

THE LBI DUPLEX LETTER

AN ANALYSIS OF MARKET CONDITIONS ON LONG BEACH ISLAND
PUBLISHED BY THE LBI DUPLEX TEAM

LBI DUPLEX TEAM



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NEW WEBSITE

Check out our new website! LBI Duplex.com has a fresh new look. If you want to view property details on any duplex listing, go to our easy to navigate site. In addition to viewing listings, please take a look at our Blog page which has great information on the market and LBI in general. We will be blogging regularly so be sure to visit our website often.

MARKET UPDATE

Spring may not be here yet, but the LBI Spring Market certainly is. Buyer activity is on the rise. Summer is much closer than it feels and buyers are out looking for their LBI property.

The absorption rate is pretty much the same as the last newsletter due to the short time frame between reporting. By the time the next Duplex Letter is issued, we expect to see the absorption rate decrease.

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ARE DUPLEXES REALLY DIFFERENT?

We are frequently asked whether there is really any difference between the duplex and single family markets. The answer is an unequivocal yes.

The fundamental difference is that almost all duplex buyers are buying income producing properties and are focusing on their return on investment. There is a direct link between income and market value. This is called the Capitalization Rate and is used in appraisals.

Since so many LBI properties are rented during the summer, you might say that almost every property can be viewed as an income producing property. An investor can earn almost the same income, per dollar invested, in either a duplex or a single family house. It would not be uncommon to see an Oceanside Cape Cod renting for \$4,000 per week across the street from a duplex that rents for \$2,000 per week per unit. Both properties may have similar market value. It would be tempting to treat both kinds of properties the same. It would be wrong to do so because the properties appeal to fundamentally different buyers.

The duplex is an income producing property. Even if you use it as a Summer home or primary home, the buyer that you sell it to will be an income property buyer focused on income. The Cape Cod, can be income, summer or primary, based on the use that the owner makes of it. Emotion can play a part in the Cape Cod purchase and income may not be a factor at all.

In a weaker market the link between income and value becomes an asset for duplexes. More people can afford \$2,000 week at the shore than can afford \$4,000. Lower rental rates in duplexes can insure higher occupancy, hence more income. The income link supports market value in duplexes in weak markets when there is less support for single family prices.

The income link is a dual edged sword that limits appreciation in a hot market, but supports value in a weak market.

As mentioned many times, if you are considering selling in the near future, it is important to bring your rental rates as high as the market will bear. Rule of thumb is if you are fully booked by January, you likely have room to increase your numbers.

Selling or Buying?

The LBI Duplex Team is ready to help. We strive to give our all to Sellers and Buyers and go above and beyond for our clients. Whether you are thinking about it or ready to go, give us a call. We are knowledgeable LBI real estate agents.

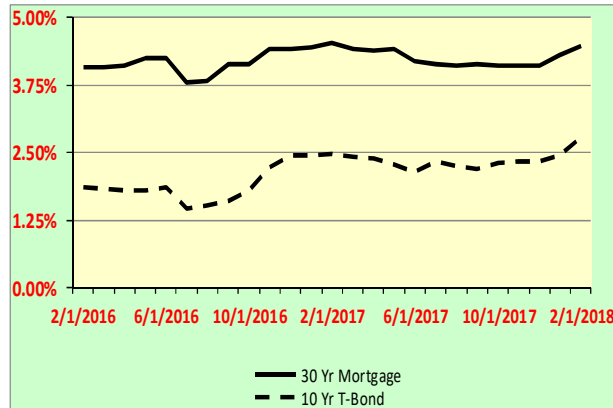
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Gina or Kelly.

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INTEREST RATES

10 year bond 2.78%
Jumbo Mortgage 4.47%



Last month's article was prophetic. The recent stock market crash was essentially caused by the bond market activity noted last month. Going forward, if this trend reversal continues, we will see higher rates being caused by increased inflation in the economy. A mixed blessing for real estate. The higher rates will make interest costs increase impacting buyer's ability to buy, but the higher inflation should have a positive impact on real estate prices. Inflation is good for "hard assets". It will be months before any effects are felt unless the Fed can force rates down.

Market Summary:

- Number of duplex listings steady
- Oceanside properties remain in high demand.
- Duplex Sales on the rise
- Sale to List Price improving
- LBI Spring Market has begun

This table contains all duplex sales that have closed in the last three months.

Contact Gina Laird for details on any of these properties or if you would like to get a value on your property. 609-618-8390 Gina@LBIduplex.com

Looking for another investment property or know someone? Call Gina at 609-618-8390 or Kelly at 609-335-5215

SOLD DUPLEXES

Address	Area	Lot	Bedrms	List Price	Sold Price
Bayfront Units					
None					
			avg	n/a	n/a
Bayside Units					
418 AMBER	Beach Haven	40X100	4-plex	455,000	440,000
201 14TH	Surf City	40x80	6	509,000	485,000
242 N 3RD	Surf City	50x100	4	549,000	522,000
363 N 3RD	Surf City	50x100	4	565,000	540,000
17 W HARRINGTON	LB TWP	45x82	4	689,000	677,000
327 MERIVALE	Beach Haven	40X100	6	750,000	725,000
8 & 10 WEBSTER	LB TWP	120x64	4	799,000	750,000
			avg	616,571	591,286
Oceanfront Units					
1417 OCEAN	Surf City	45x100	6	1,799,999	1,700,000
206 SOUTH 31ST	LB TWP	40x100	6	1,799,000	1,712,500
13 E 75TH	Harvey Cedars	50x100	7	1,995,000	1,900,000
			avg	1,864,666	1,770,833
Oceanside Units					
14 E CAPE COD	LB TWP	48x80	4	669,000	630,000
11 N 6TH	Surf City	50x100	4	949,000	930,000
14 E 26TH	Barnegat Light	60x125	6	1,100,000	1,100,000
6406 OCEAN	LB TWP	50x100	8	1,649,000	1,590,000
			avg	1,091,750	1,062,500



It's Back and Better Than Ever! Make sure to enjoy a show or two this season. The line-up looks great! Surflight Theatre
201 Engleside Ave, Beach Haven
www.Surflight.org
609-492-9477

We feel it is important to promote local businesses and will change this monthly. Have a favorite? Email us at Team@LBIduplex.com and we will do our best to get them into our upcoming newsletters. No charge.

AVAILABLE DUPLEXES

Address	Area	Lot	Bedrms	List Price
Bayfront				
106 BAY TERRACE	Surf City	50x85	4	925,000
22 W 13TH	Beach Haven	125x75	6	1,495,000
			average	1,210,000
Bayside				
2601 LONG BEACH BLVD	Ship Bottom	70x60	Mixed Use	489,000
1306 BARNEGAT	Surf City	50x100	4	549,000
419 CENTRE	Beach Haven	40x71	4	575,000
9 W WEBSTER	LB TWP	60x64	4	579,000
17 W CAROLINA	LB TWP	69x62	4	589,000
321 14TH	Ship Bottom	60x100	6	599,000
12 W SOUTH 31ST	LB TWP	40x75	4	599,000
1514 SUNSET	Surf City	80x75	4	600,000
111 PENNSYLVANIA	Beach Haven	50X109	4	629,000
30 W 8TH	Barnegat Light	50x125	6	719,000
26 W OCEANVIEW	LB TWP	48x80	4	749,900
274 17TH	Surf City	50x100	6	825,000
401 PELHAM	Beach Haven	50x100	6	829,000
1078E LONG BEACH BLVD	LB TWP	100x100	7	879,000
3 LANGE	Harvey Cedars	60x85	6	1,048,000
			average	683,860
Oceanfront				
202 STRATFORD	Beach Haven	40x100	6	1,495,000
107 N OCEAN	Surf City	40x100	6	1,849,000
14 FOURTH	Beach Haven	50xirr	5	1,995,000
4601 OCEAN	LB TWP	75x100	6	1,995,000
211 E LEEWARD	Beach Haven	100x93	4	2,200,000
			average	1,906,800
Oceanside				
1300 BEACH	LB TWP	50x80	6	589,000
805 N BAY	Beach Haven	58x95	Mixed-Use	625,000
13 E 11TH	Barnegat Light	50x125	6	679,000
3 E 6TH	Barnegat Light	50x125	6	689,000
9000 BEACH	LB TWP	50x71	3	699,000
7 E 15TH	Barnegat Light	50x125	6	724,500
1 E JEANETTE	LB TWP	45x90	3	797,000
30 N 3RD	Surf City	40x100	4	849,000
104 E SAND DUNE	LB TWP	56x80	6	875,000
118 E PENNSYLVANIA	LB TWP	80x75	6	899,000
15 DIVISION	Surf City	40x100	4	899,000
221 IROQUOIS	Beach Haven	40x127	6	899,900
7 E 52ND	LB TWP	80x75	5	949,000
116 E LILLIE	LB TWP	40x90	6	949,000
27 E 9TH	Barnegat Light	50x125	6	959,000
10 E DUPONT	LB TWP	75x100	8	975,000
17 E 14TH	Barnegat Light	50x125	6	999,000
211 E IROQUOIS	Beach Haven	50x127	Quadplex	1,195,000
106 E HOBART	LB TWP	55x62	6	1,224,000
1007A LONG BEACH BLVD	LB TWP	100x115	8	1,299,000
14 N 1ST	Surf City	60x100	6	1,299,000
12 E MERCER	Harvey Cedars	50x120	6	1,395,000
9 48TH	LB TWP	60x75	6	1,699,000
30 TENNESSEE	LB TWP	75x90	2 condos	1,858,000
			average	1,001,017

Based on the current absorption rate, today's listing inventory represents a 10.13 month supply. The rule of thumb in the real estate business is that less than 6 months supply indicates a seller's market and more than 6 months supply indicates a buyer's market.

The ratio of Sale Price to Listed Price for sold duplexes in the MLS is 96.1% this month. The ratio drops to 91.2% when based on original list prices. Now, more than ever, correct pricing is necessary to produce sales.

Last year more of our duplex listings sold than those of our closest two competitors combined.

To learn what your property will sell for, if aggressively marketed, call us for a free market analysis.

You never regret hiring the best!

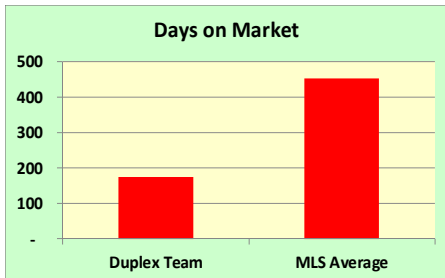
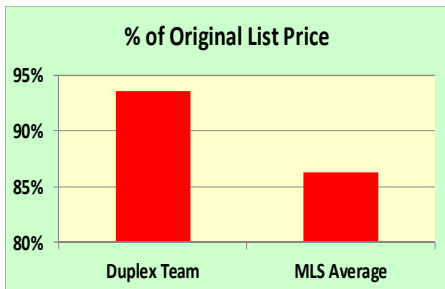
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This publication contains facts, which are a matter of record, and opinions that are ours. We make every attempt to base our opinions on relevant information and sound analysis based on our training and experience in investment real estate.

Yours in service,
 The LBI Duplex Team

OUR RESULTS
 Our focus on the duplex market is unique among LBI agents and is reflected in our sales statistics.



The charts above compare the results of the sales of our duplex listings to the averages for LBI duplex sales since hurricane Sandy by all agents in the MLS.

Source: Jersey Shore MLS

NOTE: Nothing contained herein is intended to solicit listings on properties that are currently listed with another broker.

Dedicated to providing first rate service to the duplex market on Long Beach Island.

Presort Standard
 US Postage
 PAID
 Toms River, NJ
 Permit No. 77

LBI DUPLEX TEAM FEATURED LISTINGS

MLS#4029277	1306 Barnegat Ave, Surf City, 2 BR Units, Bayviews	\$549,000
MLS#4034338	1300 Beach Ave, Long Beach Twp, Oceanside, 3 BR units	\$589,000
MLS#4030852	3 E 6th Street, Barnegat Light, Oceanside, 3 BR Units	\$689,000
MLS#4033011	401 Pelham Ave, Beach Haven, LEHYC area, House plus cottage	\$829,000
MLS#4031294	1078E Long Beach Blvd, North Beach, Bayside- 7 BR Great views	\$879,000
MLS#4033014	15 Division Ave, Surf City, 2 BR Units-3rd from the Ocean	\$899,000
MLS#4032622	118 E Pennsylvania Ave, Long Beach Twp, Oceanblock, 3 BR units	\$899,000
MLS#4030977	1007A LB Blvd, North Beach, 5 BR Unit and 3 BR Unit, Oceanblock	\$1,299,000

Call 609-618-8390 or contact Gina Laird (Gina@LBIDuplex.com) for information about these or any other listed properties on LBI. We maintain the most comprehensive information about the operation and sales of LBI duplexes available.

ABOUT THE LBI DUPLEX TEAM

The LBI Duplex Team is comprised of Gina Laird and Kelly Hennessy, real estate professionals focused on the LBI duplex market as well as Jim Dooney, consulting for the LBI Duplex Team.

Our team has specialized in LBI duplexes since 1999 and has helped more owners sell their duplexes than any other agent on Long Beach Island. Gina has over 20 year's experience in Real Estate. Prior to joining the LBI Duplex Team, she worked in LBI residential sales, commercial property management and owned a title insurance company. Gina joined the team five years ago and has successfully worked with many



owners and buyers. Kelly Hennessy has been selling real estate since 2010. Kelly is highly trained in sales and marketing and is a great asset to the team.

There are over 500 real estate agents on LBI and there are fewer than 50 duplex sales per year. The average agent sells a duplex every ten years. More of our

duplex listings sell than those of most real estate **AGENCIES** on LBI.

Now, more than ever, you should seek the most competent professionals you can find to represent you in your next real estate transaction. Yours in service,

Gina, & Kelly