

## Shore housing market suffers

By EILEEN SMITH • Courier-Post Staff • May 13, 2010

In 2005, when Wildwood's Marina Bay was still on the blueprints, the opening bid for a slice of the Jersey Shore was \$495,000.

Since then, the market for vacation homes has wilted like cotton candy dropped on this resort's celebrated boardwalk on a hot afternoon.

Last year, Marina Bay's developer filed for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

On May 23, the bank will auction off 28 three-bedroom condominiums at the bay-view complex, which once had price tags as high as \$699,000.

The minimum opening bid: \$95,000.

Clinton-based auctioneer Max Spann is midway through a 44-day whirlwind, selling 146 homes in four states in seven different auctions. The week before the Marina Bay sale, he will wield the gavel on 25 condos in Wildwood Crest.

"Our business has increased dramatically for higher-quality properties," he said.

This year, Spann has auctioned waterfront condos on Maryland's Eastern Shore, luxury lofts with views of the Manhattan skyline and a 133-acre horse farm in Hamilton.

The Marina Bay condos are each 1,560 square feet with nine-foot tray ceilings; large, private balconies; and a heated pool. Kitchens are outfitted with stainless steel appliances and granite countertops.

In terms of individual ownership in Wildwood, one of every 431 residences was in some stage of foreclosure in March, according to Irvine, Calif.-based RealtyTrac. That rate is classified at the top of the high range.

By comparison, the rate in Cherry Hill is one in 899 homes.

"Wildwood is an overbuilt market with too much product and is likely to struggle for a very long time," said Jeffrey Otteau of Otteau Valuation Group, an East Brunswick-based real estate analyst.

While New Jersey currently has a nine-month inventory of unsold homes, the backlog in Cape May County is 22 months. In Wildwood, it is expected to take 29 months to find buyers for the glut of properties. RealtyTrac said prices have declined 20 percent in the town in the past 12 months.

"Cape May County is the weakest and worst market in the state," Otteau said. "And prices are not done declining."

He attributes that to cooling demand among baby boomers, who represent 75 percent of second-home buyers. This year, 110,000 baby boomers will turn 65 in New Jersey, and Otteau said their priorities are changing.

"In 2000, they had rising income and were not overly concerned about retirement," he explained. "Now baby boomers are recalibrating their spending and vacation homes aren't in their plans."

Nationwide, foreclosure auctions are scheduled for 369,491 properties, the highest quarterly total in the history of the RealtyTrac report. The number of homes slated to go on the block is up 12 percent from the previous quarter and 21 percent from the first quarter of 2009.

Advertisement



**Mom Dilemma #36:**  
Your daughter insists on wearing her princess costume to the grocery store. Allow it or not?

YES, at least she's dressed!

NO, I have some rules!

momlike.me.com  
where Local moms meet

Print Powered By  FormatDynamics™

# CourierPostOnline.com

FROM SOUTH JERSEY TO YOU

The increase is a sign that banks are increasingly eager to get properties off the books, said James J. Saccacio, RealtyTrac CEO.

"Lenders are starting to make a dent in the backlog of distressed inventory that has built up over the last year as foreclosure prevention programs and processing delays slowed down the normal foreclosure timeline," he added.

Royal Bank America, which owns Marina Bay, brought in Spann to auction the condos after the developer, Gary Papa of Pennsylvania, went bankrupt.

But not all auctions are due to foreclosure. In Philadelphia and Wilmington, Del., developers recently have auctioned condos to generate cash flow and jumpstart interest in buildings with high vacancy rates.

In Wildwood Crest, 25 condos carved out of the former Nassau Inn will be auctioned May 16.

"No distress here, just nice people who are getting older and want to sell their properties and get on with their lives," Spann said.

Nassau Inn on the Beach features ocean views, furnished one-bedroom, one-bath units, a heated pool and a game room.

"There is a management company that changes the sheets and takes care of things," Spann added. "We think that will appeal to buyers who want to stay there a couple of weeks a year and rent it out the rest of the time to help pay the mortgage."

The minimum bid for the units, previously priced at \$256,000, is \$55,000.

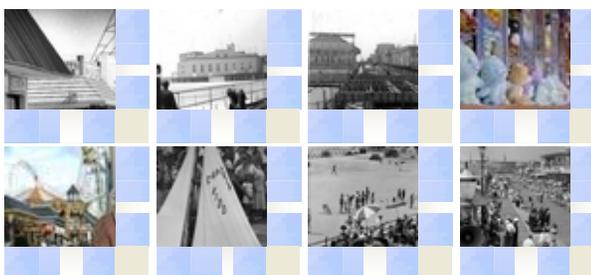
Reach Eileen Smith at (856) 486-2444 or [esmith@courierpostonline.com](mailto:esmith@courierpostonline.com)



In Wildwood Crest, 25 condos carved out of the former Nassau Inn will be auctioned May 16. (Photo provided)

## Photo Gallery

Thumbnails from: **Love Those Wildwood Days!**



Click a thumbnail to view image and all 42 images in the gallery.

Advertisement

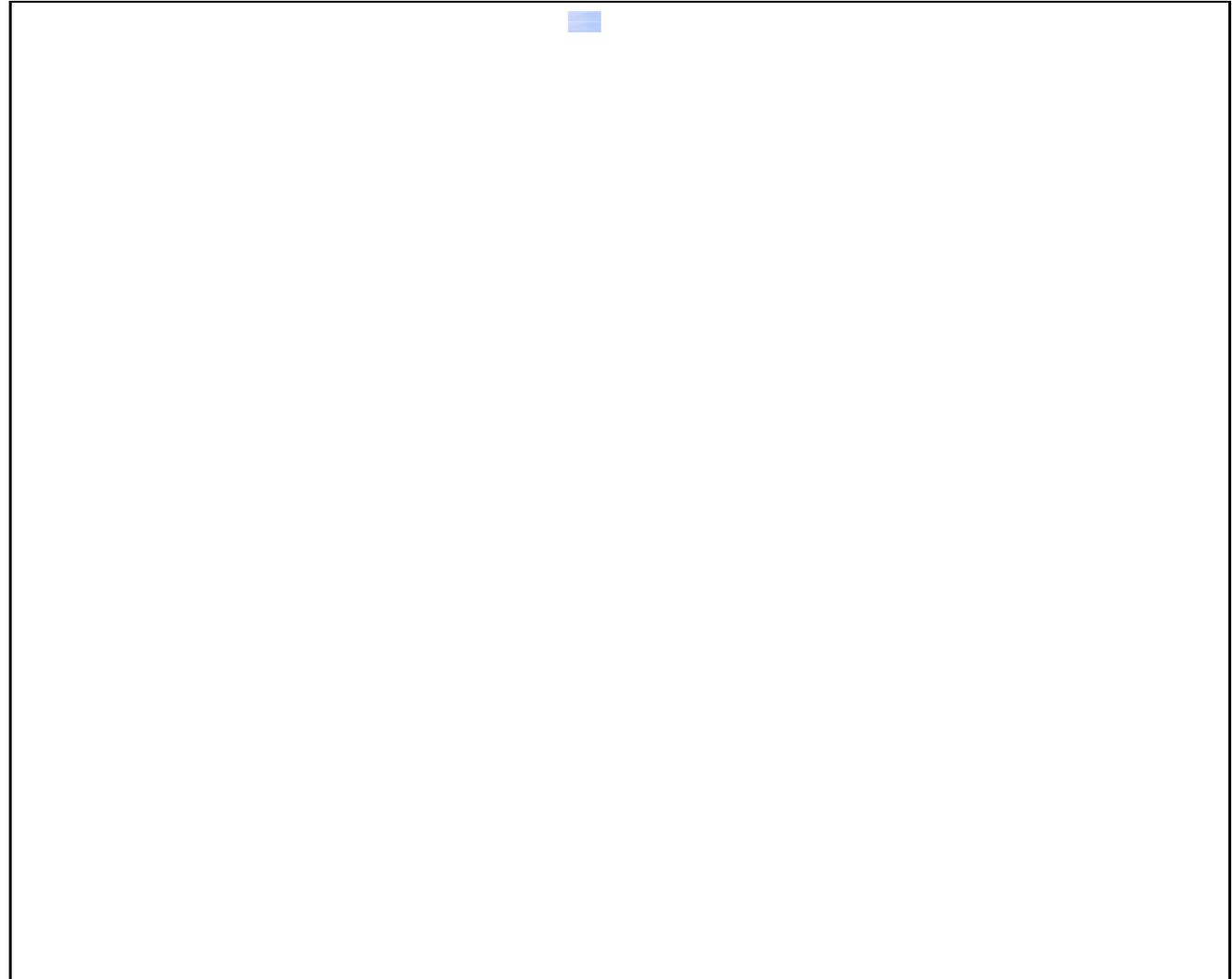
**USA TODAY**  
**AutoPilot** 

The new travel app for iPhone® and iPod touch®

Presented by: 

**SEE HOW IT WORKS >>**

Print Powered By  FormatDynamics™



Advertisement



**Mom Dilemma #36:**  
Your daughter insists on wearing her princess costume to the grocery store. Allow it or not?

YES, at least she's dressed!

NO, I have some rules!

**momlike**me.com  
where Local moms meet

Print Powered By  FormatDynamics™