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BAY HEAD & MANTOLOKING MID-YEAR MARKET REPORT 2014



EXCEPTIONAL PROPERTIES

BAY HEAD & MANTOLOKING

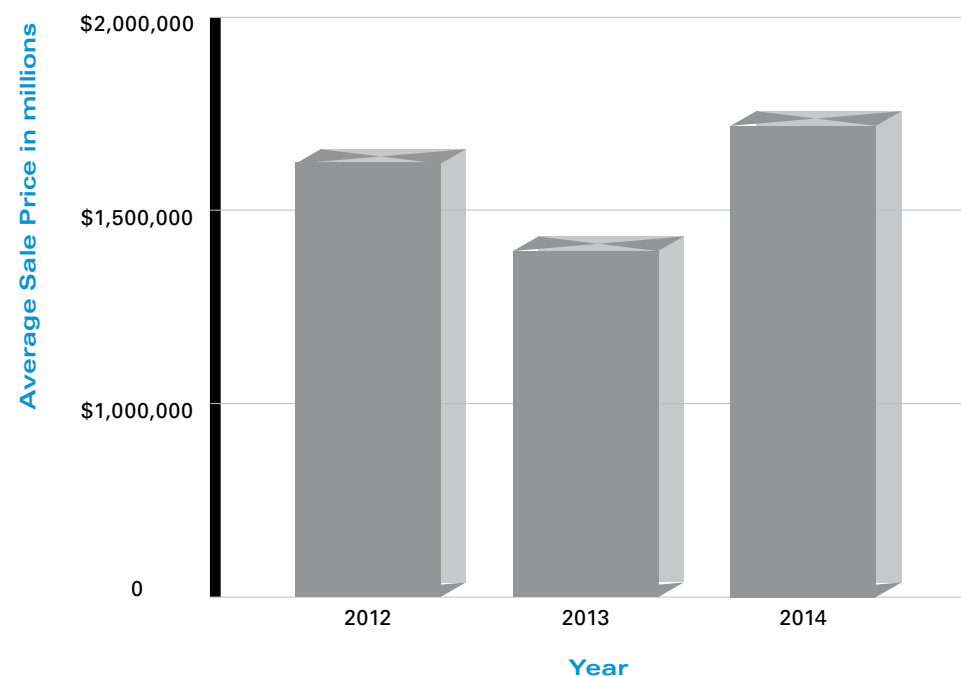
MID-YEAR MARKET REPORT 2014

Presented by:

The Team at Clayton & Clayton Realtors

Shawn Clayton, Owner/Broker

Bay Head & Mantoloking Average MLS Closed Sale Price 2012-2014
(1st & 2nd Quarters Only)



Clayton & Clayton is proud to present the Bay Head & Mantoloking Mid-Year Market Report for 2014. We hope you find this Report informative and helpful. As market leaders, we continuously look for new ways to meet and exceed our clients' expectations. We are a luxury real estate boutique firm, and it is our excellent marketing program, dedicated and knowledgeable staff, uncompromising integrity and New Jersey real estate sales experience that sets us apart. As a family-owned and operated firm, spanning four generations, rest assured that Clayton & Clayton has a vested interest in perpetuating the best service in the Bay Head & Mantoloking areas.

THE MID-YEAR MARKET REPORT

Bay Head and Mantoloking offer some of the most exclusive, luxurious waterfront residences in New Jersey. Therefore, a unique perspective is required when it comes to market analysis. With the diverse properties, facts and figures alone do not give an accurate picture of the area. Clayton & Clayton will provide our clients with insights in the different communities, general data and market trends. We hope you will find this 2014 Mid-Year Market Report interesting and we encourage you to consult with one of our professionals, whether you are a buyer or a seller, as it pertains to specific Bay Head and Mantoloking properties.

THE LUXURY BUYER

"The number of Ultra High Net Worth Individuals (UHNWIs), those with wealth exceeding \$30 million, reached almost 200,000 in 2013," according to the Candy GPS Report, researched by Candy & Candy, Savillis and Deutsche Bank. The reports states that, UHNWIs combined wealth of \$27.8 trillion is forecast to exceed \$40 trillion by 2020, according to Wealth X, a UHNWI prospecting firm. "The growth in the ultra-rich and their predilection for real estate investments is opportune."

Additionally, according to 2014 The Wealth Report, a study by Knight Frank that compiles research from more than 90 countries and surveys a global panel of wealth experts and advisors, the amount of ultra high net worth individuals, (net worth \$30m+) in North America, there are 39,378 ultra high net worth individuals, and this number is increasing at a steady pace. Although these numbers are positive and we are seeing a steady recovery from the economic downturn in 2008 and 2009, we are not where we were at the 2007 peak. That said, The Wealth Report predicts that we will see a 28% global increase of high net worth individuals over the next 10 years, and a 20% increase in the U.S. According to the Attitudes Study, conducted by the same group, ultra high net worth individuals spend on average just under 30% of the wealth on primary and secondary residences. In fact, 1/5 of these individuals plan to purchase a property in 2014.

What does this mean for the luxury buyer in Bay Head and Mantoloking, New Jersey?

Buyers are looking for what ultra-prime real estate developer Nick Candy calls a "trophy safe haven"—"properties that are on the top of the shopping list for ultra wealthy individuals." The London-based CEO of Candy and Candy, says, "the continuing appetite for such investment is expected to exert even greater influence over global property markets in the next few years." Clayton & Clayton anticipates that the luxury buyer will continue to gravitate toward the New Jersey shore and, more specifically, Bay Head and Mantoloking waterfront properties.

**"WITH SO MANY FORTUNES MADE FROM REAL ESTATE,
IT IS NO SURPRISE THAT IT HAS ALWAYS
BEEN REGARDED AS A CORE ASSET."**

—QUOTE FROM CANDY GPS REPORT, RESEARCH BY CANDY & CANDY, SAVILLIS AND DEUTSCHE BANK



Bay Head & Mantoloking MLS Home Sales: 2012-2014

	2014	% Change	2013	% Change	2012
Total Sales (\$ Millions)	\$29.7	421%	\$5.7	(86.2%)	\$41.2
Number of Sales	18	350%	4	(84%)	26
Avg. Sale Price (\$ Millions)	\$1.7	21.4%	\$1.4	(12.5%)	\$1.6
Avg. Days on Market	204	320%	64	(60.7%)	163
Highest Sale Price (\$ Millions)	\$6.9		\$2.8		\$5.3

Source: MOMLS



THE 2014 MID-YEAR MARKET REPORT

It is undeniable that over the last 12-18 months, Bay Head and Mantoloking have experienced a true “market revival.” With the rebuilding of Bay Head and Mantoloking homes, the funds and efforts placed on restoring the infrastructure of the area, the real estate market has seen much progress and is continuing to move forward, as the communities return to their original glory and even an enhanced glory. As the chart above shows, total sales sky-rocketed in 2014, with a 421% change. Additionally, the average sales price increased by 21.4% a huge leap from the change from 2012. These figures all indicate an improving luxury market. The properties sold reflect the ‘trophy safe haven,’ the theory mentioned earlier in that buyers are looking to invest in luxury real estate for the long term. Although the days on the market are a bit longer in 2014, the strength in sales points to a boost in consumer confidence and a healthy thriving market. In an effort to reinforce these ideas, we interviewed the Mayor of Bay Head to get an inside look at how the community of Bay Head is faring since Superstorm Sandy and also investigated the outstanding rebuilding of Mantoloking.

A REPORT FROM THE MAYOR OF BAY HEAD

“A small town is like one large family”—these are the words from a sign that hangs at Bay Head’s Central Market, Mayor William Curtis tells us. Mayor Curtis, who has been in his current office since 2008, speaks proudly of his community and couldn’t agree more with this sign. When asked what the mayor loves about Bay Head, he replied: “It’s a real town, a place you can walk everywhere, it’s safe for our children, and all the people know everyone. It’s a real family.”

This community has truly bonded together in the aftermath of Superstorm Sandy. In fact, shortly after the storm, there was an election and although Bay Head’s Borough Hall was destroyed, the local firehouse housed the vote and the turnout was incredible. “People just loved seeing their neighbors,” says Mayor Curtis.

Over 90-percent of homes were damaged by Sandy, but Bay Head expedited permits, waived fees, and most of those homes are repaired. In terms of local businesses, all but one is back in operation. The mayor tells us there are even a few new restaurants in town.

Real estate sales and rentals have been slower than in past years. “People think Bay Head is closed, and Bay Head is not closed, we need to get the word out that the beaches are open, the businesses are running, and route 35 construction has stopped until after Labor Day,” says the Mayor. Prices are a bit lower, but in the mayor’s opinion, the real estate market is going to see a comeback—and it might take a few years, but he predicts that prices will even be higher than before. So, clearly, now is the time to buy in Bay Head.

THE SUCCESSFUL REBUILDING OF MANTOLOKING

Superstorm Sandy damaged over 300,000 homes, about 500 in the Borough of Mantoloking. However, the Ocean County gem has been rebuilding at a rapid pace. Currently, there are four points of entry to the 2.2-mile stretch of beach. The construction of a sheet metal revetment should be completed by August of 2014. Mantoloking, once named the wealthiest community in New Jersey, is recovering beautifully.

THE SAGA OF INVENTORY

The economic model of supply-and-demand directly affects the equilibrium of a market. That is what we are seeing currently. At the time of this report, there were 39 properties in Bay Head for sale, and 7 in Mantoloking. With a low inventory, the demand for homes increases and makes the homes on the market more desirable. Case in point: Clayton & Clayton sold 10 oceanfront properties in the last 9 months. This proves that there is a strong thirst for Bay Head and Mantoloking real estate and all along the shore, and they are being bought and sold at a steady pace. Additionally, new property lots with excellent locations are part of this inventory and are in high demand.

SO WHY DON’T SOME PROPERTIES SELL?

When a property sits on the market, you will hear questions about why it hasn’t sold or why has it been on the market this long. The answer: even in a healthy market, there are always properties that simply don’t sell. Oftentimes, the property is not priced correctly. While the market is improving, there are still buyers who are looking for a “deal” and if the price isn’t low enough, they may pass up a good well-priced property. According to our studies, homes that sell quickly are priced to sell and in turn they often yield bidding wars and multiple offers.

IN CONCLUSION

The statistics across the board for Bay Head and Mantoloking clearly points to a healthy equilibrium between buyers and sellers. Affluent buyers from around the globe are choosing real estate as a primary investment, both personally and professionally.

From the perspective of Clayton & Clayton, we continue to advise buyers to move while prices are still favorable (even though they are rising). With the limited inventory, we suggest that buyers act quickly if they find a suitable property. We make careful pricing suggestions to our sellers. We try to price properties to entice buyers and possibly bring multiple offers. Plus, we take time to properly market the property to further attract buyers.

Mantoloking and Bay Head are being rebuilt with new barriers, new dunes, and beautiful homes. “The communities will soon be whole again,” says owner/broker Shawn Clayton. The infrastructure is being restored, businesses are back and running, there’s been an increase in building permits to restore damage from Sandy and our community is back.

“INVESTING IN REAL ESTATE IS INVESTING IN YOUR FAMILY’S FUTURE.”

—QUOTE FROM SHAWN CLAYTON, OWNER/BROKER OF CLAYTON & CLAYTON

ABOUT CLAYTON & CLAYTON

Proudly serving the Monmouth and Ocean County real estate community for 84 years of service. Clayton & Clayton has remained family owned and dedicated to handling their client’s properties “quietly” while publicly... “we just simply produce.”

Combining knowledge and local connections, extremely aggressive and protective of their elite clientele, the firm remains focused primarily on properties of special interest. The company is recognized as the finest, most reputable and most productive in its market. Offering a variety of waterfront properties in Bay Head and Mantoloking and surrounding areas, as well as superior horse farms, Clayton & Clayton thrives on serving those seeking to buy, sell or rent luxury properties.

Our expertise in the real estate field is unmatched. The agents will help you to explore the different communities and find the perfect home for you. Bay Head and Mantoloking afford great luxury waterfront communities, and we are seeing buyers take advantage of its unrivaled lifestyle opportunities once again.

Shawn Clayton

Shawn Clayton, Owner/Broker





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