

# Market Study



*Brandy Marine International, L.L.C*

Setting International Marina Standards Since 1977!



## Overview

[www.brandymarine.com](http://www.brandymarine.com)

# You need a compass heading



Whether you are heading off to sea or preparing to develop a mixed-use development with a marina, you need a compass heading. Where are you going? What can you expect to see? In development, will you meet your market? What will your rate of return be? What storms should you expect in your journey? Whether you are heading off to sea or preparing to develop a mixed-use development with a marina, you need a compass heading. Where are you going? What can you expect to see? In development, will you meet your market? What will your rate of return be? What storms should you expect in your journey?

For 40 years, Brandy Marine International has been leading clients into known waters. Sometimes we suggested that no marina be developed (Gordon Creek, Naples, FL early 2000's) because of navigational and other impediments. The client listened and exited his land purchase option. Next buyer did not hire us, built a marina and it went bankrupt in 4 years. That is more of an exception than a rule to our work.





# Primary Focus

What is our primary focus being to identify the market, the number of vessels you can expect in the next 5 years, effect of competition in the area and what else new is on the drawing boards, their rates, other market considerations, services you will need to supply to compete favorably all ending up in a concise report either with or without a full five year proforma with every detail broken out leading to your expected IRR. What is our primary focus being to identify the market, the number of vessels you can expect in the next 5 years, effect of competition in the area and what else new is on the drawing boards, their rates, other market considerations, services you will need to supply to compete favorably all ending up in a concise report either with or without a full five year proforma with every detail broken out leading to your expected IRR.

Isla Navidad in Manzanilla, Mexico was our market research and design. The President of Mexico awarded Brandy Marine a design commendation for the property. Today it listed as one of the top three marinas in the country. Bonita Bay Community in Bonita Springs, Florida had its community and Brandy designed wet and dry marina named Best Development of the Year by the Urban Land Institute. Hawk's Cay Resort, Duck Key, Florida; Red Frog Beach Resort, Boca del Toro, Panama; El Cid Marina, Mazatlán, Mexico; Greek Olympic Sailing Facilities, Volos, Greece; Cap Cana, Dominican Republic and Sailfish Point, Stuart, Florida, and on and on. These are viable, successful facilities and enterprises and often the leader in their market or region because they first plotted their marina course of action with Brandy Marine as their navigator.



“Part of what the marina becomes has to do with upland development. If the land is subdivided into residences, then the marina becomes more passive. If the property sports a good enough size hotel, the marina becomes an amenity.”



# Excerpts from Market Studies completed by Brandy Marine

"EVEN AT THE LOWEST PERCENTAGE OF WATER USE INTEREST (35%) THE NUMBER OF SLIPS THAT WOULD BE ABSORBED BY 172 RESIDENCES WOULD BE 60 SLIPS. THEREFORE, WE HAVE PREDICTED A MAXIMUM TIME OF 18 MONTHS TO ABSORB IN A SALES PROGRAM AND A ONE-YEAR ABSORPTION IN A LEASED DOCK PROGRAM FOR THE PURPOSES OF OUR PROFORMA. WITH THE PROPOSED REDUCTION IN THE NUMBER OF SLIPS, ABSORPTION IS EVEN EXPECTED TO ACCELERATE FASTER THAN 18 MONTHS."

"PART OF WHAT THE MARINA BECOMES HAS TO DO WITH UPLAND DEVELOPMENT. IF THE LAND IS SUBDIVIDED INTO RESIDENCES, THEN THE MARINA BECOMES MORE PASSIVE. IF THE PROPERTY SPORTS A GOOD ENOUGH SIZE HOTEL, THE MARINA BECOMES AN AMENITY."





# Excerpts from Market Studies completed by Brandy Marine

"IN THE PRESENT DESIGN, WE REVIEWED THE FAIRWAY, OR THE SPACE BETWEEN THE DOCKS FOR MANEUVERING. TYPICALLY, WE USE A 1.5 TIMES THE LENGTH OF THE LONGEST BOAT FACING A DOCK, AS THE DIMENSION. IN THE CASE OF 33-FOOT BOATS, THE 1.5 RATIO WOULD BE 48 FEET. WE NOTE SLIGHTLY MORE THAN 50 FEET, SO THE FAIRWAY IS ADEQUATE. HOWEVER, WITH SOME DESIGN ALTERATIONS, AND SQUEEZING THE FAIRWAY TO AS LITTLE AS 1.3, WE COULD FURTHER ACCOMMODATE MORE VESSELS. IN THE CASE OF THE "T" DOCKS, THOSE AT THE ENDS OF THE TWO DESIGNED PIERS COULD BE ACCOMMODATED TO BERTH A VESSEL OF FAR MORE THAN 33'. IT IS THE "T" ENDS AT MARINAS THAT GARNER THE MOST VALUE."



# Excerpts from Market Studies completed by Brandy Marine

"BRANDY MARINE INTERNATIONAL FEELS THAT IT HAS SUCCESSFULLY MADE A POINT IN SUPPORT OF THE ALTERNATE ZONING USE PROPOSED BY THE PRINCIPLES OF THE SUBJECT SITE. THE BIFURCATED LINE BETWEEN THE TWO PARTS OF THE SAME LAND PARCEL MADE POSSIBLE BY THE OWNER'S CONTRIBUTION OF THE EXTENSION OF (XXXX) STREET, CLEARLY PUTS THE PROPERTY INTO A SHARED SUPPORT RELATIONSHIP, HAVING THE PREVIOUSLY UNUSED SOUTHERN SIDE ADJACENT TO EXISTING RESIDENTIAL BE MAINTAINED IN THAT STYLE OF DEVELOPMENT. WHILE THE OTHER SIDE OF THE ROAD, THE RIVER SIDE TO THE NORTH, BE MAINTAINED AS WORKING WATERFRONT WITH THE ALLOWED RECONFIGURED 45 DOCK SPACES ALLOCATED BY DERM."





# Excerpts from Market Studies completed by Brandy Marine

"PENT UP DEMAND - OF THE MARINAS VISITED BY BRANDY MARINE, MOST SHOWED PENT UP DEMAND FOR WET SLIPS. THIS DEMAND SHOULD ESCALATE IN THE COMING YEARS WITH THE ADDED RESIDENTIAL DEVELOPMENTS TO THE AREA. HOWEVER, MANY OF THESE NEW PROJECTS MAY ALSO OFFER MARINAS. SEE SECTION 7.3, NEW PROJECTS AND SECTION 10.0, CONCLUSIONS. ONE SHOULD BE MINDFUL THAT BOATERS WILL DRIVE FURTHER TO GO BOATING OR FISHING IN THE AREAS THEY PREFER. WHAT THIS SAYS FOR THE SUBJECT SITE IS THAT INTERNAL AND TRANSIENT DEMAND WILL BE HIGHEST IN COMPARISON TO A SPORT FISHING CLIENTELE THAT OTHER MARINAS WITH PENT UP DEMAND SHOWED IN THE REGION."





# Excerpts from Market Studies completed by Brandy Marine

"ACCORDING TO THE DEVELOPER, THERE IS A SCHEDULE OF 1,350 UNITS TO BE BUILT. SERVICING THIS, CURRENTLY BY REVISED PLAN, OUR SITE CALLS FOR 300 DRY SLIPS AND 278 WET SLIPS. BRANDY BELIEVES THE COLLECTED TARGET OF UNIT OWNERS WHO WILL WANT A DIRECT USE OF A DRY OR WET SLIP WILL BE 30% AT BUILD OUT. THIS WOULD ACCOUNT FOR 405 OF THE TOTAL PLANNED 578 MARINE STORAGE SPACES. THAT WOULD LEAVE 173 SPACES WHICH WOULD SEEK EITHER INDUCED DEMAND FROM OTHER LOCATIONS, WHICH AT THIS TIME, WE THINK WILL BE A SMALL NUMBER; INDUCED FROM PROJECTS LANDLOCKED WITH DEMOGRAPHICS WHICH WOULD ALLOW FOR DISCRETIONAL EXPENDITURE FOR A BOAT, AND THIRD, TRANSIENT TRAFFIC WHICH MAY BE INDUCED BECAUSE OF THE EXPOSURE TO THE TOTAL RESIDENTIAL MASTER PLAN. BRANDY IS SUGGESTING A THREE PHASE BUILD OUT OF THE MARINA AS EXPRESSED IN THE CONCLUSION SECTION 10.0 OF THIS REPORT. BECAUSE OF THE HOLD UP OF PERMITS BY THE CORPS OF ENGINEERS BASED UPON FURTHER DATA REQUIRED FOR THEIR ENVIRONMENTAL IMPACT STATEMENT, IT IS NOT KNOWN HOW MANY OF THE ADDITIONAL 13 SITES AND THE SUBJECT SITE WILL BE PERMITTED AND/OR IF THE MARINA SPACES REQUESTED WILL BE FULLY PERMITTED OR REDUCED IN NUMBER IN SOME FASHION."





# Excerpts from Market Studies completed by Brandy Marine

"BUT LIKE THE ANALOGY OF THE HELICOPTER TO THE AIRPLANE, THE WAY BOATS THAT STORED DRY OR WET, ARE USED IN COMPLETELY DIFFERENT MANNERS FOR THE MOST PART. DRY STORAGE HAS TRADITIONALLY BEEN FOR BOATS UNDER 35 FEET WITH AN AVERAGE LENGTH OF 27 FEET. THESE ARE LARGELY DAY BOATS, FISHING CRAFT, RUN ABOUT FOR WAKE OR WATER SKIING, ETC. WET SLIPS GENERALLY HOUSE VESSELS THAT ARE TOO LARGE OR TOO HEAVY TO LIFT OUT AND STORE ON LAND. IF A BOATER HAD A PREFERENCE IN A SALT WATER ENVIRONMENT, HIS CHOICE WOULD BE TO STORE DRY AND OUT OF THE CORROSIVE ELEMENTS. WET SLIP BOATS CAN ALSO BE DAY BOATS, CENTER COUNSEL FOR FISHING OR CRUISING BUT A GOOD NUMBER OF THEM ALSO INCLUDE INSIDE ACCOMMODATIONS. TAX LAW PROVIDES THAT IF A VESSEL IS 28 FEET AND HAS A HEAD (BATHROOM), A GALLEY (KITCHEN) AND SLEEPING ACCOMMODATIONS, THE INTEREST COST ON THE LOAN CAN BE DEDUCTED AS A "SECOND HOME". THUS, MOST OF WET SLIP ACCOMMODATED VESSELS HAVE SUCH ACCOMMODATIONS, ESPECIALLY IF THEY ARE 32 FEET AND LARGER. THE AVERAGE WET SLIP STORED VESSEL IN THE AREA OF THE SUBJECT SITE IS 42 FEET."







  
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**Since 1977, Brandy Marine  
has been providing marina development  
expertise worldwide and is spearheaded  
by one of the industry's most  
experienced, well-respected and  
innovative professionals.  
Capt. Bruce H. Blomgren**



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