

INDIRECT LOSSES FROM COASTAL DESTRUCTION IN MATINHOS, BRAZIL

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Matinhos is a tourist town with 20.000 inhabitants located in south Brazil. During summer this community is invaded by almost one million vacationers! In the last twenty years the coastal region was occupied by urban areas that have been affected by destructive geological processes, specially storm surges. Unusually high storm tides provide accelerated erosion causing many public losses, the most important are related to destruction of buildings and infrastructure works including the costs of unsuccessful protective measures. When decision-makers have to choose alternatives indirect losses have rarely been considered. These include the losses from commercial and tourist activities, and the scenic damage. As a result there was a devaluation of the properties that affects in particular that ones in the vicinity of destroyed areas. The research indicated reduction of property prices especially for summerhouses located until 200 meters far from coastal line. This devaluation follows three steps: 1. Immediately after the hazardous process the value decreases fast to 40% or less of the original prices. 2. A progressive recovery of prices begins thirty days after the destructive event. 3. The value stabilize around 60% of the original prices approximately six months later. The study indicated that devaluation of the properties added with rebuilding and protective measures costs are equivalent or higher than the funds needed to purchase affected area. So considering the costs and the economic and environmental alternatives, the most appropriate solution is the expropriation of the zone.