

Outer Banks Real Estate 101

By: Frank A Jakob, NC Licensed Real Estate Broker (owner) - Realtor + Auctioneer (Bank Owned Properties)...25+ yrs "Local" Real Estate Experience entire 150+/- miles of Outer Banks...Corolla (4x4 area) to Hatteras Island & Ocracoke Island + surrounding areas...Dare & Currituck & Hyde Counties OBX
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****Market Up - Prices Low (2002-2005) - Sales Volume UP ****

Reasons to have an experienced **Local "Realtor - Broker"** representing you... whether "**Buying or Selling**"(not all agents are "Brokers" nor "Realtors".....more on that later)

The **Recession is Over !!**.....**\$\$ Prices are Still Low (2002-2005)**.....with High Demandand Limited Supply..... ++Volume Sales UP = **Market Up!**

Knowing the different areas of the 150+/- mile coastline of Outer Banks will Help You understand the Market

*****This Can Be One of The Largest \$\$ Investments of Your Life - So Understanding What You Are Buying Can Make The Difference Between Success or Failure.....\$\$ Prices Vary Based on Many Factors including Location & Construction & Rental \$\$ Income..... 2nd Homes/Investment Properties + many New Changes in Flood Zones + Building Codes + Zoning + Environmental Issues, etc etc etc (Newer Homes Built to Latest Hurricane ConstructionNOT necessarily the same with older Homes + NOT all lots are Buildable ??**

I will attempt to explain some of the major differences below (Please call me to discuss....can only do so much on the internet)

The Outer Banks is #1 Family Beach "Resort" Area in USA with **150+/- miles of coast line** from NC/VA Line (Corova/Corolla to Ocracoke and approximately same size as

State of Rhode Island (1,210+/- square miles)...Approximately same coastal distance as New York City to Cape May, NJ..... "Cape Hatteras National Seashore" is approximately 70 coastal miles of Ocean Front (Whalebone JCT 12/64/264 in South Nags Head to Ocracoke)The Outer Banks area is 95%+/- built out with houses and vacant lots.....most sales are concentrated in towns along the coast line.... in-between towns can be 1-15 miles of protected beach + water front preserves..... No one is making anymore land.

*****Outer Banks includes (22) coastal towns or regions along it's 150+/- miles of "Ocean Front" in both Currituck & Dare Counties, NC ... starting (north to south) at the NC/VA State Line to Ocracoke Island ... Corova (4x4 area) - Corolla - Duck - Southern Shores - Kitty Hawk - Kill Devil Hills - (includes Colington + Colington Harbor) - Nags Head - Roanoke Island (includes Manteo + Wanchese) - Manns Harbor area (mainland includes Mashoes + East Lake).....+ Hatteras Island includes (7) Villages of : Rodanthe - Waves - Salvo - Avon - Buxton "Cape Hatteras" - Frisco - Hatteras+ Ocracoke Island (Ferry)

There are approximately 1,700+/- Homes for sale on Outer Banks at any timewith 1,500+/- "Sold 2015" (4+sold per day avg) = approximately 10 homes "Sold" per linear mile of coastline/yr approx (1) home "Sold" per square mile (compared to Virginia Beach which sells approximately (22) homes per square mile).....(Note: Over Priced Homes Do Not Sell)

*****Sales are "Seasonal Trends" because "Resort Area" (more \$\$ sales in season than off season)

Knowing "Current Market Price" can save you thousands \$\$'s.....(asking price does Not necessarily determine final selling price)

*****Knowing "Highest and Best Use" of Property..... can "Make you \$\$ Money"(knowing : pending: zoning, assessments, environmental issues, etc etc etc etc....more on that later)

Supply and Demand set Price !

#1 Rule

Location - Location - Location

#1 Location = "Water Front is King"

Prices are set based on (2) Basic Locations.....#1 Water Front Properties#2 Non-Water Front Properties + Proximity to Water Front (if any?).....the further back from water front the cheaper the location.....dependent on town & neighborhood.

#1 Water Front Location = "Ocean Front" (They are Not making anymore Ocean Front Land = Most Valuable \$\$ Location + Demand....Limited Supply)

#2 Water Front Location = (1) Back Ocean Front (difference between same size house (1) Back vs Ocean Front varies from \$150,000 to \$500,000++ depending on town and community and amenities).....

#3 Water Front Location = (2) Back Ocean Front....

#4 Water Front Location = (3) Back Ocean Front

#5 Water Front Location = (4) Back Ocean Front , etc etc etc

#6 Sound Front Location

#7 Semi-Soundfront Location

#8 All other Water Fronts: Canals, Harbors, Lakes, Ponds, etc....depending on whether Navigable waters or Not ?

#9 All "Non-Water Front Properties" and "Proximity to Beach" (if any)Every area varies based on town and community.

FYI

Vacant Ocean Front lots (if any?) sell from \$300,000 - \$1 million +/- depending on Location (town and community)....sometimes you can buy an older **Ocean Front Home** to use now and tear down later to Build New Ocean Front House (Lot Size + Bedrooms + Parking Spaces + Site Plan + Zoning + Deed Restrictions + Location (area) will determine size and bedrooms and height of house for rebuild later....

NOTE: NOT ALL VACANT LOTS ARE BUILDABLE (subdivision survey does Not guarantee buildable....many changes could have taken place regarding Flood Zone, Septic, CAMA, Environmental Issues, etc etc etc ...more on that later)

.....**Many Reasons to have an Experienced Local Broker-Realtor Guiding You**

Next:

Neighbor Hood and Rental \$\$ Income (potential).....General Rule is (10x) \$\$ annual rental incomeand dollars \$\$ per square foot of "Sold" comparable(New Construction cost on vacant lot start \$125 - \$300 per square foot)
.....depending on size and specifications and amenities.

*******Not all Properties are for rent (some = owner personal use only)**
.....**understanding Rental Income Potential influences Market \$\$ Price**

*******IRS Rule:** Owner/Investors are limited to (2) weeks personal use "**Free Vacation**" per yrif using for Investment 26+ weeks yr (all Expenses + interest \$\$ + Depreciation are Deductible**Consult with Your Tax Advisor if this is meant for you**)

*****Many Properties are already in a rental program with an experienced property management firm with repeat businessyou will receive **\$\$ monthly** even before season begins.....because the general practice is 50% deposit \$\$ + 50% \$\$ bal prior to 30 days of occupancy (non-refundable unless tenants buy vacation insurance thru property management firm)...**All Rental \$\$ received will be Disbursed monthly (even before season begins)**..... 1,000's of weekly rental property on the Outer Banks with 250,000+/- weekly seasonal visitors ...5.5+ million annuallywith Limited Housing

*****Don't Confuse Property Management with Sales..they are Separate Types of Business.....I specialize in Sales 25+ yrs & Will Negotiate the "Best Rate" for "You" with the "Best" Local Property Management Firm to get "You" The Best \$\$ "Return on Investment" (ROI)**

FYI: Dare County only has 33,000 +/- permanent residents.....with 5.5 +/- Million Visitors Annually to Outer Banks

***example "**New Home Construction** cost \$\$ varies depending on size house + amenities (est) Home "Cost" ... example: 3 br, 2ba 1,500 st heated area = \$225,000+/-.....Larger Homes with High End features vary from \$350,00 - \$1,500,000 +/-.....+ Lot \$\$(Note: same \$\$ cost per square foot to build same house on any lot = all must meet County + State "Hurricane Wind" Building Code + "FEMA" Flood Zone Design + "CAMA" Regulations (if water front or Environmental Area ??)Note: site work varies on individual lots depending.... if fill required.... or tree removal.....decks, pools, walkways, bulkheads, etc etc etc.....you will need a "NC Certified Survey" and "Site Plan" + Water Tap (fees vary) + Electric + Pool (if any) + County Health Dept approval of Lot for "Septic" size varies based on number of bedrooms.....1 parking space for every bedroomall must fit on lot within set backs/.....**small lots** limited to 3-4 bedrooms.....**large lots** 8-12+ bedrooms.....**Newer Homes Built to Latest Hurricane Specification** (Not necessarily the same with older homesprice \$\$ reflects construction code and year built.....replacement value \$\$ can vary \$\$)every area is differentdepending on Zoning + Deed Restrictions, etc.....**More on This later !**

"Build For Max View"some areas can build 52 ft (top of roof ridge)....other areas limited to 35 ft (top of roof ridge).....

"Supply And Demand" in an Up Market set Price (prices are still low on the Outer Banks 2002-2005 and interest rates lowest in 50+/- yrs = 3.6%-4.0%)

Many 2nd Home / Investment Properties are getting a **10% gross rental income** which will net (4-5%) after expenses before depreciation4-5%+/- CAP Rate.Future Rental Income and Appreciation in property values will increase values and return on investment (ROI). **Check with your Tax Advisor is this is suitable for you.**

With Limited Supply and High Demand you can expect to pay more in the Future

*****FYI: I sold my 1st Ocean Front Lot for \$25,000 1980's...Now \$300,000 - \$1+ Million (if you can find one ?)**

I can Save You \$\$ with my 25+ Yrs Local Real Estate Experience

WHEN DO YOU WANT TO BUY OR SELL?

****Not All Properties are the Same? Contact Me for a “Free” copy of latest Market Statistics + “Free” Market Evaluation for Properties of Interest*******