

Hurricanes may buffer South Florida from Trump's new tariffs, experts say

Local building codes require concrete and rebar

March 08, 2018 | [Ina Cordle](#)



Donald Trump (Credit: Wikimedia Commons)

Hurricanes may have protected the South Florida construction industry from feeling the full force of President Trump's new import taxes.

The president's newly announced tariffs on imported steel and aluminum are not expected to have much impact on the local construction industry because in order to withstand hurricane-force winds, local developers say, structures are primarily built with concrete and domestic rebar.

A week after first announcing plans to impose the tariffs, Trump made it official on Thursday, saying he would place a 25-percent tax on imported steel and a 10-percent tax on imported aluminum.

Products from [Canada and Mexico](#) may be exempt, but such details have not yet been worked out, according to the White House. The move is part of Trump's efforts to boost U.S. production and lower the nation's reliance on imported materials. Critics have said it could start a global trade war and lead to higher construction costs in the U.S.

South Florida's strict building code requires concrete structures to be held together with rebar. Rebar is made of steel, but steel beams are not typically used, as they are elsewhere in the country. "Our hurricane codes are so strict because we need buildings that don't move," said Gil Dezer, president of Dezer Development.

Dezer and the Related Group are building Residences by [Armani/Casa](#), a 56-story, condo tower in Sunny Isles Beach. Nearly all of the aluminum, used on windows, is purchased from domestic manufacturers, Dezer said. About 80 percent of the rebar is from U.S. manufacturers, while 20 percent is imported. The cost of the imported material is about 18 percent lower than their U.S. competitors.

"So a 25-percent tariff would make it more expensive..." he said, referring to the steel tariff. "In the short term, it may increase pricing. In the long term it may open up more plants."

Louis Birdman, who is co-developing [One Thousand Museum](#), the 62-story Miami condo tower designed by the late Zaha Hadid, said he doesn't expect the new tariffs to have an immediate impact on construction costs.

Birdman said his team buys construction materials through suppliers, and those material costs are locked in. "If there is, in fact an escalation, it would take a while to trickle down," he said. "And the project we're working on [One Thousand Museum] would have zero impact... All our steel and aluminum has been long since purchased. And for projects in the future, I have no idea whether it would affect costs or not."

Yet in wake of the new tariffs, if there is a nationwide run on U.S. steel, there may not be enough supply to meet demand, said Miami accountant Alan Lips.

Developers and builders would then have to look to imported materials, which could drive up the cost of construction or lead to delays, said Lips, a partner in Gerson Preston Klein Lips Eisenberg Gelber.

Construction costs overall have been on the rise, experts say.

Brian Pearl, principal of Global City Development, which is building University Bridge Residences in Miami, said the price of rebar has already climbed. Pearl, whose company is building the residences in partnership with Podium Developments and Reichmann International, added that the new tariffs may lead to increased costs, but it may be only 1 to 2 percent.

"It will have a small impact," said developer Jean Francois Roy of Ocean Land Investments. "Not as large as people mention."

Katherine Kallergis contributed reporting.



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