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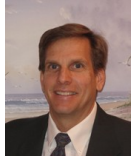
LBI BAYFRONT NEWSLETTER

2013 YEAR END BAYFRONT STUDY

Features:

- Single Family Bayfront Values
- Bayfront Single Family Sales Data
- Bayfront Sales Price Chart
- Beach Replenishment Project
- Supply vs. Demand Chart
- Featured Property

This study has been created for Long Beach Island homeowners and buyers as a guide to evaluate the current market values of single-family Bayfront properties on Long Beach Island. I hope this information is of value to you!



WillyKahl

Values of Single Family Bayfront Properties Once Again on the Rise

Bayfront data varies so much that I have computed a more leveraged curve by calculating the price per foot of bay frontage for single family bayfront properties. Using this calculation, last year the average bayfront sale was \$1,535,751. This year the average price (based on linear foot) increased to \$1,634,258. To determine bayfront property value the following numbers should be multiplied by the bayfront footage. The average sale prices per linear foot each year are as follows: \$19,697 in 2004, \$26,818 in 2005, \$22,318 in 2006, \$23,933 in 2007, \$22,659 for 2008, \$17,578 for 2009, \$20,510 for 2010, \$22,524 for 2011 and back to \$18,960 for 2012 and up to \$23,023 per linear foot for 2013. Of course, this average varies from town-to-town and also depends on condition of home and depth of lot. Also, I have maximized water frontage to 150 feet per lot (some lots are double or triple edged on peninsulas, and a maximum was needed for a more accurate average).

To calculate the current value of an average bayfront property by linear feet multiply the amount of bayfront feet by \$23,023. From 2004 to present the average linear foot calculates to 83.4 feet of bay frontage per sale (maximum of 150' for peninsulas). For 2013 the average price is $\$23,023 \times 73 = 1,680,679$. The average price of a bayfront sale in 2012 was \$1,744,320 but those lots averaged 92' of bay frontage creating a linear per foot sale of \$18,960.

After having calculated Bayfront values since 2004 and oceanfront values since 1992, I noticed that LBI Bayfront and Oceanfront Homes appreciate at approximately the same rate.

The years 2010-2013 have proven to have increased sales activity and a higher supply/demand ratio than in 2009. It appears the value of bayfront properties have leveled off and may even have gained slightly in value.

Sale prices vary because the variables of each property sold differ each year. In 2005 many bayfront homes that sold were new construction which brought higher than expected values. In 2006 the majority of bayfront properties that sold were teardowns which created a decline in values. In 2009 prices were lower than expected due to numerous corner lot sales with more than 125' on the bay and an average age exceeding 30 years (many were teardowns). In both 2010 and 2011 smaller lots with an average of 78.5 feet on the bayfront sold which actually brought average values up. This past year many North end properties sold (10 out of the 18 sales were in North Beach, Harvey Cedars, Loveladies, and Barnegat Light) bringing a slightly inflated average sales price.

2013 BAYFRONT SALES from South to North

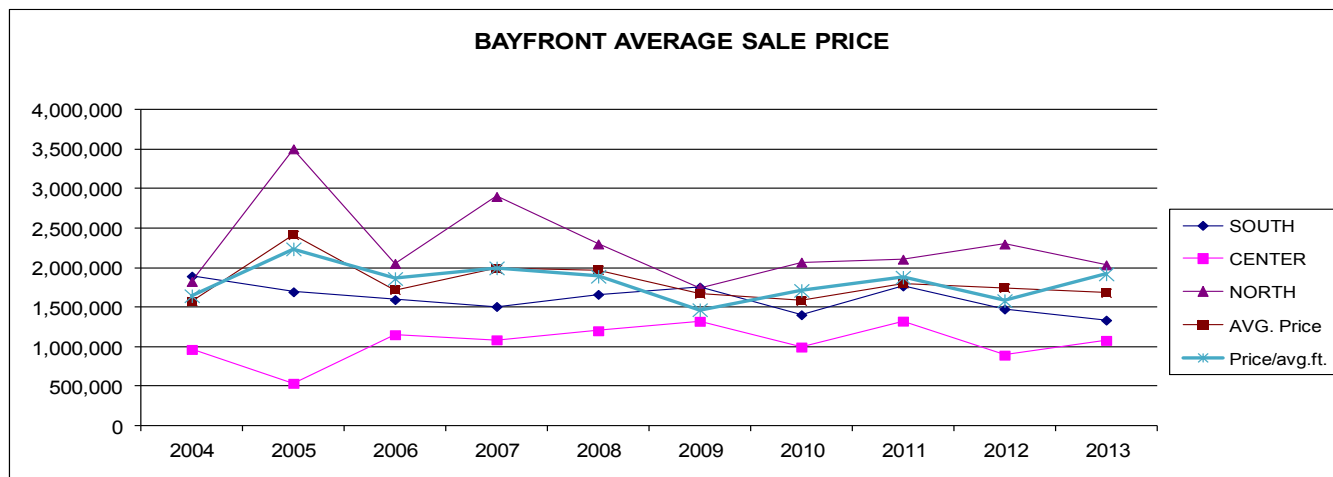
<u>TOWN</u>	ADDRESS	DATE	LIST	SELL	SELL	FEET	AGE	ASSESS	ASSESS	ASSESS	SELL\$/	#BEDR.	#BATH
SOUTH		SOLD	PRICE \$	PRICE \$	LIST\$	WTR		BUILD \$	LAND \$	TOTAL \$	ASSESS\$		
HOLGATE	5006 West Ave.	3/19/13	699,000	630,000	90%	49	84	56,200	580,700	636,900	0.99	3.00	1.00
HOLGATE	16 W. Beck Ave.	10/21/13	769,000	720,000	94%	100	29	233,800	525,000	758,800	0.95	3.00	2.00
BEACH HAVEN	526 Leeward Ave.	9/19/13	2,995,000	2,900,000	97%	150	12	760,600	1,872,000	2,632,600	1.10	5.00	4.00
BEACH HAVEN PARK	20 W. Lillie Ave.	4/9/13	1,199,000	1,099,000	92%	91	23	395,100	987,500	1,382,600	0.79	6.00	3.50
BEACH HAVEN PARK	16 W. California Ave.	6/21/13	1,495,000	1,325,000	89%	28	4	560,600	673,100	1,233,700	1.07	5.00	3.00
2013 AVG	5 SOLD IN SOUTH		1,431,400	1,334,800	93%	84	30	401,260	927,660	1,328,920	1.00	4.40	2.70
CENTER													
SHIP BOTTOM	2419 Central Ave.	3/27/13	575,000	525,000	91%	25	73	306,100	405,000	711,100	0.74	3.00	2.00
SURF CITY	466 Schoederer Lane	7/2/13	1,999,999	1,950,000	98%	60	17	573,200	786,600	1,359,800	1.43	5.00	5.00
SURF CITY	1415 Barnegat Ave.	1/16/13	769,900	760,000	99%	21	63	389,300	752,800	1,142,100	0.67	4.00	2.50
2013 AVG	3 SOLD IN CENTER		1,114,966	1,078,333	97%	35	51	422,867	648,133	1,071,000	1.01	4.00	3.17
NORTH													
NORTH BEACH	6 Edgewater Drive	12/20/13	4,295,000	4,100,000	95%	115	5	1,350,800	1,230,000	2,580,800	1.59	6.00	6.00
HARVEY CEDARS	9A W. Bergen Ave.	3/1/13	1,575,000	1,475,000	94%	52	20	314,100	987,100	1,301,200	1.13	4.00	3.00
HARVEY CEDARS	21 Cedars Ave.	6/21/13	887,500	875,000	99%	50	73	279,400	563,000	842,400	1.04	3.00	1.50
HARVEY CEDARS	47A Cedars Ave.	10/1/13	1,100,000	950,000	86%	85	52	131,098	734,546	865,644	1.10	2.00	1.00
HARVEY CEDARS	7806 Compass St.	8/26/13	1,100,000	1,050,000	95%	50	73	245,500	1,045,400	1,290,900	0.81	4.00	2.00
HARVEY CEDARS	21 West 85th St.	7/26/13	3,550,000	3,200,000	90%	112	5	879,100	978,700	1,857,800	1.72	6.00	5.50
LOVELADIES	6 Long Beach Blvd.	7/8/13	3,649,000	3,388,800	93%	125	17	1,216,800	2,537,500	3,754,300	0.90	7.00	6.50
LOVELADIES	77 Bayview Drive	11/22/13	3,695,000	3,195,000	86%	98	13	1,592,480	1,720,539	3,313,019	0.96	5.00	5.00
HIGH BAR HARBOR	13 Sunset Blvd.	12/20/13	975,000	890,000	91%	25	0	595,000	294,000	889,000	1.00	5.00	3.50
HIGH BAR HARBOR	17 Sunset Blvd.	1/18/13	1,395,000	1,220,000	87%	75	0	607,500	492,500	1,100,000	1.11	5.00	3.50
2013 AVG	10 SOLD IN NORTH		2,222,150	2,034,380	92%	79	26	721,178	1,058,329	1,779,506	1.14	4.70	3.75
2013 AVG LBI	18 SOLD IN 2013		1,817,967	1,680,711	92%	73	31	582,593	953,666	1,536,259	1.09	4.50	3.57

For properties currently available for sale and for those under contract, please feel free to call me or visit www.lbisales.com. I would be happy to e-mail, mail, or fax current Multiple Listing computer detailed reports and/or generate automatic updates with your personal criteria!

Get the LBI Bayfront Newsletter before it hits the press! Please e-mail Willy Kahl at willykahl@gmail.com and tell him you prefer these newsletters via e-mail today!

Note: All Statistics are deemed reliable but not guaranteed. Data was retrieved from the Jersey Shore Regional Multiple Listing Service Computer. This letter is not intended to solicit property currently listed. Egon Willy Kahl's opinion has been stated throughout. This newsletter is an exclusive publication and cannot be reproduced without prior written permission from Egon Willy Kahl. ©

Chart of Average Bayfront Sales



Beach Replenishment Project Postponed Until Early Fall

Governor Christie and LBI mayors have been pushing for the beach replenish plan for several years. The holdup was a few Oceanfront owners refusing to sign off on easements which would allow the Army Corps of Engineers dune access.

The Christie administration has since implemented a new plan under eminent domain allowing use of the easements. Although the Corps previously estimated that the sand and dune replenishment would begin in late spring or early summer the anticipated start date has been pushed back to the fall of 2014.

It appears LBI will have at least two beaches starting at the same time, and if equipment is available, as many as four beaches will all be filled simultaneously.

The real estate division of the Corps is supposed to determine a scope of work for appraisals related to obtaining remaining easements via eminent domain.

If the project goes out to bid in June it is anticipated that work will begin Sept. 1 or later. Corps public affairs officer Steve Rochette confirmed, "It's not likely the project would begin before the end of the summer. There are so many variables that it can be difficult to predict start dates in advance."

Corps spokesman Ed Voigt stated a Superstorm Sandy-related supplemental bill funded work that was completed last year to restore the beaches in Surf City, Harvey Cedars and a mile of Brant Beach, all which had undergone replenishment before the storm. As for the rest of the Island – "that's next." That work will be 100 percent federally funded although future periodic re-nourishment will be cost shared with the state and the municipality.

Bayfront Sales Vs. Number of Bayfront Properties Available For Sale Remains Steady

There have been 18 bayfront single family home sales during 2013. There were a total of 21 Bayfront Single family home sales in 2012, 17 single family bayfront sales in 2011, 23 in 2010, and 16 total sales in 2009. Currently there are three bayfront single family homes under contract. In addition, the number of single family bayfront properties for sale (supply) has decreased slightly from 42.5 average in 2012 to 41.5 average in 2013.

I calculate our supply to demand curve by dividing the number of bayfront properties sold in the latest half year period by the amount of bayfront properties currently for sale. These are two key factors to prices stabilizing with values on the rise in the near future. During 2013 our supply vs. demand ratio was .22. The 2012 year's supply to demand ratio was .25 compared to 2011 ratio of .19. This is slightly better than in 2009 which was one of the lowest with a supply vs. demand ratio of 0.17. I feel this ratio will gain quickly as time goes on and sales volume increases.

Trends relating to bayfront and oceanfront appreciation and depreciation are similar. I have oceanfront data as far back as 1992 and bayfront data beginning in 2004. During 2002 supply vs. demand ratio was the highest in 21 years at 1.09 for oceanfront sales. Our record low of 15 oceanfront homes available on the market was in 2002. Our high was 101 oceanfront homes available in 1993. There are approximately 1100 oceanfront homes and 1000 bayfront homes on LBI.

Oceanfront sales are showing us a quicker recovery and I believe bayfront sales should follow soon!



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Dependable Bayfront Data Enclosed!

For properties **currently available for sale** and those **under contract**, please feel free to **call or email me**. I'll be happy to **e-mail, mail, or fax** current Multiple Listing Computer detailed reports!

Dependable Bayfront Data Enclosed!

FEATURED PROPERTY-NORTH BEACH OCEANFRONT

First time this North Beach Oceanfront is Offered for Sale

Magnificent Ocean Views! 80 feet on the Ocean plus a 20 foot easement creates the feeling of 100 feet on the Oceanfront! Well maintained 3 Bedroom, 2 Bath ranch, open living, kitchen and dining area with fire-place overlooking the beautiful Atlantic Ocean. CAFRA permits in place for expansion or new construction. Deeded bay access and dock with slip included as part of North Beach Estates for a small monthly fee. Current CAFRA footprint is approximately 35' x 40.5' for new house. This is a larger footprint than existing house and also includes expanded east and new southern decks. Enjoy this existing oceanfront home this summer while planning construction of your new dream home! \$2,149,000.

