

Market Trends Newsletter

for the LBI real estate marketplace

Our 'CRYSTAL BALL' LBI Real Estate Forecast



Another year is behind us and overall 2015 was a good year for real estate on LBI.

We have been on a slow and steady path back since our visit from Sandy at the end of 2012. This year the number of units sold is up 12% over 2014 and the average sales price rose 12% over 2014. This year we saw a few less low end 'Sandy' damaged homes on the market and more high end sales. This contributed to the rise in average sales price.

Also of note is that the ratio of the sales price to the **final asking price** has risen to a little over 95%. Backing up

final sales price, the ratio is at 93%. So, although we had an increase in inventory, the activity and therefore sold levels absorbed these increases and kept pressure on for prices to rise.

Number of days on the market remains in the plus/minus range of 6 months which is a sign that sellers are not rushing to sell quickly but rather waiting for their desired price.

As far as the future, it does look positive. Interest rates have risen slightly but not enough to impact buyer's enthusiasm. The stock market is tumbling around and the word 'recession' is being bantered about. However, when the stock market is irregular we see more buyers who decide they are done with the roller

coaster ride and decide to pull money out for the down payment on a vacation home and a more steady investment. The one issue that may impact our Fall market is the upcoming Presidential elections. Often LBI will pause until the outcome is known and digested.

Items of Note:

Flood Insurance - The new premiums and rules are kicking in for 2016. This has taken some of the guess work out of the question of "what will I be paying" from potential buyers. If selling your LBI home, it is important for homeowner's to have flood elevation certificates available along with their current flood insurance premium. These documents are the first items buyers are looking

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RENTAL MARKET Update

Overall, the 2015 rental season was good. LBI was particularly jumping on the weekends when home owners were enjoying their homes with friends and family. This is

a continuing trend with homes coming totally or partially out of the rental programs to be used more for personal use.

We are also seeing more owner rentals through the use of HomeAway/VRBO. As you are probably aware, HomeAway and VRBO have been purchased by Expedia which owns Travelocity and Orbitz. In February, they are going to be charging your tenants a 4% to 10% booking fee through their payment portal. It will not be long before they also will begin to charge you for the use of the payment portal as well. Sand Dollar places multiple properties on HomeAway and VRBO and receives very good results. However, we have decided not to use their payment program (we will use our secure in-house accounting programs) in order to keep our costs lower for both homeowner and tenant and more secure. Since we have multiple properties on their site, respond within minutes of an inquiry, offer full details with pictures/Virtual Tour and update the calendars daily, we are able to stay high in the rankings. It is a lot of work, but we feel worth it. For those of you who use these sites it will become more cumbersome and expensive. We offer to pay half of the HomeAway/VRBO listing fee, handle 100% of the entry information, include a free Virtual Tour/Flyer, up to date pictures and maintain the calendars. Plus we put our extensive rental experience to work in screening every tenant personally to make sure we have a good match. If you decide it might be time to have an agency handle your rentals, we would be happy to further discuss our HomeAway/VRBO program with you.

Market Trends Data from 2005 through 2015

(data below is based on the single family market)

YEAR	Units Pending	Total Units Sold	Avg. Sales Price (ASP)	New Listings	Average Days on Market	Sold as % of List Price
2005	Not available	451	\$1,129,906	1207	119	95%
2006	48	291	\$1,156,435	1248	153	94%
2007	45	385	\$1,077,626	1034	158	93%
2008	34	298	\$1,090,744	949	169	92.5%
2009	34	285	\$934,629	797	178	92%
2010	34	297	\$1,020,659	763	180	92%
2011	44	301	\$951,498	825	194	93%
2012	62	369	\$939,150	766	176	93%
2013	55	306	\$904,813	804	157	93%
2014	52	377	\$974,864	992	145	94%
2015	59	425	\$1,027,591	1,320	181	95%

2015 is **↑ 12%** in # of Closed Units over 2014

2015 is **↑ 11%** in Average Sales Price over 2014

Inventory Levels: (Single family & condo)

9/06	1/07	6/07	1/08	07/08	12/08	7/09	1/10	9/10
838	749	578	514	531	588	581	533	579

1/11	7/11	1/12	7/12	1/13	7/13	12/13	6/14	1/15	6/15	12/15
513	562	512	526	392	414	441	495	547	588	553



We may not be back to the highs of the 2007 - 2008 market; however, we are inching back up. We have surpassed 2012 - that's 2012 pre Sandy. And this is in spite of all that happened since then, Superstorm Sandy and the economy. LBI real estate continues to offer good value as well as one of the best 'beach lifestyles' and can be a weekend, week long or all summer long retreat.

January 1 to December 31, 2015 - Total 'SOLDS' by Town/Area

Single Family Homes

HOLGATE					
Total Units:	26	Average Sales Price:	\$969,590	Days on Market:	150

BEACH HAVEN					
Total Units:	51	Average Sales Price:	\$1,005,856	Days on Market:	176

LONG BEACH TOWNSHIP - SOUTH					
Total Units:	140	Average Sales Price:	\$952,850	Days on Market:	170

SHIP BOTTOM					
Total Units:	37	Average Sales Price:	\$694,045	Days on Market:	189

SURF CITY					
Total Units:	56	Average Sales Price:	\$877,076	Days on Market:	162

NORTH BEACH					
Total Units:	15	Average Sales Price:	\$1,965,367	Days on Market:	122

HARVEY CEDARS					
Total Units:	40	Average Sales Price:	\$1,205,594	Days on Market:	141

LOVELADIES					
Total Units:	27	Average Sales Price:	\$1,865,589	Days on Market:	211

HIGH BAR HARBOR					
Total Units:	9	Average Sales Price:	\$801,778	Days on Market:	201

BARNEGAT LIGHT					
Total Units:	26	Average Sales Price:	\$710,962	Days on Market:	140

LBI REAL ESTATE SEMINAR

In today's real estate climate, you need a resource that gives you the latest real estate market statistics/analysis and keeps you apprised of the latest issues affecting LBI. This type of information is paramount when making your decision to buy or sell. This Seminar supplies just that type of information.

Seminar Topics Include:

- **LBI Sales Market** - Review of 2015, Forecast for 2016, review of current market statistics
- **LBI Rental Market** - Where we are this year, ideas to improve your rental bookings and rates
- **FEMA & Flood Insurance** - Latest information on this constantly changing program
- **1031 Tax Deferred Exchange** - Perfect time to trade up & save on taxes and other tax updates
- **Local/State/Federal Regulations**- What you need to know before you renovate, build or rebuild
- **Local News** - Beach Replenishment, Rt. 72 Bridge and other local projects
- **Question & Answer Period** - Always a Lively & Informative Exchange

TIME: 3 pm **DATE:** President's Weekend, Saturday, February 13, 2016 **PLACE:** N 3rd and LBB, Surf City

Reservations: To make online reservations [click here](#) or call Pat at 609-494-1130

Forecast

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for to see how much their flood insurance is going to cost them today and down the road. On the older houses this can be an issue as they never had the elevation of their property surveyed. There are surveyors who will 'shoot' the first floor and send a letter with their findings. It is less formal and much less expensive than a full flood elevation certificate. Sometimes the homeowners have found out they have actually been overpaying for their flood insurance. We have also found that by adding more flood vents to the home or other measures to conform to new regulations can lower premiums for some. So it is well worth the cost to find out your property's elevation.

Overall, the LBI real estate market showed pretty solid numbers throughout 2015 and this most likely will continue in 2016.

LBI News Update on Major Island Projects

Click on the highlighted Topic for more detailed information. Links are constantly added to 'This Week on LBI' page on LBIRealEstateNews.com as well as local headline news. Check us out for the latest information that affects LBI.

[FEMA Coastal Mapping and Analysis](#) - Determine your current and future Base Flood Elevation and what it means. [These elevation heights have been changing over the past year, so you might want to re-check your property.](#)

[Flood Insurance Facts](#) - Get the latest information on the flood policy program and how rates are being determined.

[Beach Replenishment](#) - At the moment the replenishment has stopped as the contractor has moved to an entirely new area. At this time, it is expected that the project will commence in early Spring with the area of Beach Haven and south to Holgate. None have been thrilled that the project was stopped by the contractor. *(link - Army Corp of Engineers page on LBI beach replenishment)*

[Causeway Bridge Project](#) - *(link - DOT NJ)* The Route 72 Manahawkin Bay Bridges Project involves the construction of a new structure parallel to, and south of, the existing Manahawkin Bay bridge. The new span should be completed in 2016 and then work on the old bridge span will be started. The project is on schedule.

[Cedar Bonnet Project](#) - A plan to "restore and enhance" the 45 acres located within the southeastern portion of Cedar Bonnet Island, which is part of the Edwin B. Forsythe National Wildlife Refuge.

Happy New Year! Another year behind us and a new one ahead of us. 2015 ended on the high and hopefully so will 2016. I believe 2016 will also be a year of change in our industry.

Technology is driving our business in new directions. Many non real estate entities are joining the business. This year we saw Zillow buy out Trulia to become a major portal for real estate listing information. Now we have Expedia who purchased HomeAway/VRBO enter the vacation rental business.

None are doing this for altruistic reasons. As they monopolize the market they are controlling the information and access. Zillow and Trulia charge those realtors, who participate, handsomely for leads - leads generated from our own supplied information to them! HomeAway/VRBO just started charging tenants booking fees and owners are next with increased cost for ranking and use of their payment portal.

We can not stop unlicensed entities from entering the real estate business; however, law suits are arising for the unauthorized practice of real estate in some States. These sites do serve a purpose and what is important is how a real estate company utilizes these sites for the betterment of their sellers, buyers and renters. You can't just ignore them, they are too pervasive.

Sand Dollar Real Estate monitors these changes, analyzes the impact and how to best incorporate them into our own programs. Their reach is far and wide, their cost is high, their accuracy is low; however, if we do it right we can use them to our advantage to increase business for all our clients.



Pat Sepanak,

Broker/Owner

GRI & RSPS Designations



FREE OFFERINGS !

<p>Online Market Evaluation</p>	<p>EARLY BUYER'S ALERT</p>	<p>LBI Neighborhood Tracker</p>
<div data-bbox="263 1488 393 1659" data-label="Image"> </div> <p data-bbox="175 1707 480 1736">(click on icon for more information)</p>	<div data-bbox="639 1461 902 1696" data-label="Image"> </div> <p data-bbox="634 1730 940 1759">(click on icon for more information)</p>	<div data-bbox="1162 1482 1304 1669" data-label="Image"> </div> <p data-bbox="1081 1711 1386 1740">(click on icon for more information)</p>
<p>Answer a few questions about your property and be emailed back a detailed report full of information about the LBI market, an analysis explaining your property's price range of value, plus detailed information about your competition: for sale, under contract and recent sales. A must for every homeowner who wants to stay on top of their LBI investment!</p>	<p>Fill out a brief form with your preferred buying parameters and you will be emailed detailed information on every new listing that matches your criteria along with price changes and status changes as they happen. Automatically dropped into your own 'shopping cart'. Keep or delete, you choose. Be "in the know" immediately!</p>	<p>Want to know what's happening to property values in your LBI neighborhood? Initially, we will send you all properties currently for sale in your neighborhood. Thereafter, you will be automatically updated via email with any new listings, price and status changes for your area of interest.</p>