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# LBI OCEANFRONT

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Author since 1992

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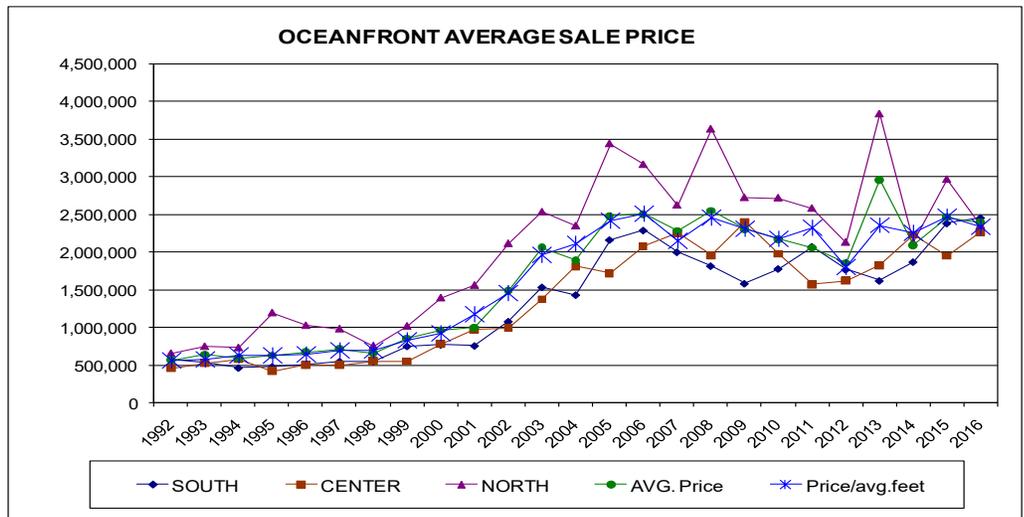


## 2016 OCEANFRONT STUDY



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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 Oceanfront properties on Long Beach Island. I hope this information is of value to you!



## Values of Single Family Oceanfront Properties

2016 has proven to be a great year for oceanfront sales. Although the first half started out with lower values due to many tear-downs selling, our second half of 2016 had a variety of new construction, homes in good condition, and tear-downs. With the majority of older oceanfront sales in the North End, our averages might be slightly lower than anticipated. There has been one sale in Ship Bottom (136 E. 19<sup>th</sup> Street), an old house that is almost completely over the oceanfront building line and in disrepair. Due to the constraints of rebuilding, I have not included this property in our sales analysis.

The average sale price for 2016 is holding strong at \$2,391,604. The north end sale prices are below average considering so many sales were in Harvey Cedars and Barnegat Light, where the standard lot has 50' on the oceanfront. When a lot has 100' on the ocean in Harvey Cedars, it usually has 50' of depth, limiting the overall footprint by comparison to North Beach and Loveladies. In North Beach the standard lot has 100' on the oceanfront and in Loveladies the standard lot has 125' on the oceanfront, both with 100' of depth. Also, in Barnegat Light values are less from 3<sup>rd</sup> Street to 19<sup>th</sup> Street where the views are primarily the inlet or obstructed with large dune structures and a far walk to the beach. In 2015, the north end had higher pricing, so the average price of an oceanfront sale was slightly higher with a value of \$2,457,845 (vs. \$1,851,048 average in 2012).

In 2013 the average oceanfront price on LBI had increased to an all time record high of \$2,959,529! Oceanfront data varies so much that I have computed a more leveraged curve by calculating the price per foot of ocean frontage for single family oceanfront properties. So when we calculate the Oceanfront Price per Foot, this evaluation drops to \$2,360,577. We have surpassed that in 2015 with an average price per foot of \$2,471,315! 2016 had so many older tear-down sales that the average is off and lowered to \$2,341,794. In 2013 the price was overinflated due to the numerous sales of oceanfront property on the north end of the island which increased values much higher than expected. In general oceanfront property values have turned around and have been seeing slight appreciation once again!

To see how much an oceanfront property is valued the following numbers should be multiplied by the oceanfront footage. The average sale prices per linear foot each year are as follows: \$7,662 in 1992, \$34,709 in the 2006 Peak, \$26,826 as a relative low in 2012. With the numerous tear-downs which have sold, 2012 held a lower than anticipated value. 2013 increased to \$35,232. 2014 dipped to \$31,148 where many tear-downs were selling for land value. In 2015, the price per foot was back on track at \$34,137. In 2016, the price per foot is \$31,646.. Of course, this average varies from town-to-town, condition of home and depth of lot.

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## 2016 OCEANFRONT 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	5113 S. LBB	9/2/16	1,299,000	1,075,000	83%	40	24	357,500	924,000	1,281,500	0.84	4	2.5
HOLGATE	4405 S. LBB	3/25/16	1,499,000	1,400,000	93%	75	38	422,800	1,409,100	1,831,900	0.76	6	4.0
BEACH HAVEN (LEH Yacht)	200 & 214 Jeffers	8/1/16	5,999,000	5,500,000	92%	100	9	764,400	1,974,800	2,739,200	2.01	8	7.5
BEACH HAVEN	2 Taylor Ave.	11/21/16	1,450,000	1,210,000	83%	50	14	246,400	1,200,000	1,446,400	0.84	4	2.5
BEACH HAVEN	5 11th St.	3/15/16	1,450,000	1,400,000	97%	65	56	82,300	1,290,000	1,372,300	1.02	4	2.0
NORTH BEACH HAVEN	213 E. 13th St.	8/31/16	3,495,000	3,000,000	86%	75	20	617,300	1,443,800	2,061,100	1.46	5	4.5
BEACH HAVEN GARDENS	208 E. S. 31st St.	4/27/16	1,629,000	1,387,000	85%	40	23	423,300	924,000	1,347,300	1.03	4	4.5
BEACH HAVEN GARDENS	211 E. S. 34th	10/12/16	4,699,000	4,360,000	93%	89	0	1,275,000	1,559,300	2,834,300	1.54	5	6
BEACH HAVEN PARK	123 E. Alabama	7/14/16	3,995,000	3,800,000	95%	80	1	1,125,000	1,501,500	2,626,500	1.45	5	4.5
PEAHALA PARK	120 E. Herbert	2/9/16	2,395,000	2,010,000	84%	100	28	533,500	1,732,500	2,266,000	0.89	4	3.5
BRIGHTON BEACH	117 E. Conn.	1/12/16	1,699,900	1,530,000	90%	75	30	170,300	1,155,000	1,325,300	1.15	4	3.0
BEACH HAVEN CREST	109 E. Surf Ave.	9/9/16	2,999,999	2,750,000	92%	50	0	1,035,000	1,039,500	2,074,500	1.33	5	4.5
<b>2016 Year End</b>	<b>12 SOLD IN SOUTH</b>		<b>2,717,492</b>	<b>2,451,833</b>	<b>90%</b>	<b>70</b>	<b>20</b>	<b>587,733</b>	<b>1,346,125</b>	<b>1,933,858</b>	<b>1.27</b>	<b>4.8</b>	<b>4.1</b>
<b>CENTER</b>													
BRANT BEACH	7207 Ocean	12/22/16	3,299,000	2,900,000	88%	50	0	1,020,000	1,050,100	2,070,100	1.40	5	5.5
BRANT BEACH	6709 Ocean	9/15/16	1,799,000	1,660,000	92%	50	31	439,300	1,155,000	1,594,300	1.04	4	3.0
BRANT BEACH	6409 Ocean	9/30/16	2,495,000	2,495,000	100%	62	3	462,000	1,293,600	1,755,600	1.42	4	4.5
BRANT BEACH	5701 Ocean	12/20/16	1,550,000	1,400,000	90%	50	35	182,400	1,155,000	1,337,400	1.05	4	2.5
BRANT BEACH	5605 Ocean	9/20/16	3,995,000	3,900,000	98%	80	6	943,200	1,501,500	2,444,700	1.60	9	7.0
BRANT BEACH	5413 Ocean	3/30/16	4,125,000	3,550,000	86%	75	1	690,400	1,443,800	2,134,200	1.66	5	5.5
BRANT BEACH	4411 Ocean	2/19/16	1,499,000	1,412,500	94%	52	21	313,800	1,178,100	1,491,900	0.95	4	3.0
BRANT BEACH	4009 Ocean	10/28/16	1,590,000	1,485,000	93%	50	38	248,400	1,155,000	1,403,400	1.06	5	3.0
SURF CITY	1013 N. Ocean	12/12/16	1,724,000	1,550,000	90%	50	10	249,000	1,000,000	1,249,000	1.24	4	2.0
<b>2016 Year End</b>	<b>9 SOLD IN CENTER</b>		<b>2,452,889</b>	<b>2,261,389</b>	<b>92%</b>	<b>58</b>	<b>16</b>	<b>505,389</b>	<b>1,214,678</b>	<b>1,720,067</b>	<b>1.31</b>	<b>5</b>	<b>4.0</b>
<b>NORTH</b>													
NORTH BEACH	1011-D LBB	11/18/16	3,849,000	3,739,650	97%	100	0	1,127,100	2,462,500	3,589,600	1.04	6	7.0
NORTH BEACH	1023-D LBB	11/14/16	3,299,000	3,192,000	97%	80	1	1,155,000	1,627,300	2,782,300	1.15	5	4.5
NORTH BEACH	1061-C LBB	6/23/16	4,695,000	4,400,000	94%	100	13	959,200	2,462,500	3,421,700	1.29	5	4.5
HARVEY CEDARS	5307-E LBB	7/22/16	1,525,000	1,300,000	85%	50	32	312,200	1,229,300	1,541,500	0.84	4	2.5
HARVEY CEDARS	12 E. Bergen	6/30/16	1,549,000	1,350,000	87%	50	34	369,900	1,285,000	1,654,900	0.82	5	3.5
HARVEY CEDARS	11 E. Passaic	1/25/16	1,695,000	1,650,000	97%	120	51	243,900	1,186,000	1,429,900	1.15	6	2.0
HARVEY CEDARS	13 E. Burlington	2/5/16	1,695,000	1,580,000	93%	53	26	253,785	1,278,175	1,531,960	1.03	4	3.0
HARVEY CEDARS	6403-G LBB	5/26/16	1,900,000	1,900,000	100%	90	46	876,700	1,542,400	2,419,100	0.79	5	3.5
HARVEY CEDARS	14 E. 82nd St.	6/10/16	1,600,000	1,550,000	97%	50	36	380,800	1,226,500	1,607,300	0.96	4	3.0
HARVEY CEDARS	12 E. 86th St.	6/20/16	2,550,000	2,400,000	94%	100	49	148,200	1,888,000	2,036,200	1.18	3	2.0
LOVELADIES	13-C LBB	8/1/16	3,999,000	3,585,000	90%	125	10	1,513,400	3,012,500	4,525,900	0.79	6	7.0
LOVELADIES	129-D LBB	1/15/16	3,995,000	3,800,000	95%	125	17	1,719,900	3,275,000	4,994,900	0.76	9	6.5
BARNEGAT LIGHT	17 E. 24th St	10/7/16	2,295,000	2,100,000	92%	63	6	628,900	2,092,800	2,721,700	0.77	6	4.5
BARNEGAT LIGHT	1713 Seaview	6/27/16	1,495,000	1,435,000	96%	50	62	151,500	1,081,100	1,232,600	1.16	3	1.0
BARNEGAT LIGHT	7 W. 3rd St.	9/23/16	1,395,000	1,350,000	97%	138	8	521,300	429,400	950,700	1.42	4	3.5
<b>2016 Year End</b>	<b>15 SOLD IN NORTH</b>		<b>2,502,400</b>	<b>2,355,443</b>	<b>94%</b>	<b>86</b>	<b>26</b>	<b>690,786</b>	<b>1,738,565</b>	<b>2,429,351</b>	<b>0.97</b>	<b>5</b>	<b>4</b>
<b>2016 Year End</b>	<b>36 SOLD IN 2016</b>		<b>2,561,719</b>	<b>2,364,060</b>	<b>92%</b>	<b>74</b>	<b>22</b>	<b>610,086</b>	<b>1,476,780</b>	<b>2,086,866</b>	<b>1.13</b>	<b>5</b>	<b>4</b>

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## Supply/Demand Steady & Oceanfront Sales Volume is Strong

In 2016 there have been 36 single family oceanfront sales. Inventory is staying consistent at 55 for the year. For 2015 there were 37 oceanfront sales which proved to be a great improvement over the last several years. However *inventory had increased to 54 available properties for sale*. In 2014, there were 29 oceanfront sales. Also, the supply had decreased with 39 being the average number of single family oceanfront properties for sale. In 2013, there were only 17 oceanfront single family home sales the entire year, partially due to Sandy. By the end of 2013, 47 single family oceanfront properties were available for sale.

I calculate the supply to demand curve by dividing the number of oceanfront properties sold in the latest half year period by the amount of oceanfront properties currently for sale. These are two key factors to prices stabilizing with values on the rise in the near future. For 2016 the supply vs. demand ratio calculates out to be 0.335, fairly consistent. In 2015, the supply vs. demand ratio had increased slightly to 0.345 due to numerous sales. For 2014 the supply vs. demand ratio was 0.34, much better than the 2013 supply vs. demand ratio of 0.185. I feel this ratio will slowly rise as homes continue to sell and the supply of property for sale decreases. The current ratio (0.335) is about the same as it was in 2005, yet still far from the peak selling years of 1999 to 2004 (these years varied from 0.54 to 1.11). There are 52 oceanfront properties available for sale as of 1/20/17. The record low of 15 oceanfront homes on the market was in 2002. The high was 101 oceanfront homes available in 1993. There are approximately 1100 oceanfront homes on LBI.

## 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 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 Oceanfront Properties (Continued From Page 1)

To calculate the current value of an average oceanfront property multiply the amount of oceanfront feet by \$26,826 (if older home) or approximately \$41,820 (if newer construction in excellent condition with a deep lot and premier location). From 1992 to present the average linear foot calculates to 72.464 feet of ocean frontage per sale.

The yearly sale prices vary more than anticipated because of the type of oceanfront properties that have sold. In 2006 many oceanfront homes that sold were new construction, bringing higher than expected values. In 2007 the majority of oceanfront properties that sold were tear-downs, creating a decline in values. In 2008 the sale of oceanfront properties in North Beach, Loveladies and on oversized lots in Barnegat Light increased the average values for two reasons. The majority of homes were newly constructed and the north end island locations also hold the highest land values on LBI. These sales created a higher than average sale price for oceanfront properties than expected in 2008. In 2009, there were no oceanfront sales on the north end. In 2010 the number of north end properties that sold was below average, bringing average prices down. In 2011, new construction in North Beach included an entire tract which brought the average value up a bit. In 2012 many tear-downs sold along with just two new construction and one other just five years old, bringing values down from 2011. In 2013 we hit an unrealistic high rate since most properties that sold were on the north end and were in great condition, setting a record all time high average sale price! 2014 was a good year in general and calculates out that oceanfront sales are doing well once again. With 37 single family oceanfront total sales in 2015, sixteen could be considered tear-downs, six were new construction and fifteen were newer or renovated, which usually results in a realistic overall average sale price. 2016 was a strong year for sales, with a slightly lower average than anticipated due to many tear-downs, primarily in the first half.

# 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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If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

