Discussion: The Value of Disappearing Beaches

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Summary of Paper

- A thorough analysis of the hedonic value of beach width
  - Uses an IV approach to control for endogeneity which enters through nourishment projects
  - Uses IV results to simulate a dynamic optimization model of optimal beach nourishment
  - Uses Monte Carlo analysis to confirm importance of IV approach
- Important implications for policy
  - Beach nourishment a growing issue - Climate Change

Comments - Empirical Model

- Empirical Model
  - More careful control for time-effects
    - How are prices normalized? What geographic scale?
    - Rather than linear time scale, month (seasonal effects) and annual or quarterly (trend effects) dummies
  - Account for nourishment events - these presumably resolve some uncertainty about future path of beach width
  - Naive model also excludes beach fixed effects - why? Could help explain change in estimates
  - Why eliminate repeat-sales? Could be an additional analysis of treatment effects from property-level fixed effects

Comments - Simulations

- Policy Implications/Optimization Model
  - In general, would like to see more thorough discussion of policy issues - mentioned but not elaborated upon
  - Analysis missing some important issues
    - Environmental Costs/Benefits to re-nourishment
    - Recreational Benefits; only hedonic benefits (to local homeowners) counted
    - Spatial scale of projects - mentioned not uniform across beach, but treated as such - what is the reality?
  - Omissions limit reliability of optimal rotation length estimates