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# LBI BAYFRONT

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Author since 1992

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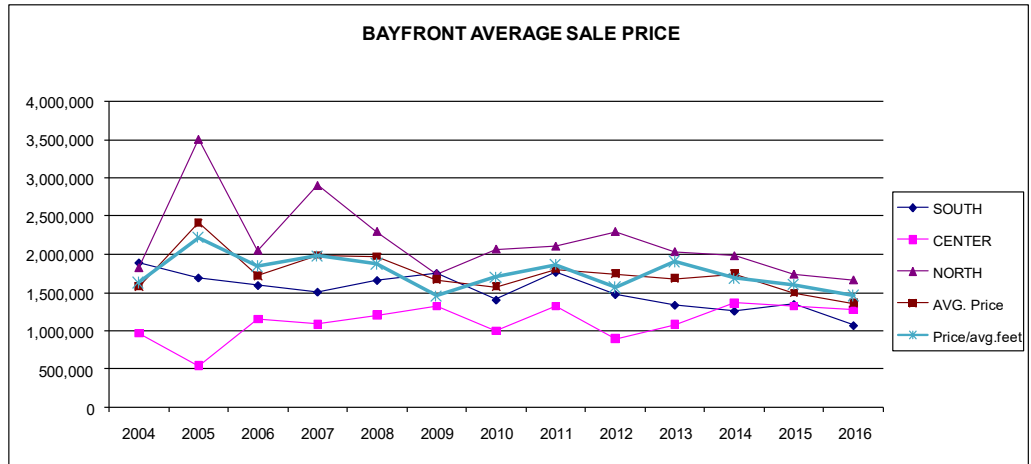


## 2016 BAYFRONT STUDY



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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!



## Values of Single Family Bayfront Properties

In 2016 there were many older bayfront home sales, which weighted our average sale price lower than anticipated. Out of the twenty-five sales, only one was new construction, no sales between 1-10 years of age, only four from 10-20 years old and twenty were over 20 years of age! Our usual highest price average is on the North end. This average price suffered with all but one property over 30 years of age, many considered tear-downs.

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 and maximizing water frontage to 125 feet per lot (some lots are double or triple edged on peninsulas and a maximum was needed to create a more accurate average). Using this calculation our new average is 82.62 feet.

In 2012 the average bayfront sale was \$1,566,379 (based on linear foot, this value changes slightly each year as the average linear foot changes over the years). In 2013 the average price increased to \$1,902,090. During the first half of 2014, values declined on the North end of the Island. Many tear-downs had sold for land value only in North Beach, Harvey Cedars, Loveladies and Barnegat Light. The average price in 2014 was \$1,678,356. For 2015, there were more tear-down sales and the average sale price lowered slightly to \$1,598,702. In 2016, we had the most tear-down sold bayfronts since we began our studies so it is understandable that our average sale per linear foot has decreased to \$1,456,665. The value is in the land, and bayfront lots are slowly increasing in price again.

In 2016, most of the bayfronts were older which brought in a substantially lower than average sale price. In 2015, there were more sales with 34 single family bayfront total sales. Fifteen could be considered tear-downs, only one was new construction and eighteen were newer or renovated. Due to mostly tear-downs in 2016 and many older home sales in 2015, our average sales price has gone down but I feel land value is going up slightly. Great news, 2017 is off to a very good start with 10 bayfronts under contract, 1 closed as of 1/19/2017. Many have been built since 2000!

To determine bayfront property value the following numbers should be multiplied by the bayfront footage. The average sale prices per 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 back up to \$23,023 per foot for 2013, \$20,315 for 2014, down to 19,351 for 2015, and back to almost tear down values to \$17,632 for 2016. Of course this average varies from town to town and also depends on condition of home and depth of lot.

To calculate the current value of a bayfront property (using linear feet) multiply the length of bayfront feet by \$28,546 (for newer construction on a deep lot) or \$17,000 (for property with older home – but not a tear down).

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## 2016 BAYFRONT SALES from South to North

TOWN	ADDRESS	DATE SOLD	LIST PRICE \$	SELL PRICE \$	SELL\$/LIST\$	FEET WTR	AGE	ASSESS \$ BUILD	ASSESS \$ LAND	ASSESS TOTAL\$	SELL\$/ASSESS\$	# BED	# BATH
<b>SOUTH</b>													
HOLGATE	31 Susan Ave.	8/9/16	989,000	925,000	94%	81	46	230,500	577,500	808,000	1.14	3	3.0
HOLGATE	121 W. Osborn Ave.	9/19/16	1,195,000	1,365,000	114%	55	17	496,800	829,500	1,326,300	1.03	4	3.5
THE DUNES	12304 Old Whaling Ln.	12/16/16	1,299,000	1,200,000	92%	70	37	160,900	945,000	1,105,900	1.09	6	3.0
BEACH HAVEN PARK	2 Louisiana Ct.	5/20/16	1,050,000	999,999	95%	47	22	331,300	790,000	1,121,300	0.89	4	3.0
BEACH HAVEN PARK	34 W. California Ave.	2/5/16	1,124,999	1,062,500	94%	50	78	122,700	790,000	912,700	1.16	5	1.5
BEACH HAVEN PARK	9320 Mark Dr.	12/13/16	1,099,000	999,000	91%	50	31	249,600	790,000	1,039,600	0.96	4	2.5
BRIGHTON BEACH	8302 Waverly Rd.	1/1/16	949,000	920,000	97%	125	21	170,700	790,000	960,700	0.96	3	2.5
<b>2016 Year End</b>	<b>7 SOLD IN SOUTH</b>		<b>1,100,857</b>	<b>1,067,357</b>	<b>97%</b>	<b>68</b>	<b>36</b>	<b>251,786</b>	<b>787,429</b>	<b>1,039,214</b>	<b>1.03</b>	<b>4</b>	<b>2.7</b>
<b>CENTER</b>													
BRANT BEACH	202 Kimberly Ave.	9/29/16	1,099,000	987,500	90%	123	28	278,200	1,113,900	1,392,100	0.71	2	2.5
BRANT BEACH	5810 Barnegat Ave.	3/28/16	1,499,000	1,335,000	89%	50	14	394,500	790,000	1,184,500	1.13	4	3.0
BRANT BEACH	4906 W. LBB	9/23/16	975,000	931,000	95%	50	35	207,800	790,000	997,800	0.93	4	3.0
BRANT BEACH	4808 LBB	10/5/16	899,000	850,000	95%	75	52	141,100	888,800	1,029,900	0.83	4	2.0
SHIP BOTTOM	2600 E. Bay Terrace	2/2/16	1,079,000	960,000	89%	50	28	327,200	496,800	824,000	1.17	4	2.5
SHIP BOTTOM	391 W. 12th St.	10/3/16	1,690,000	1,700,000	101%	80	29	418,200	620,400	1,038,600	1.64	5	4.5
SURF CITY	352 N. 1st St.	9/1/16	1,675,000	1,575,000	94%	50	11	558,500	760,000	1,318,500	1.19	5	3.5
SURF CITY	447 4th St.	9/2/16	1,695,000	1,660,000	98%	60	12	551,500	796,000	1,347,500	1.23	4	5.0
SURF CITY	367 N. 10th St.	8/15/16	1,545,000	1,485,000	96%	175	21	334,800	1,005,400	1,340,200	1.11	4	3.5
<b>2016 Year End</b>	<b>9 SOLD IN CENTER</b>		<b>1,350,667</b>	<b>1,275,944</b>	<b>94%</b>	<b>79</b>	<b>26</b>	<b>356,867</b>	<b>806,811</b>	<b>1,163,678</b>	<b>1.10</b>	<b>4</b>	<b>3</b>
<b>NORTH</b>													
HARVEY CEDARS	47 Cedars Ave. Unit B	6/24/16	2,349,000	2,100,000	89%	185	76	473,900	966,100	1,440,000	1.46	5	3.5
HARVEY CEDARS	65 Cedars Ave.	10/11/16	1,275,000	1,250,000	98%	62	31	437,700	1,014,000	1,451,700	0.86	4	3.0
HARVEY CEDARS	4 Camden Ave.	8/16/16	895,000	860,000	96%	83	46	203,900	721,200	925,100	0.93	3	2.0
HARVEY CEDARS	39 W. Essex Ave.	3/24/16	999,000	921,375	92%	55	31	282,300	693,600	975,900	0.94	4	2.0
HARVEY CEDARS	6807 Norfolk Pl.	9/19/16	1,140,000	1,060,000	93%	138	33	252,400	947,600	1,200,000	0.88	5	2.0
HARVEY CEDARS	45 Buckingham Ave.	11/9/16	1,299,000	1,195,000	92%	52	39	189,500	799,500	989,000	1.21	4	3.5
LOVELADIES	43 W. Holly Dr.	5/11/16	5,799,000	5,699,000	98%	180	0	1,890,000	1,877,133	3,767,133	1.51	7	8.0
HIGH BAR HARBOR	38 Antioch Rd.	2/4/16	1,195,000	1,131,000	95%	60	47	317,700	840,000	1,157,700	0.98	4	3.0
HIGH BAR HARBOR	9 Meadow Ln.	2/29/16	795,000	770,000	97%	87	38	183,600	535,500	719,100	1.07	3	2.5
<b>2016 Year End</b>	<b>9 SOLD IN NORTH</b>		<b>1,749,556</b>	<b>1,665,153</b>	<b>95%</b>	<b>100</b>	<b>38</b>	<b>470,111</b>	<b>932,737</b>	<b>1,402,848</b>	<b>1.19</b>	<b>4</b>	<b>3.3</b>
<b>2016 Year End</b>	<b>25 SOLD IN 2016</b>		<b>1,424,320</b>	<b>1,357,655</b>	<b>95%</b>	<b>84</b>	<b>33</b>	<b>368,212</b>	<b>846,717</b>	<b>1,214,929</b>	<b>1.12</b>	<b>4</b>	<b>3</b>

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. ©

## BAYFRONT SUPPLY / DEMAND STATISTICS

2016 has proven to be a year of a fair amount of bayfront sales! For 2016 there have been a total of 25 Bayfront sales on LBI. In 2015 there had been 34 single family bayfront sales and the same amount (34 bayfront single family homes sold) in 2014. Only 18 sales in 2013, 21 in 2012, 17 in 2011, 23 in 2010 and 16 in 2009. Also the number of single family bayfront properties for sale (supply) has leveled from 42 in 2013 to 46 in 2014 and back to 42 in 2015, but currently up to 44 bayfront properties on the sales market.

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.

Our supply vs. demand ratio is only 0.265 for 2016, 0.365 for 2015. It was 0.35 in 2014. During 2013 our supply vs. demand ratio was 0.22. The 2012 year's supply to demand ratio was 0.25 compared to 2011 ratio of 0.19. I feel this ratio will continue to gain as time goes on and sales volume increases. Our curve over the last three years has gone up a little, which is good news in general.

*Trends relating to bayfront and oceanfront appreciation and depreciation are similar* however bayfront properties currently are not appreciating as quickly as oceanfront properties. 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 will soon follow.

### 24+ Years of Waterfront Data Analysis

In 1987, the sales market had peaked on LBI. About six years later, I was selling oceanfront homes for approximately **25% less than the 1987** climatic sales market. Properties began appreciating **slowly from 1992 to 1998**. In that 7 year time period, the average oceanfront home **increased approximately 24%**. Over the next eight years (**1999-2006**), they **increased another 329%** and values had peaked!

We then experienced six years of a depreciating LBI oceanfront home sales market. From 2007 to 2012 values dropped approximately 27.5%. Currently, I feel these next four years values are almost back to peak, increasing approximately 22.5% from 2013 to 2016.

Of course, there are many other profits and expenses of owning an oceanfront home over the years. Typically rentals can gross 5% to 7% of the property's current value each year. This income can offset many costs, including mortgages.

Since oceanfront land is so valuable, it is very common for oceanfront homes in fair condition to be torn down for new construction. These costs are not included in the studies, however can be offset by rental income. If a buyer was fortunate enough to purchase an oceanfront property at the bottom in 1992 and sell at the peak of 2006, on average that buyer would have turned each \$100,000 into \$429,000. If that buyer used a mortgage with 20% down, they would have **turned each \$20,000 into \$429,000!**

Timing is everything. If this historical time cycle is similar as to our last, we should see begin to see great appreciation somewhere near 2020. However, no one can predict the future, and time cycles can be very different. Most buyers are excited that they are able to afford a vacation home on LBI! With attractive mortgage interest rates and attractive asking prices, along with a variety of properties to choose from, it's a great time to buy or sell on LBI!

### Values of Single Family Bayfront Properties (Continued From Page 1)

From 2004 to present the average linear foot calculates to 82.61 feet of bay frontage per sale (maximum of 125' for peninsulas). For the average linear feet of bay frontage sold is 77 feet.

Sale prices vary because the variables of each property that has 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 tear-downs which created a decline in values. In 2009, prices were lower than expected due to numerous corner lot sales with more than 125 feet on the bay (a 50' lot on the bay is not worth as much as a 50' corner lot with another 100' on the lagoon, but it is nowhere near as much as 3 times the value) and an average age exceeding 30 years (many were tear-downs). In both 2010 and 2011 smaller lots with an average of 78.5 feet on the bayfront sold which actually increased values (two 50 x 100 lots on the bay are worth slightly more than one 100 x 100 lot). In 2013 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. 2014 seemed to be on track with a slight increase in value over the last 3-4 years. 2015 has had lower values than anticipated, dropping about 5.4% on average since 2014, due to many tear-downs selling. In 2016, the average lowered even more due to so many tear-downs sold.

Oceanfronts have gained values this year and are almost as high as the peak years pricing of 2005-2006. I feel prices on the bayfront are slowly rising, and should begin to show noticeable appreciation by our mid-year 2017 newsletter!



# LBI Waterfront Living...FOR SALE

Beach Haven Oceanfront



Little Egg Harbor Yacht Club Area

Enjoy fascinating views from this extravagant custom built oceanfront home with 100 feet on the ocean. Spacious rooms include 6 bedrooms and 6.5 baths.

*The first floor has an outdoor deck oasis including a private negative edge pool with waterfall and ocean view. Enjoy amazing waterfront living in this home including exquisite custom designed circular staircase, custom gourmet kitchen, upscale appliances and fixtures, custom stained glass windows, and professionally interior designed rooms.*

**\$4,695,000.**

Harvey Cedars Oceanfront



This immaculate reverse-living home on a corner lot has fascinating panoramic ocean views from your open living, kitchen, and dining area. This home shows like new!

*The gourmet kitchen includes granite counter-tops, stainless appliances, upgraded cabinetry and a large center island. The oceanfront master suite includes a private deck, over-sized full bath and walk-in closets with a second living area just outside the master suite. This home is ready for you with new furnishings, freshly painted rooms and newly refinished hardwood floors*

**\$2,195,000.**

Ship Bottom Oceanfront



Enjoy fascinating views from this modern 5 bedroom, 3 full bath oceanfront home on a northern corner lot with 60 feet on the oceanfront! Completely renovated.

**\$1,435,000.**

Spray Beach Oceanfront



Nicely renovated and beautifully landscaped oceanfront home on a corner lot.. Plenty of family space with 5 bedrooms and a second living area.

**\$1,299,000.**

Surf City Bayfront



This custom built contemporary bayfront home offers the dream waterfront lifestyle. Lots of comfort features in this 5 bedroom and 3 bath home including a "crow's nest" hot tub/exercise room. Huge bayfront Trex deck, 50' on the bayfront with 125' Riparian Grant. \$1,799,000.

Spray Beach Bayfront



Delight in breathtaking panoramic bay views from this completely updated 4 bedroom, 2.5 bath bayfront home. This bright and cheerful open living, kitchen and dining area has windows all around to enjoy the bay views or enjoy the views from three levels of decks including rooftop. \$899,900.

Ship Bottom Bayfront



It's time to sit back and relax in this wonderfully renovated modern top floor bayfront condo with large bayfront deck. Enjoy waterfront living with an over-sized dock and Riparian Grant \$459,999.



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# LB) Waterfront Living...SOLD



**SOLD**

- Beach Haven Oceanfront Compound: Two properties
- 100 Feet on the Ocean
- 8 Bedrooms, 6 Full & 3 Half Baths



**SOLD**

- Beach Haven Gardens Oceanfront
- 90 Feet on the Ocean
- 6 Bedrooms, 3 Full Baths



**SOLD**

- Surf City Oceanfront
- 50 Feet on the Ocean
- Reverse-Living
- 4 Bedrooms, 2 Full Baths



**SOLD**

- Brighton Beach Bayfront
- 125 Feet on the Bay
- 3 Bedrooms, 2 Full & 1 Half Baths



**SOLD**

- Holgate Oceanfront
- 75 Feet on the Ocean
- 6 Bedrooms, 4 Full Baths



**SOLD**

- Brant Beach Bayfront
- 50 Feet on the Bay
- 4 Bedrooms, 3 Full Baths



**SOLD**

- Beach Haven Park Bayfront
- 50 Feet on the Bay
- 4 Bedrooms, 2 Full & 1 Half Baths



**SOLD**

- New Construction
- North Beach Oceanfront
- 80 Feet on the Ocean
- 5 Bedrooms, 4 Full & 1 Half Baths



**SOLD**

- North Beach Oceanfront
- 100 Feet on the Ocean
- 5 Bedrooms, 3 Full Baths

*Providing valuable oceanfront and bayfront home sales data to homeowners and buyers since 1992. Analysis is based on over 24 years of sales data.*



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