RE 3381

REAL ESTATE FUNDAMENTALS CLASS:

REAL ESTATE MARKETS AND VALUATION MODULE

SPRING 2014

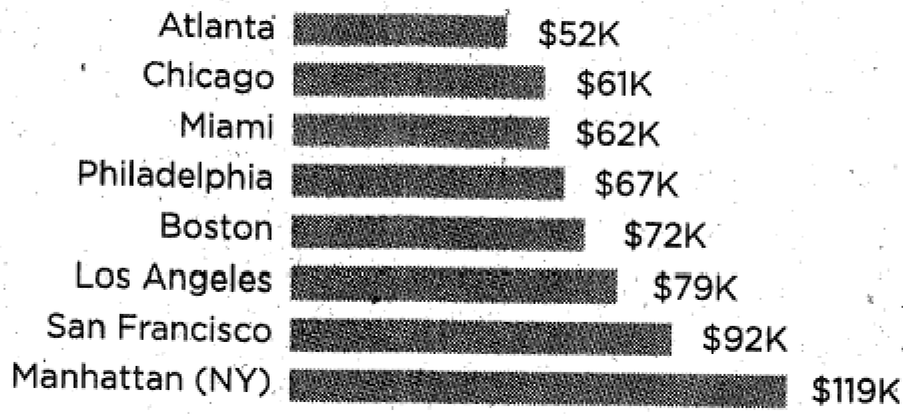
CLASS NO. 3

JANUARY 29, 2014

- **Next Class Assignment: Read assigned material in handout**
- **Read article attached to these notes on ocean beaches: we will discuss private property rights in our next class**
- **Pop Test Imminent…**

How much does it take to be middle class?

If you earned **$50,000 a year in Dallas,** here's what you'd need to make in other cities to enjoy the same standard of living:



SOURCE: http://cgi.money.cnn.com/tools/costofliving/costofliving.html

Dallas Morning News 1-17-2010

DMN 8/12/13

ECONOMIC SNAPSHOT | COST OF LIVING

How much money does a family need to live?

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The size of a family and where that family lives — in Texas or across the country — affects the income needed to maintain a "secure yet modest living standard," according to the Economic Policy Institute, a liberal research group. Typically, the larger the family, the larger the budget needed. The nation's median budget for two parents and two children is $63,238 a year. EPI calculated the monthly costs, such as housing and health care, for six family types in 615 U.S. areas. The data begs the question: Is the middle class being redefined?

Where are the most and least expensive areas to live in the nation?

A family of four sees the highest cost of living mostly in East and West coast cities. Southern states have the most places with the lowest costs.

Most expensive	Annual income
1. New York City metro area	$93,504
2. Nassau-Suffolk, N.Y., area	$93,363
3. Westchester County, N.Y., area	$91,120
4. Washington, D.C., area*	$88,615
5. Stamford-Norwalk, Conn., area	$87,609
6. Arlington-Alexandria, Va., area*	$87,387
7. Hilo, Hawaii, area	$87,337
8. Boston area	$85,641
9. Poughkeepsie, N.Y., area	$85,477
10. Kingston, N.Y., area	$85,183

*This is one metro area, but taxes, child care and other monthly costs differ if the family lives in Virginia or Washington, D.C.

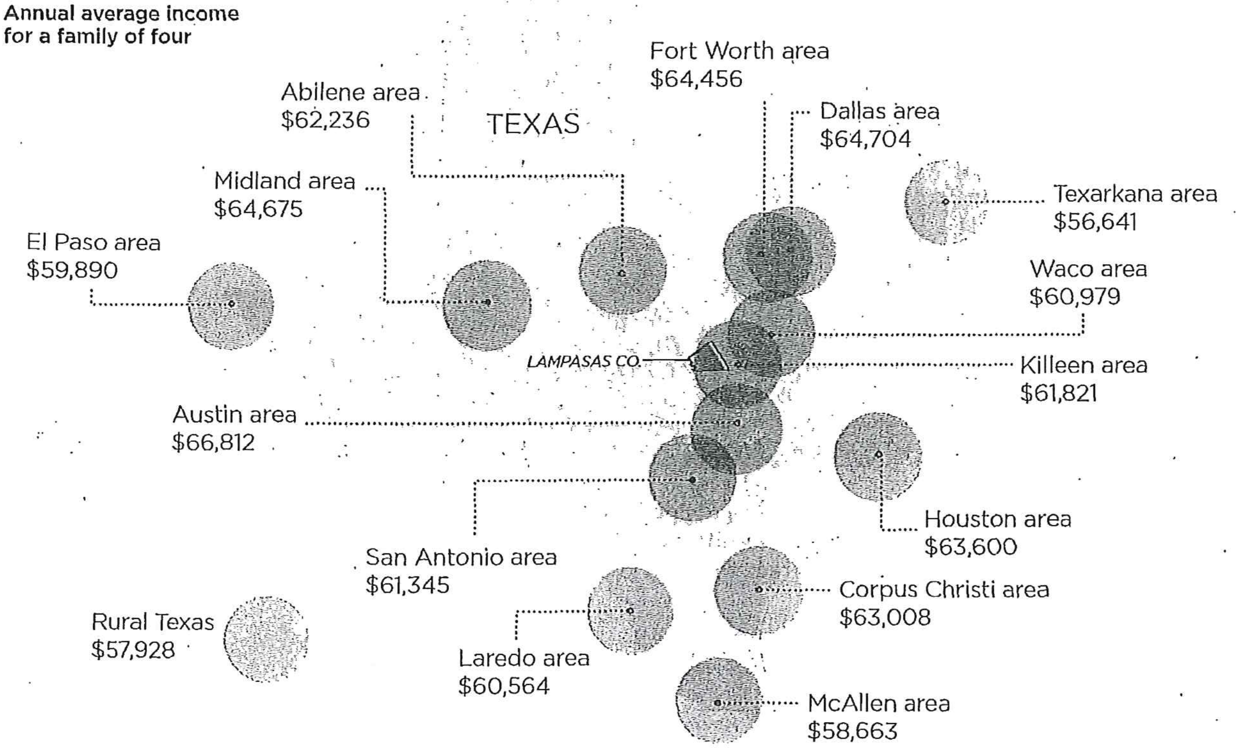
Least expensive	Annual income
1. Marshall County, Miss.	$48,144
2. Simpson County, Miss.	$48,155
3. Rural Mississippi	$50,671
4. Tunica County, Miss.	$50,688
5. Hattiesburg, Miss.	$50,959
6. Tate County, Miss.	$50,959
7. DeSoto County, Miss.**	$51,313
8. Pascagoula, Miss., area	$52,147
9. Iberville Parish, La.	$52,353
10. Rural Tennessee	$52,369

**This area of Mississippi is part of the Memphis, Tenn., metro area.

Where are the most and least expensive areas to live in Texas?

The Austin area has the most expensive costs for a family of four out of 37 Texas areas. The least expensive is Texarkana. Health care is the largest monthly cost in all areas. The second-highest cost was child care or housing, depending on the place. The Austin area has the highest monthly housing costs ($1,050) and Lampasas County has the lowest ($642).

Annual average income for a family of four



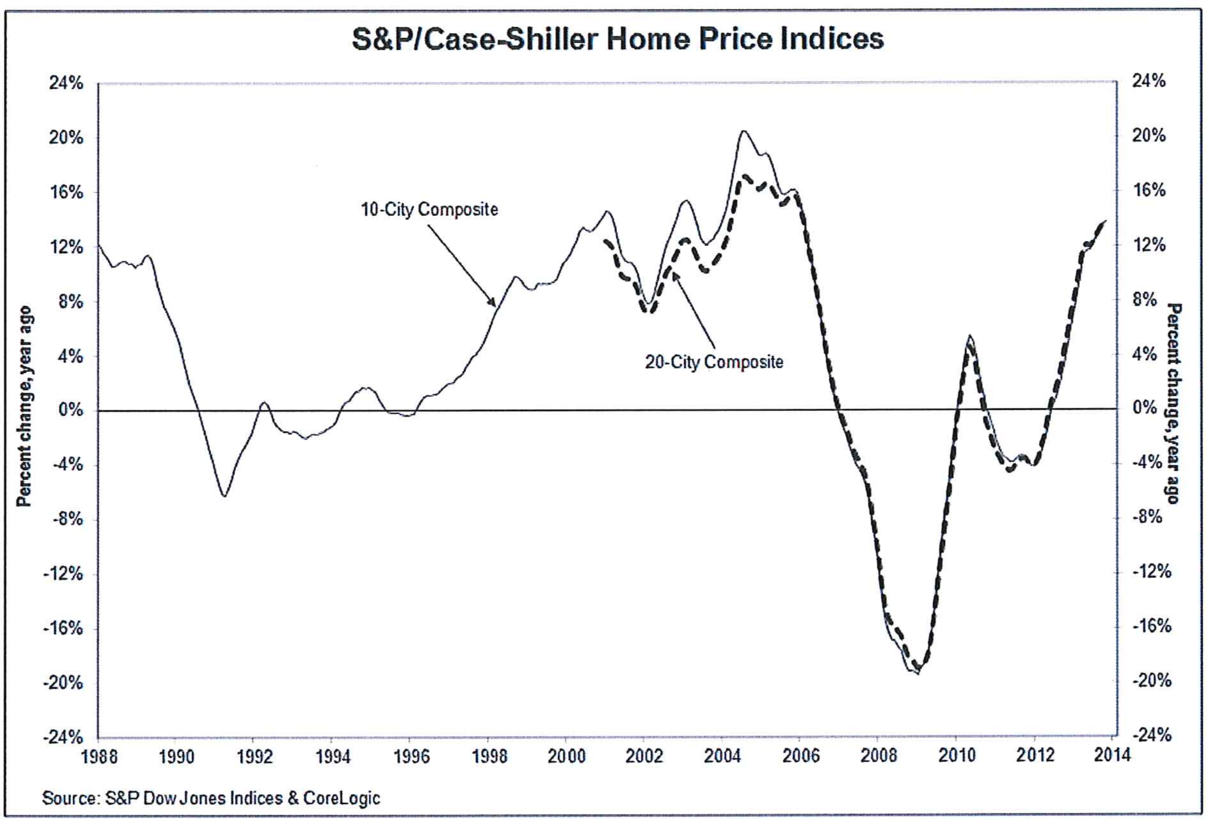
S&P DOW JONES INDICES
McGRAW HILL FINANCIAL

PRESS RELEASE

Winter Shows No Signs of Cooling in Home Prices According to the S&P/Case-Shiller Home Price Indices

New York, January 28, 2014 – Data through November 2013, released today by S&P Dow Jones Indices for its S&P/Case-Shiller[1] Home Price Indices, the leading measure of U.S. home prices, showed that the 10-City and 20-City Composites increased 13.8% and 13.7% year-over-year. Dallas posted its highest annual return of 9.9% since its inception in 2000. Chicago also stood out with an annual rate of 11.0%, its highest since December 1988.

For the month of November, the two Composites declined 0.1%. After nine consecutive months of gains, this marks the first decrease since November 2012. Nine out of 20 cities recorded positive monthly returns; of these nine, Boston and Cleveland were the only cities not in the Sun Belt. Minneapolis and San Diego remained relatively flat. After declining last month, Dallas edged up to set a new index high. Denver is 0.6% off of its highest level due to two consecutive months of declines.



The chart above depicts the annual returns of the 10-City Composite and the 20-City Composite Home Price Indices. In November 2013, the 10- and 20-City Composites posted annual increases of 13.8% and 13.7%.

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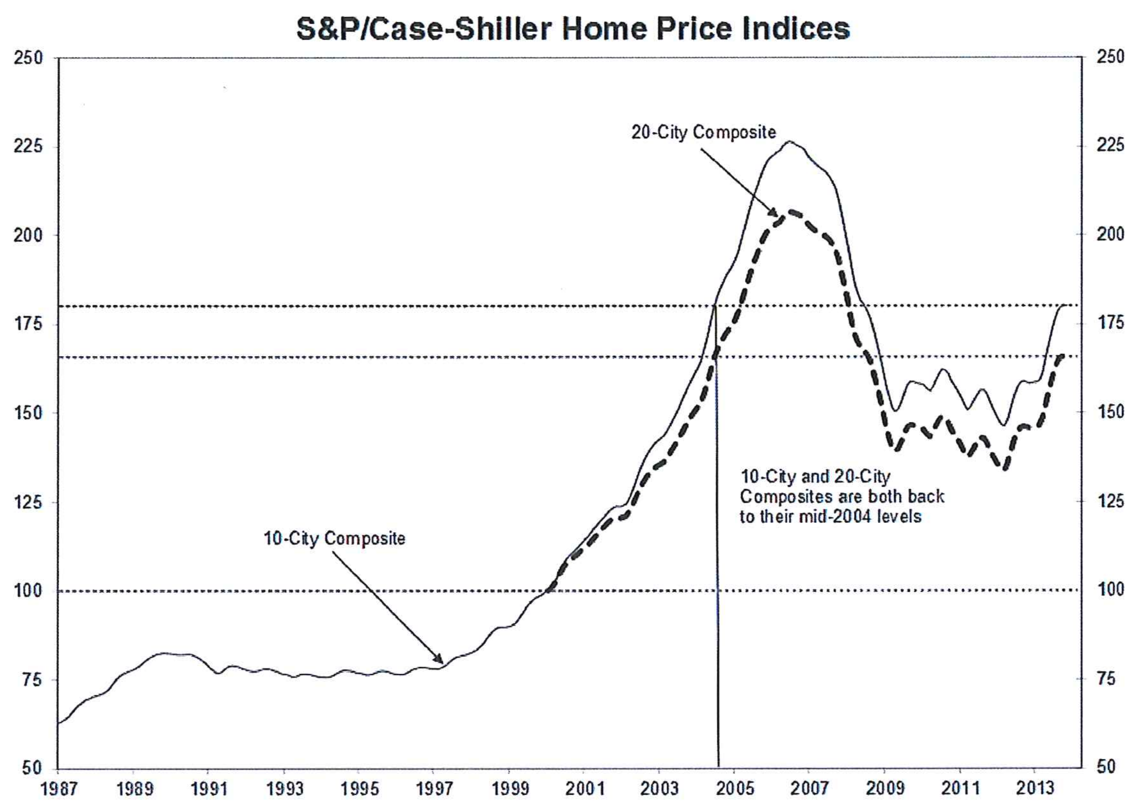
[1] Case-Shiller® and Case-Shiller Indexes® are registered trademarks of CoreLogic

"November was a good month for home prices," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "Despite the slight decline, the 10-City and 20-City Composites showed their best November performance since 2005. Prices typically weaken as we move closer to the winter. Las Vegas, Los Angeles and Phoenix stand out as they have posted 20 or more consecutive monthly gains.

"Beginning June 2012, we saw a steady rise in year-over-year increases. November continued that trend with another strong month although the rate of increase slowed. Looking at the year-over-year returns, the Sun Belt continues to push ahead with Atlanta, Las Vegas, Los Angeles, Miami, Phoenix, San Diego, San Francisco and Tampa taking eight of the top nine spots. Detroit continues to recover but remains the only city with prices below its 2000 level.

"Home prices continue to rise despite last May's jump in mortgage interest rates. Mortgage applications for purchase were up in recent weeks confirming home builders' optimism shown by the NAHB survey. Combined with low inflation -- 1.5% in 2013 – home owners are enjoying real appreciation and rising equity values. While housing will make further contributions to the economy in 2014, the pace of price gains is likely to slow during the year."



Source: S&P Dow Jones Indices and CoreLogic

The chart above shows the index levels for the 10-City and 20-City Composite Indices. As of November 2013, average home prices across the United States are back to their mid-2004 levels. Measured from their June/July 2006 peaks, the peak-to-current decline for both Composites is approximately 20%. The recovery from the March 2012 lows is 23.0% and 23.7% for the 10-City and 20-City Composites.

Nine cities showed price increases from October to November. Miami took the lead with a gain of 1.4% and Las Vegas, the previous leader, followed at +0.6%. Chicago experienced the largest decline of 1.2%. Nine MSAs showed acceleration as measured by their monthly returns – Boston, Cleveland and San Francisco showed returns that were over 50 basis points higher in November compared to October. Last month after experiencing its first decline in 19 months, San Francisco rebounded to positive territory with a 0.4% gain in November. Las Vegas, Los Angeles, Miami, Phoenix and Tampa are the only cities that recorded positive gains for 12 or more consecutive months.

Boston, Chicago, Cleveland, Dallas, Las Vegas, Miami, New York, Tampa and Washington were the nine cities to accelerate on an annual basis. Boston showed an annual rate of 9.8%, an improvement of 1.2 percentage points from last month. Cleveland and New York followed with November year-over-year returns of 6.0% compared to 4.9% for October. Despite the improvement, Cleveland and New York remain the two lowest ranked cities.

More than 26 years of history for these data series are available, and can be accessed in full by going to www.homeprice.spdji.com. Additional content on the housing market may also be found on S&P Dow Jones Indices' housing blog: www.housingviews.com.

The table below summarizes the results for November 2013. The S&P/Case-Shiller Home Price Indices are revised for the 24 prior months, based on the receipt of additional source data.

Metropolitan Area	November 2013 Level	November/October Change (%)	October/September Change (%)	1-Year Change (%)
Atlanta	113.37	-0.3%	-0.2%	18.5%
Boston	168.78	0.2%	-0.4%	9.8%
Charlotte	124.83	-0.6%	0.6%	8.7%
Chicago	125.87	-1.2%	-0.5%	11.0%
Cleveland	106.91	0.3%	-0.2%	6.0%
Dallas	132.58	0.1%	-0.1%	9.9%
Denver	146.45	-0.2%	-0.4%	8.9%
Detroit	94.70	-0.1%	0.9%	17.3%
Las Vegas	128.00	0.6%	1.2%	27.3%
Los Angeles	214.79	0.1%	0.9%	21.6%
Miami	176.02	1.4%	1.1%	16.5%
Minneapolis	139.05	0.0%	0.5%	10.5%
New York	172.54	-0.4%	0.0%	6.0%
Phoenix	144.86	0.3%	0.9%	16.7%
Portland	159.92	-0.3%	0.2%	12.5%
San Diego	194.15	0.0%	0.3%	18.7%
San Francisco	180.19	0.4%	-0.2%	23.2%
Seattle	160.17	-0.1%	-0.3%	12.4%
Tampa	154.70	0.2%	0.1%	15.7%
Washington	203.71	-0.3%	-0.4%	7.8%
Composite-10	180.15	-0.1%	0.2%	13.8%
Composite-20	165.80	-0.1%	0.2%	13.7%

Source: S&P Dow Jones Indices and CoreLogic
Data through November 2013

Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, S&P Dow Jones Indices publishes a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked.

SEE HOW WE GROW As the clock ticks, our population increases. The rate of growth is 35% faster than it was 20 years ago, primarily to greater immigration: U.S. Census Bureau

1 BIRTH	-	1 DEATH	+	1 IMMIGRANT	=	1 NEW AMERICAN
EVERY 8 SECONDS		EVERY 12 SECONDS		EVERY 25 SECONDS		EVERY 12 SECONDS

SEGMENT 1: THE APPRAISAL PROCESS (From Class 02):

THE APPRAISAL PROCESS

DEFINITION OF THE PROBLEM

Identification of	Appraisal Function and Purpose	Definition Of Value	Date of Value	Scope of Appraisal	Assumptions and Limiting Conditions
• Real Estate • Property Rights					

DATA SELECTION, COLLECTION AND ANALYSIS

General (Region, city, neighborhood)	**Specific** (Subject)	**Competitive Supply/Demand** (Market Area)
• Social • Economic • Governmental • Environmental	• History of ownership and use of property • Site and improvements • Cost and depreciation • Income/expense history	• Inventory of competitive properties • Sales and listings • Vacancies and offerings • Absorption rates • Demand studies

HIGHEST AND BEST USE ANALYSIS

- Site as though vacant
- Site as improved

Tests

1. Physically possible
2. Legally permissible
3. Financially feasible
4. Maximally productive

APPLICATION OF THE THREE APPROACHES

Cost | Sales Comparison | Income Capitalization

LAND VALUE ESTIMATE

1. Sales Comparison
2. Allocation
3. Extraction
4. Land residual
5. Ground rent capitalization
6. Subdivision method

RECONCILIATION OF VALUE INDICATIONS AND FINAL VALUE ESTIMATE

- Exposure Period
- Marketing Period

CERTIFICATION OF VALUE

SEGMENT 2: FOUR MAJOR REAL ESTATE PROPERTY TYPES[1]

I. APPARTMENTS

- **High-rise Elevator Projects:**

  Buildings which are four stories or more in height

- **Low-rise Projects:**

  Walk-up buildings and elevator buildings three stories or less

- **Garden-type Projects:**

  Low-rise apartments situated on a sizable landscaped plot, under one management

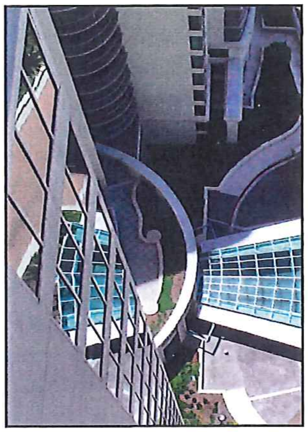
- **Investment Characteristics:**

  Pros-

  Cons-

[1] Source: NCREIF

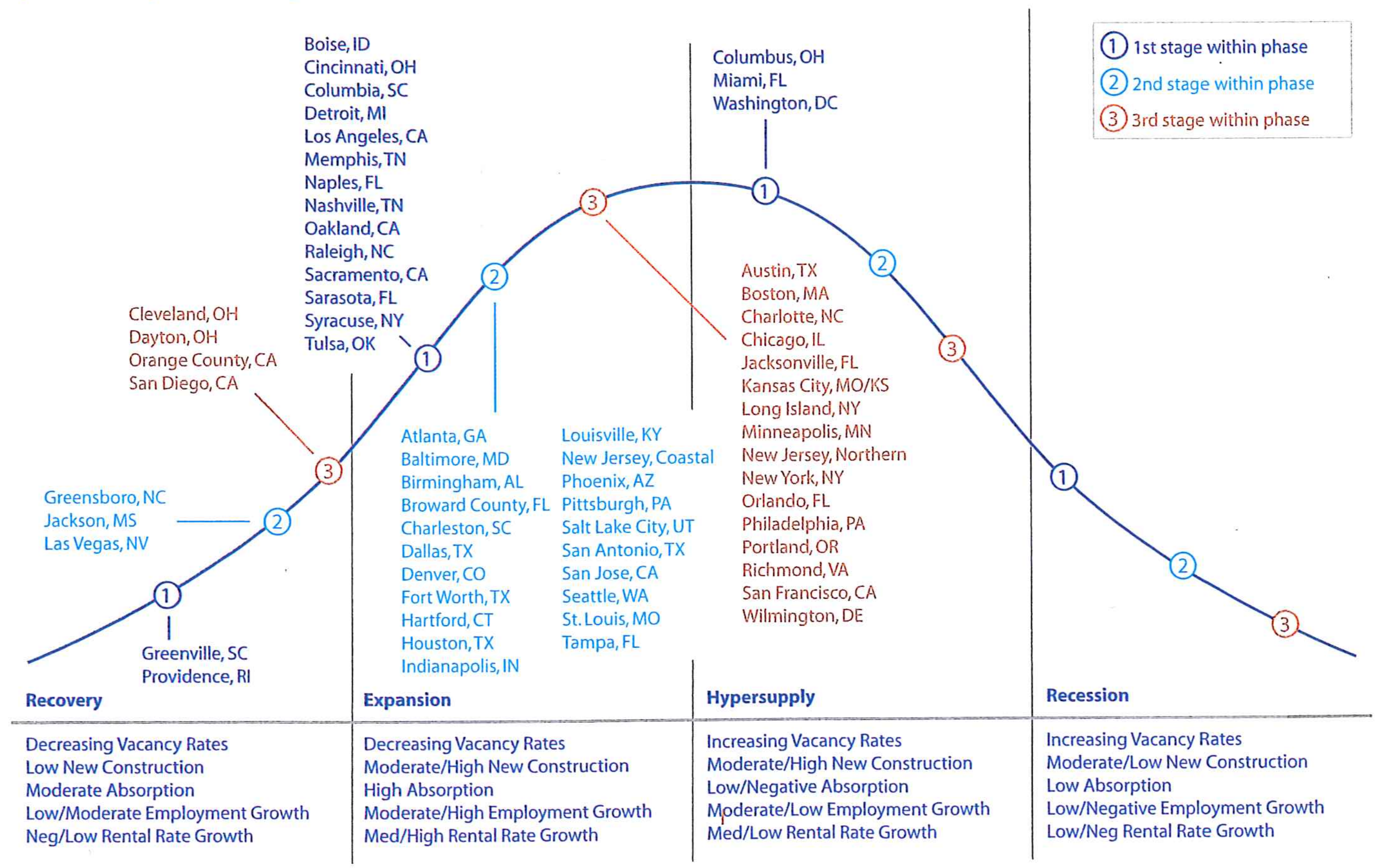
Apartments



The apartment sector continued to lead the commercial real estate recovery in 2013. Property fundamentals continued to improve nationally, while capitalization rates continued to compress across most of the country. While national apartment cap rates are exhibiting historical lows, there are signs that cap rates may be reaching a floor and beginning to reverse course, as IRR actually observed a slight softening of cap rates in the South Region in 2013. Overall, the apartment market's performance has continued to lead the national real estate recovery, and the vast majority of IRR markets report moderate to heavy development activity in the sector as a result.

In addition to development activity, apartment transaction volumes were exceptionally high in 2013, and there was a notable uptick in the average sales price per unit over 2012 and the 10-year historical average price. These trends were especially true in **Los Angeles**, **New York City**, and **Washington, DC**, where three of the nation's largest apartment markets were also some of its most active in 2013, with each of these markets nearly doubling their respective average 10-year sale volumes. Of the 25 most active apartment markets, only **South Florida** and **Las Vegas** trailed their 10-year average volumes.

Apartment Cycle Chart (Fig.15)



II. INDUSTRIAL

- **Flex Space:**

  Single-story buildings 10-18 foot ceilings with both floor height and dock height loading. Includes wide variation in office space utilization, ranging from retail and personal service through distribution, light industrial and occasional heavy industrial use

- **R&D (Research and Development):**

  One and two-story, 10-15 foot ceiling heights with up to 50% office/dry lab space (remainder in wet lab, workshop, storage and other support), with dock height and floor height loading.

- **Warehouse:**

  50,000 square feet or more with up to 15% office space, the balance being 18-30 foot ceiling height. All loading is dock height.

INDUSTRIAL (cont.)

- **Manufacturing:**

  Buildings with 10-16 foot ceilings or sufficient height for overhead cranes. Provides floor height and dock height loading.

- **Office Showroom:**

  Single-story (or mezzanine) with 10-16 foot ceilings with frontage treatment on one side and dock height loading or grade level roll-up doors on the other. Less than 15% office.

- **Investment Characteristics:**

  Pros-

  Cons-

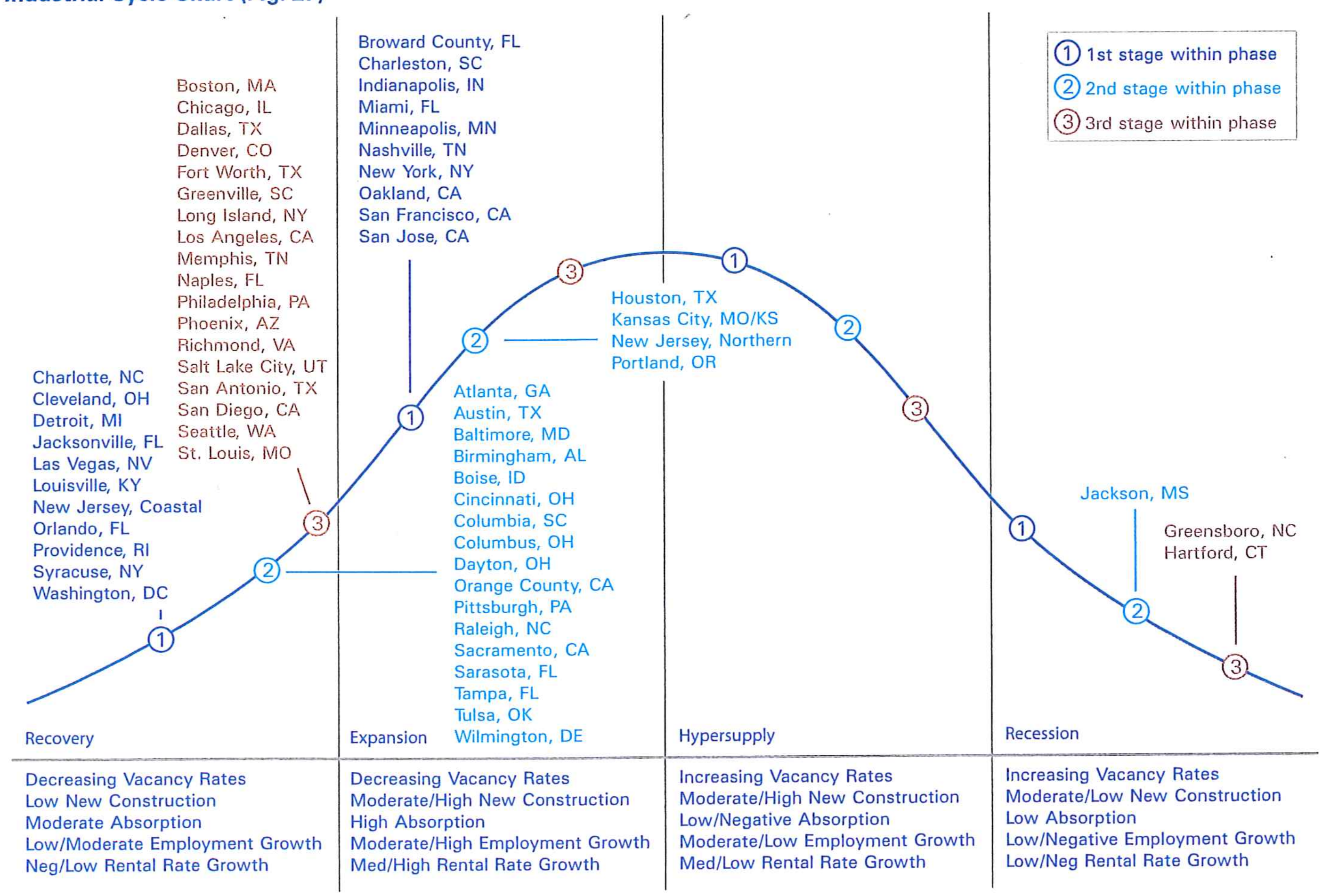
Industrial

The industrial property sector continued to build momentum throughout 2013. Capitalization rates in the sector continued to compress, while property fundamentals continued to improve. These trends have driven developers to re-enter the industrial sector, as 14 markets were observed to be in the expansion phase of the market cycle, compared with only two in 2012.

Almost as encouraging as the fact that industrial development gained traction in many more markets in 2012 is the news that the vast majority of markets have now reported that they are exhibiting signs of recovery. In fact, the average estimated years to reach stabilized levels of market occupancy decreased from four years to two years from the 2012 to the 2013 observation period, indicating that the industrial sector is recovering even faster than previously anticipated.

Nationally, industrial transaction volumes were heavy in 2013. In fact, of the six most active markets in 2013, five of the markets (**Dallas, Houston, Los Angeles, Northern New Jersey**, and **Orange County**) exhibited substantially more transaction volume than over their respective 10-year historical average volume rates. The only major market bucking this trend was **Chicago,** where transaction volumes were almost exactly in line with historical levels. Smaller

Industrial Cycle Chart (Fig. 27)



III. OFFICE

- **CBD (Central Business District) > Zip code areas as defined by Torto Wheaton Research**

- **Suburban**

  - From the above, they can be:

    - low rise
    - mid rise
    - high rise

- **Investment Characteristics:**

  Pros-

  Cons-

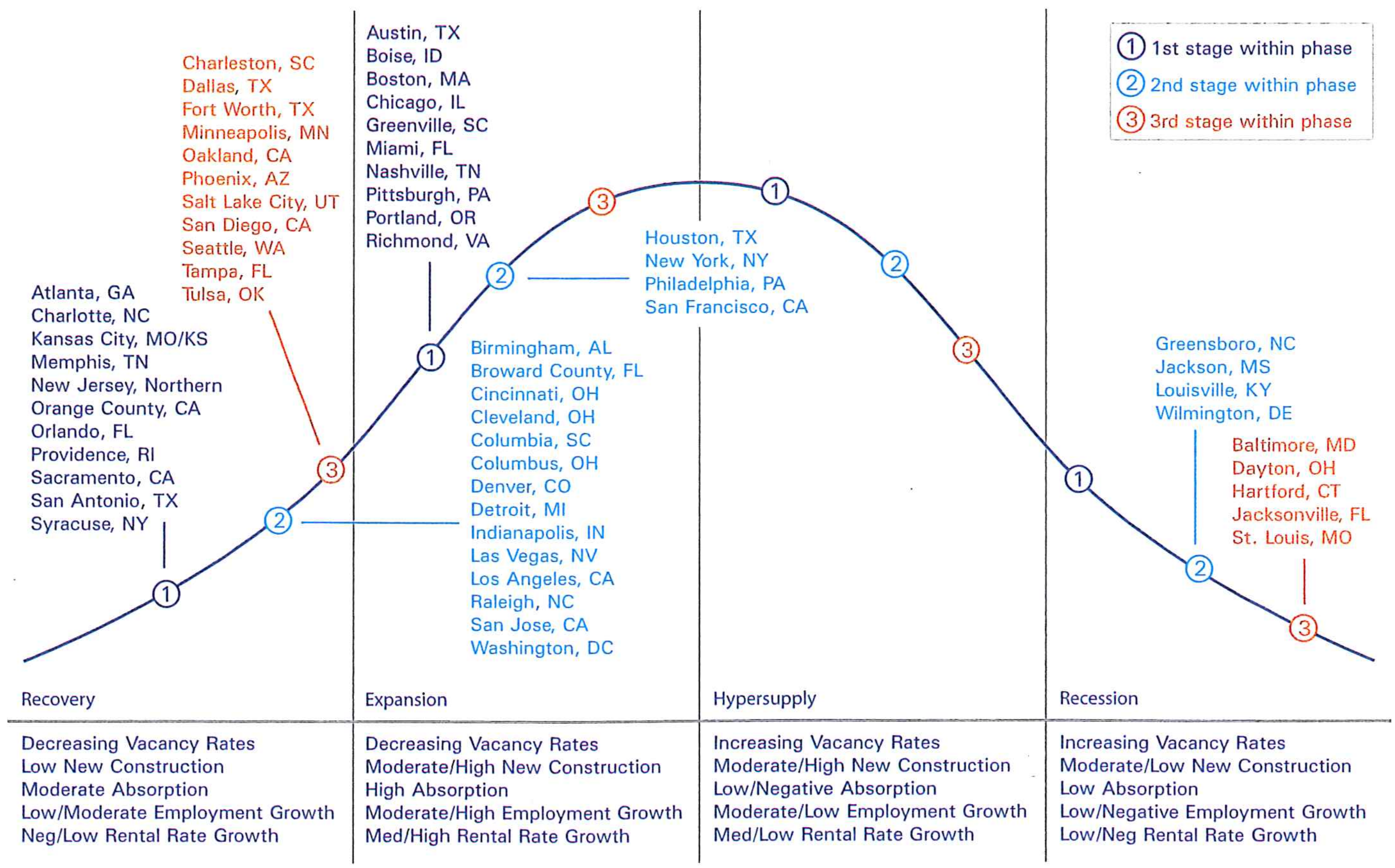
Office

Office markets across the country continued to recover from the recession in 2013. While overall occupancy levels were not reported to have improved materially, average rents have stabilized enough to create investor confidence in the asset class. As a result, average Class A cap rates for office product compressed further in 2013.

The office sector is exhibiting the most divergent performance between markets of any of the major property classes. Several market areas remained mired in the recessionary phase of the office market cycle, while an increasing number of markets are exhibiting strong enough growth to demand new product and are in the expansion phase of the cycle again. Such market divergence in the cycle is less apparent in the other property classes, suggesting that office product demand may be more localized, while supply may not be able to react as quickly to changing market conditions.

Office market transaction volumes were relatively steady compared to 10-year historical averages in 2013. Bright spots included **New York City, Los Angeles, Houston,** and **Seattle,** while major markets such as **Boston, Chicago,** and especially **Washington, DC** lagged historic transaction volume performance. Average office transaction prices were materially higher in 2013 in **Austin, Charlotte,**

CBD Office Market Cycle (Fig. 8)



IV. RETAIL

- **Neighborhood Center:**

  Provides for the sale of daily living needs of the immediate area. Typical area is 30,000 to 150,000 square feet with at least one anchor tenant.

- **Community Center:**

  In addition to convenience goods, provides for the sale of goods such as apparel or furniture. Typical area is 100,000 to 350,000 square feet with two or more anchor tenants.

- **Regional Center:**

  Provides a variety of goods comparable to those of a central business district in a small city, including general merchandise, apparel and home furnishings, as well as a variety of services and perhaps recreational facilities. Two or more full-line department stores anchor a total area of 400,000 to 800,000 square feet.

IV. RETAIL (cont.)

- **Super-Regional Center:**

  Provides an extensive variety of shopping goods comparable to those of the central business district of a major metropolitan area. The anchors are three or more full-line department stores, with a total area in excess of 800,000 square feet.

- **Single-Tenant:**

  Free-standing structure with no additional anchor stores.

- **Investment Characteristics:**

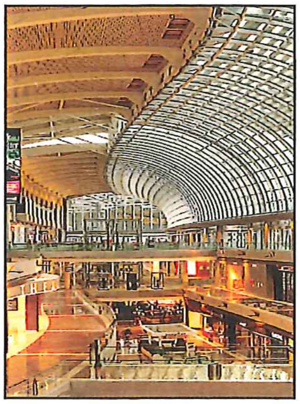
  Pros-

  Cons-

V. OTHERS

- **Hotels, Restaurants, Resorts**
- **Self-storage**
- **Special purpose**

Retail

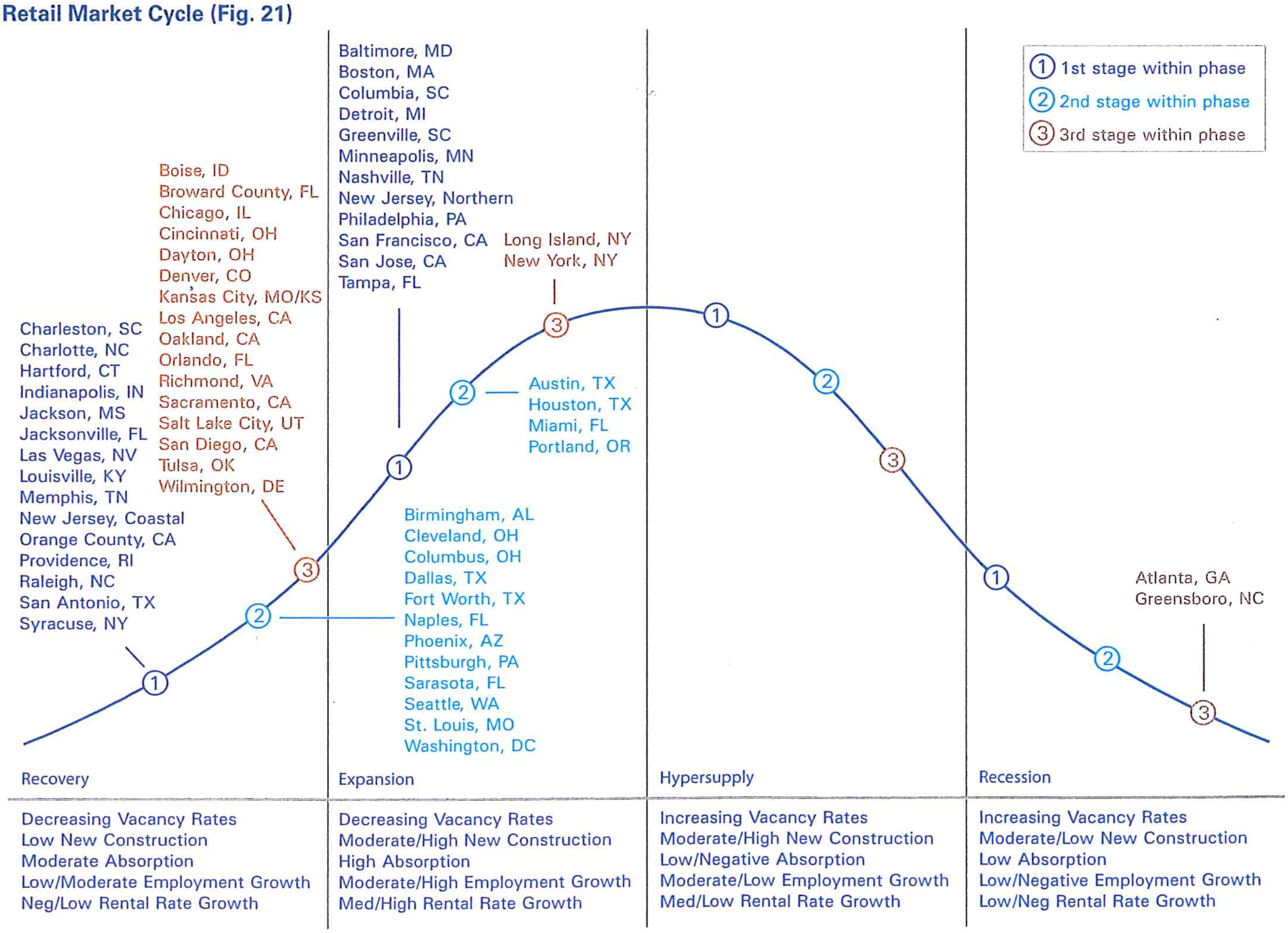


The retail property sector continued its recovery in 2013, with many markets reporting that development activity has resumed. This comes as vacancy rates continued to decline throughout the year, while capitalization rates continued to compress and approach 2007's historic lows. Retail transaction volumes weren't as impressive as some other property sectors in 2013, but still exceeded 10-year average norms.

Out of IRR's 63 reporting markets, only **Atlanta** and **Greensboro** observed that the local retail markets remained mired in a recession. Meanwhile, 18 markets representing a wide geographic and population density spectrum reported that development activity has increased materially and the retail sector has again entered the expansion phase of the market cycle.

Retail transaction volumes, especially for "one off" or small portfolios of assets, weren't as robust in the retail sector as experienced in the industrial or – most particularly – apartment sectors in 2013. Several large-scale ownership level transactions did occur in 2013, however, pushing up volume metrics in 2013, especially in the nation's three

Retail Market Cycle (Fig. 21)



SEGMENT 3: COMMENTS ON "NEIGHBORHOODS"

I. Neighborhoods (now properly referred to as "Market Areas")

"Neighborhood" defined as "A group of complementary land uses"

"Market Area" defined as "the area in which properties compete"

A. What does 'complementary" mean?

B. How are market area boundaries defined?

1. **Analysis of the subject property**
2. **Examine the area's physical characteristics**
3. **Determine preliminary boundaries on a map**
4. **Determine if preliminary boundaries correspond to demographic data**

C. What causes Neighborhoods to change? For better… For worse…
"S – E – G – E" - See overhead

D. Real Estate/Neighborhoods/Home Data – on line data source examples.

- **www.Realtor.com**

- **NCTCOG (Entire North Texas Area – great aerial maps and demographics too)**
  www.NCTCOG.gov

- **Commercial Real Estate**
  www.globest.com
  www.CBRE.com
  www.RCanalytics.com
  www.realestatedmagazine.com

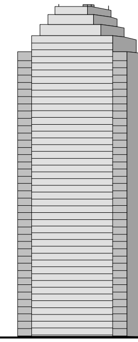
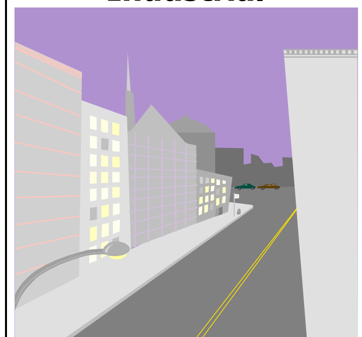
- **Paid Demographic Sites**
  STDBonline
  - **See Samples/Overheads**

Home "value" sites

- **Home "value" sites**
  www.zillow.com
  www.homegain.com

- **For sale, above, and:**
  www.ebby.com

NEIGHBORHOOD "FORCES" AND REAL ESTATE VALUES

Property Type → ↑ Force	Residential 	Retail 	Office 	Industrial 
• **Social** - Pop. Trends - Age/Other Demogs. - Crime				
• **Economic** - Income Levels - Rent/Value Levels - Change - Occupancy				
• **Governmental** - Taxes - Zoning, Legal - Munc. Support				
• **Environmental** - Topo./Geo. - Location/Linkages (Access) - Negatives (Airport, etc.)				

	Coral Gables, FL	San Diego, CA	Montgomery, AL	Dallas, TX	United States
2010 Summary					
Population	46,780	1,307,402	205,764	1,197,816	308,745,538
Households	17,946	483,092	81,486	458,057	116,716,292
Families	11,192	285,221	51,628	265,538	77,538,296
Average Household Size	2.35	2.6	2.44	2.57	2.58
Owner Occupied HUs	11,452	233,158	47,986	201,880	75,986,074
Renter Occupied HUs	6,494	249,934	33,500	256,177	40,730,218
Median Age	38.8	33.7	34.1	31.9	37.1
2012 Summary					
Population	47,606	1,316,303	207,233	1,218,178	313,129,017
Households	18,274	489,622	82,070	467,160	118,208,713
Families	11,317	286,364	51,583	265,403	77,957,858
Average Household Size	2.36	2.59	2.44	2.57	2.58
Owner Occupied HUs	11,241	228,193	48,660	201,357	75,420,523
Renter Occupied HUs	7,033	261,429	33,411	265,803	42,788,190
Median Age	39.2	33.9	34.3	32.1	37.3
2017 Summary					
Population	50,113	1,371,287	212,252	1,283,048	323,986,227
Households	19,410	509,602	84,260	491,296	122,665,498
Families	12,027	300,574	52,594	282,835	80,816,843
Average Household Size	2.35	2.6	2.43	2.57	2.58
Owner Occupied HUs	12,042	241,821	50,195	215,397	78,931,371
Renter Occupied HUs	7,367	267,781	34,065	275,899	43,734,127
Median Age	39.9	34.4	34.9	32.4	37.8
Area Trends: 2012-2017 Annual Rate					
Population	1.03%	0.82%	0.48%	1.04%	0.68%
Households	1.21%	0.80%	0.53%	1.01%	0.74%
Families	1.22%	0.97%	0.39%	1.28%	0.72%

	Coral Gables	SD	Montgomery	Dallas	US
Owner HHs	1.39%	1.17%	0.62%	1.36%	0.91%
Median Household Income	1.60%	3.37%	2.98%	4.17%	2.55%
National Trends: 2012-2017 Annual Rate					
Population	0.68%				
Households	0.74%				
Families	0.72%				
Owner HHs	0.91%				
Median Household Income	2.55%				
Households by Income - 2012					
< $15,000	1,637	57,801	13,710	77,142	15,930,921
$15,000 - $24,999	1,513	46,288	10,087	69,651	13,235,854
$25,000 - $34,999	1,370	44,517	9,058	60,703	12,592,251
$35,000 - $49,999	1,742	65,142	13,262	73,958	17,132,127
$50,000 - $74,999	2,589	83,501	13,296	70,899	21,990,567
$75,000 - $99,999	1,788	58,835	9,128	34,261	13,385,393
$100,000 - $149,999	3,036	71,809	8,128	39,846	14,227,290
$150,000 - $199,000	1,627	33,568	2,674	16,170	5,016,492
$200,000+	2,972	28,153	2,720	24,525	4,696,574
Median Household Income	$78,228	$57,189	$43,023	$39,172	$50,157
Average Household Income	$111,987	$79,581	$61,940	$63,481	$68,162
Per Capita Income	$45,940	$30,771	$25,699	$24,846	$26,409
Households by Income (percentage) - 2012					
< $15,000	8.96%	11.81%	16.71%	16.51%	13.48%
$15,000 - $24,999	8.28%	9.45%	12.29%	14.91%	11.20%
$25,000 - $34,999	7.50%	9.09%	11.04%	12.99%	10.65%
$35,000 - $49,999	9.53%	13.30%	16.16%	15.83%	14.49%
$50,000 - $74,999	14.17%	17.05%	16.20%	15.18%	18.60%
$75,000 - $99,999	9.78%	12.02%	11.12%	7.33%	11.32%
$100,000 - $149,999	16.61%	14.67%	9.90%	8.53%	12.04%
$150,000 - $199,000	8.90%	6.86%	3.26%	3.46%	4.24%
$200,000+	16.26%	5.75%	3.31%	5.25%	3.97%
Households by Income - 2017					

	Coral Gables	SD	Mont	Dallas	US
< $15,000	1,543	57,956	13,487	78,457	15,673,121
$15,000 - $24,999	1,163	38,899	8,060	56,036	10,529,063
$25,000 - $34,999	1,063	35,997	8,034	50,212	10,308,687
$35,000 - $49,999	1,695	58,953	12,655	67,704	15,844,587
$50,000 - $74,999	3,220	82,016	16,239	97,560	24,513,070
$75,000 - $99,999	2,260	78,978	10,445	47,311	17,714,618
$100,000 - $149,999	3,341	82,890	9,234	47,316	16,490,921
$150,000 - $199,000	1,881	41,639	3,204	19,303	6,312,420
$200,000+	3,244	32,265	2,896	27,393	5,277,767
Median Household Income	$84,699	$67,497	$49,825	$48,044	$56,895
Average Household Income	$129,433	$90,784	$68,615	$73,256	$77,137
Per Capita Income	$52,989	$34,898	$28,411	$28,539	$29,882
Households by Income (percentage)- 2017					
< $15,000	7.95%	11.37%	16.01%	15.97%	12.78%
$15,000 - $24,999	5.99%	7.63%	9.57%	11.41%	8.58%
$25,000 - $34,999	5.48%	7.06%	9.54%	10.22%	8.40%
$35,000 - $49,999	8.73%	11.57%	15.02%	13.78%	12.92%
$50,000 - $74,999	16.59%	16.09%	19.27%	19.86%	19.98%
$75,000 - $99,999	11.64%	15.50%	12.40%	9.63%	14.44%
$100,000 - $149,999	17.21%	16.27%	10.96%	9.63%	13.44%
$150,000 - $199,000	9.69%	8.17%	3.80%	3.93%	5.15%
$200,000+	16.71%	6.33%	3.44%	5.58%	4.30%
Population by Age - 2010					
0 - 4	2,210	80,792	14,768	102,975	20,201,362
5 - 9	2,428	75,073	14,126	89,707	20,348,657
10 - 14	2,346	75,345	13,914	78,234	20,677,194
15 - 19	4,391	90,813	15,134	76,976	22,040,343
20 - 24	4,780	127,987	17,468	94,880	21,585,999
25 - 34	4,957	230,247	29,986	219,848	41,063,948
35 - 44	6,197	183,750	26,229	170,106	41,070,606
45 - 54	6,541	171,993	27,545	150,317	45,006,716
55 - 64	5,636	131,765	22,324	108,830	36,482,729

NEW JERSEY

Towns go to lengths to keep beaches private

AT A GLANCE
State rules

Texas: Voters decided in November that the right to public beach access should be part of the state constitution, even as homeowners feared erosion of their property rights.

Florida: The U.S. Supreme Court ruled last week that the state can undertake beach-widening projects without compensating beach front property owners who lose exclusive access to the water.

California: It has fought for years to mediate public demands for access to some prime beaches when wealthy homeowners tried to block them.

Hawaii: A new law prohibits property owners from using vegetation to block beach access.

North Carolina: State officials are trying to balance competing demands over the use of a popular Outer Banks beach between fishermen and outdoor enthusiasts who want to drive their vehicles on the sand, and environmentalists who want to protect coastal wildlife.

Public access to shore has become a battle in many coastal states

MANTOLOKING, N.J. — Some Jersey shore beach towns have plenty of ways to keep outsiders off their sand: Limit on-street parking, prohibit food and drink and have no public bathrooms.

One town literally walls off the public from much of the ocean with a protective stone seawall and offers virtually no parking for miles along it.

Beach access has become a long, drawn-out court battle in many states. And now in New Jersey, the state Department of Environmental Protection is bowing to complaints from some local governments and private property owners that state access rules are too strict.

The department is letting each shore town decide for itself what level of public access is appropriate, though the state agency will still have to sign off on each plan. The new policy has some beach advocates fearing towns will become even more restrictive.

"This is extremely frustrating," said Ralph Coscia, who co-founded Citizens Right to Access Beaches after the beloved Point Pleasant Beach was bulldozed to make way for ocean-front luxury homes about a decade ago. "This sets us back 15 years. Everything we've tried to do all these years is falling apart."

Not all beaches are public

In some states, private property goes to the low-tide line. In others the beaches are public. Private property can also cut off parking areas from beaches. The nonprofit Surfrider Foundation rates states by public accessibility.

SOURCE: Surfrider Foundation The Associated Press

The department says its goal is to maintain public access while applying common sense to beach access rules and giving towns and property owners latitude to take local conditions into account.

"We believe the Jersey shore and the coastline should be open to everyone," said department spokesman Larry Ragonese. "But there can't be carte blanche to go anywhere, on anyone's property you want."

Under the Public Trust Doctrine, a legal concept adopted by New Jersey that dates back to Roman Emperor Justinian, the public has the right to swim in coastal waters and walk along their shores. Courts have held that the public has the right to walk or sit on the sand up to the mean high-water mark — even on beaches where most of the sand is privately owned.

But many oceanfront homeowners either don't know or don't care and routinely call the police when someone sets up a beach chair or a towel too close for their liking.

Battles over who rules the sand are being fought all over the country. It's not just about unbroken ocean views, either. In New Jersey, tourism is a nearly $40 billion industry and its beaches are a primary draw.

Under the previous administration of Gov. Jon Corzine, New Jersey required public access points every quarter-mile and bathrooms every half-mile on any beach that received public money for beach replenishment.

But an appeals court overturned those rules in 2008, deciding that the state had no right to order towns to allow 24-hour access to their beaches or to require bathrooms there. Stone Harbor Mayor Suzanne Walters said her town already provides plenty of access to beachgoers.

"The biggest change with the DEP seems to be their willingness to listen," she said.

Wayne Parry,
The Associated Press