partners Ltd all rights reserved. Whilst every effort has been made to ensure the accuracy and completeness of this TDP Trends no liability is assumed by Turner Drake & Partners Ltd. for errors or omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.

Turner Drake & Partners Ltd.

6182 North Street, Halifax, N.S., B3K 1P5 Tel.: (902) 429-1811

> St. John's, N.L. Tel: (709) 722-1811

Charlottetown, P.E. Tel: (902) 368-1811

Saint John, N.B. Tel.: (506) 634-1811

Toronto, ON. Tel.: (416) 504-1811

Toll Free: (800) 567-3033 Fax.: (902) 429-1891 E-Mail: tdp@turnerdrake.com Internet: www.turnerdrake.com

