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Beachfront Homes Snubbed for Marina Properties

Kasidy Alves and his 13-year-old son, Ryder, both surf in amateur competitions, which played a large role in the family's recent house purchase. "We've always wanted water—to be able to surf right out of our back door."

Their new home is fine for the Alvarado Oxnard, Calif., two 45-foot right out of summer.

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M seeing they se use th fee. "It M chased much i Th docks. T to 7% gro ly rising s In 2013, new to NMMA.

Weather disas more appealing. "There's a Rates are quadrupling," said Thom Schoepfer, an agent in Cape Cod's Chatham Village in Massachusetts. "Erosion is usually measured in inches. Here it's measured in yards."

Some of Mr. Schoepfer's customers are opting for homes on freshwater ponds and lakes, where flood insurance is much lower. "I'm finding the lakes in Cape Cod enjoying a resurgence because you can get a dock home much easier and for several hundred thousand less than on the beach," said Mr. Schoepfer, calling the phenomenon "the lake effect." He recently sold a three-bedroom home on a freshwater pond on the Cape for \$565,000. On the ocean, he said, it would have been twice as much.

Ms. Bourguet, who is an agent with Sotheby's International Realty, said listings in the Ventura County area range between \$750 and \$1,200 per square foot for beachfront property, while boat-dock properties are \$400 to \$650 per square foot.

In Miami, year-over-year price increases in the second quarter of 2014 were 47.7% higher on beachfront properties than of those on a bay, said real-estate appraiser Jonathan Miller. This is partly because of supply and demand: The bay-front residential market is five times larger. In New York's Hamptons, on the other hand, bay-view properties saw price gains, while oceanfront didn't.

Of course, owners of dockless luxury homes in coastal areas can purchase marina space in the general market, where prices have fallen. According to Michael Watson, owner of USABoatSlips.com, a boat-slip classifieds website, a 55-foot slip in Palm Beach Gardens, Fla., that sold for \$325,000 in 2006 is now worth \$80,000.

"...buy a dock for their megayacht, get a house for free,"
Jim Esposito,
Intercoastal Realty



fetch a premium. The Ritz-Carlton Residences at slips for \$300,000 each to buyers \$2 million to \$32 million. "That's not affording that lifestyle with boats," said Ophir S.

In nearby Fort Lauderdale, "the [hunters] can buy a dock for their megayacht and get a house thrown in for free," said Jim Esposito, a broker with Fort Lauderdale-based Intercoastal Realty. His listings range from modest condos with deeded docks in the low \$200,000s to private estates with boat slips for 100-foot yachts for \$20 million. "You can drive through these neighborhoods where every house is \$4 million to \$5 million, and the boat docked out back is actually more expensive than the house," he said. According to Mr. Esposito, homes with boat slips there can be 30% costlier than inland homes.

But Horacio LeDon, president of development marketing at Douglas Elliman, Florida and California, said wedding the dock to property isn't always a good idea. If you can't split them up and sell them individually, you are stuck with the dock even if you don't want or use it.

For those who have the money, the best investment is still on the beach, Mr. LeDon said. "A beachfront property carries a lot of cachet," he said. Buyers seeking a home with both a dock and a beach can get a unit at the Conrad Fort Lauderdale Beach Residences, where prices range from \$500,000 to \$6 million. The development offers boat slips off-site, ranging from \$1.50 per square foot to \$2.55 per square foot, Mr. LeDon said.

The Ritz-Carlton Residences, Miami Beach also found a way to bridge both worlds. One of its slips is reserved for the "house boat"—a 40-foot Vandutch luxury yacht available for residents' use. The staff captain "can boat you over to the beach," said Mr. Sternberg.



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