

CROSSCURRENTS

CAREY COMMERCIAL REALTORS • BUSINESS & INVESTMENT PROPERTY • 508-790-8900
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10 year Room Tax Misses It's Mark

CHUCK CAREY

In 1987 the state gave towns the right to tax visitors to the Cape 4% of their lodging bill in addition to the 5.7 % room occupancy tax already in place. All but one town on the Cape took advantage and the tax increased to 9.7% of every guest's nightly bill. At the time the tax was imposed, it was stated by some towns to be dedicated to tourism related expenditures. Generally speaking, this has not been the case.

According to figures released by the Department of Revenue, the 9.7% tax produced \$14.9 M in calendar year 1995 and \$15 M in 1996. That means the lodging portion of tourism (not including meals and other sales) produces \$150,000,000 annually. In calendar year '96, the state kept \$8.9 M and the 15 towns on the Cape received \$6 M. Barnstable and Yarmouth, the two most active resort towns, historically account for 20% each of the room occupancy tax. Actual figures from the Department of Revenue show that both towns usually take in the range of \$1.1 M each from guests to the Cape each year. This is on top of the \$1.6 M the state takes from them. Or is it from the hotel, motel and B+B operators ? That's a separate issue.

Either way, the dollars are flowing. Most towns place it in the general fund. Is it ending up in the right place ?

Is it right for guests to the Cape to pay 9.7% tax in the first place ? What other business has a tax that high ? But there's no point in debating it, it exists.

But there is a point to debating it's proper destination. Isn't it worth considering that a world renown resort area should spend money so kindly hand delivered (\$150,000,000 annually according the State) on tourism ? If you just said "no" then how about at least some trash cans at the rest area ? Maybe fix up the beaches ?

Barnstable Town Councilor John Boyle states that the town recently assigned \$55,000 to tourism. He quotes studies which show each \$1 brought here by a vacationer circulates 8 times before it leaves the town. If this study is correct does that mean that the \$1.1 M given the town by lodging facilities is really like \$8 M passing through the hands of Cape Codders ? Councilor Boyle says he believes it's wise to reinvest such tourist dollars in tourism related items which help small business and create jobs.

A recent study published by the Cape Codder states that of the \$6 M dollars the 15 towns took from the pockets of tourists, \$278,000 was distributed back to tourism. That's 5%. Dennis, Truro and Eastham gave nothing back.

The pittance that did trickle into tourism related items usually went to the Chambers of Commerce in the respective towns. The towns which do reinvest claim growth in tourism in such areas as shoulder season festivals, etc. perhaps bringing dollars which may not have come otherwise. The reinvestment of room tax dollars will increase the income to the towns and give relief to the general tax burden.

Aside from being smart, it's fair.

CAPE EXPLODES WITH NEW HOME BUILDING

According to figures compiled by the Cape Cod Commission, permits issued for new homes in the first quarter of calendar year 1997 jumped 16% in Barnstable County.

403 new permits were issued countywide in the first quarter of 1997 - a 16% jump over 348 in the first quarter of 1996.

Four towns accounted for the largest increase in the "quarter to date figures":

Yarmouth.....	243%
Brewster.....	35%
Mashpee.....	50%
Truro.....	67%

Over the past 7 years, which is perhaps a more indicative sample, four towns account for the largest volume of new homes:

Sandwich.....	16%
Mashpee.....	14%
Brewster.....	11%
Truro.....	11%

Marilyn Fifield at the Cape Cod Commission has an excellent package of detailed charts and graphs showing the trends of growth in home-building.

The bottom line: Well over 10,000 new homes have been built on the Cape since 1990.

FOR SALE NOW:

^ Four Unit Apartment Building near the Ocean Street Docks and Barnstable Town Hall. 4 one bedroom units and 1 studio unit. Gracious Colonial architecture in a quality location suitable for owner occupation + rental.
.....\$124,900

^ Chatham Village
Gracious antique commercial building near Main Street and the Post Office with 5,000 square feet in two distinct sections. Plenty of parking.....\$249,000

FOR LEASE

Call Kevin Pepe

^ Premiere Office Bldg. -
With upscale presence on Park Square, East Main Street, Hyannis near Cape Cod Hospital. 1,500 through 4,000 Square feet available at the tenants discretion.\$10 / SF

^ Osterville, Rt. 28
Professional Building at major intersection opposite White Hen Pantry. 3,000 SF of premier office space available.....\$10 / SF

^ Festival Mall, Rt. 132
Hyannis - 750 to 16,800 SF of prime retail space available near Star Market, Blockbuster, Toys-R-Us, etc.

^ Village Center, Main Street, Harwichport -
350 to 1,050 SF architecturally designed retail space available in one of the Cape's finer villages.

^ Barnstable Village -
opposite the Courthouse -
500 SF office in majestic
Antique\$650 / month

Sold:

919 Main Street, Osterville - Office
1,200 square foot antique building with character on Osterville's prestigious Main Street sold for \$140,000 in April. The authentic historical structure dating back to the 1700's had many period features including a hand painted mural by noted artist Ralph E. Cahoon, Jr. A separate rental cottage to the rear was recently renovated.

The property was assessed for \$182,500 at the time of the sale {.17 Acres Land: \$129,800; Bldgs: \$52,700} annual real estate taxes are \$2,486. Zoning is Professional Business. Utilities include Gas Hot Water heat, private septic and town water. Chuck Carey / Carey Commercial Realtors represented the seller.

Rose & Vicki's, Rt. 3A Manomet - Bakery and Sub Shop
2,956 SF wood frame building on 1.44 acres with long established food service business which opened in 1976 sold in April for \$225,000. Campbell Lawrence of Carey Commercial Realtors handled the sale.

American Tent & Table Company
Well established local company which accommodates upscale weddings and other functions was sold recently. The sale was handled by Campbell Lawrence of Carey Commercial.

The Cutty Sark Motel, Old Wharf Road, Dennisport
17 unit motel with 4 bedroom home 500 feet from a public beach sold May 12 for \$380,000 to Gregory and Lisa Fox from New York City. The motel had been owned and operated by the McCarthy family since 1966. Financing was private. The buyer was represented by Philip M. Boudreau of Hyannis. Chuck Carey from Carey Commercial handled the sale exclusively.

The Former Edsons, Main Street, Dennisport - Retail
Two buildings with 4,000 SF and 5,000 SF on .92 acre which formerly housed Edson's retail clothing operation for many years sold May 7 for \$125,000 to Joseph Labelle who will move his restaurant equipment business to one building at the site. He will reportedly be leasing the other building. The purchase was financed by Cape Cod Five Cent Savings Bank. Chuck Carey / Carey Commercial Realtors represented the seller.

Cuffy Leases to Colonial Candle
Colonial Candle Co. of America, who recently leased the former Cuffy's at the Great Island Lights on Rt. 28 in West Yarmouth, has leased another Cuffy property: The former Cuffy Building on Rt. 28 in West Dennis on the corner of Trotting Park Road. Chuck Carey represented the landlord. The Cuffy Operation made a successful move from "Main Street Retail" to "Factory Outlet" style of resort apparel sales by moving to a convenient-to-the-highway location on White's Path in Yarmouth.

.80 acres Land, West Yarmouth
.80 acre lot with excellent frontage near the intersection of Berry Avenue and Rt. 28 sold May 30 for \$255,000. The property was assessed for \$201,900 at the time of the sale. Tom Sullivan of Carey Commercial handled the transaction.

8 Lot Subdivision, Clipper Lane, Brewster
Eight approved lots comprising 11 + acres off Yankee Drive in Brewster were sold as a package to McShane Construction Corp. on May 1 for \$125,463. The subdivision was not improved with a roadway at the time of the sale. Tom Sullivan of Carey Commercial represented the seller.

75 Camp Street, Hyannis

6 room former home in the Professional / Residential zone near Cape Cod Hospital sold for \$65,000 on May 20. The building is on town sewer. There was no mortgage recorded at the time of the sale. John E. Ciluzzi of Carey Commercial Realtors handled the transaction exclusively.

The Brew House Restuarant, Main Street, Hyannis

226 seat micro-brewery and restaurant sold for \$700,000 from J + N Realty Trust to Hyannisport Brewing Co. and 720 Realty Trust. Although the sale price was reported in the press as \$440,000, the actual sale price was \$700,000

The new operation will carry the name Hyannisport Brewing Company. The buyer was represented by Steve Pizutti, Esq. and the seller by John Creney, Esq. A mortgage to the seller for \$500,000 was recorded at the time of the sale. John E. Ciluzzi of Carey Commercial Realtors handled the transaction exclusively.

239 Barnstable Road, Hyannis - Retail

50,000 SF retail and warehouse building sold to Beta Holding Trust April 4th for \$460,000. The building contains several tenants including Carpets of Cape Cod and is situated opposite Spartan Cleaners. A mortgage to the seller for \$360,000 was recorded at the time of the sale.

911 Main Street, Osterville, Office Building

Sold April 11 at a mortgagee's (FDIC) foreclosure for \$175,000 to an unnamed buyer. It is reported that the buyer assumed the payment of \$12,000 in outstanding back taxes.

Roadkill Collectibles, Main Street, Hyannis - Retail Space

Roadkill Cafe has leased 750 SF space in the building adjacent to their Main Street operation for the sale of their logo items such as hats and T-Shirts. The landlord was represented by Stuart Rapp of Furman, Cannon & Ross. Kevin Pepe of Carey Commercial arranged the transaction.

Hilltop Cottages, Rt. 6A, Sandwich

7 Buildings comprising 7 cottage units directly on Rt. 6A, The Old Kings Highway, in one of the Cape's most upscale villages sold May 30 for \$185,000 to Paint of America, Inc. A Mortgage of \$120,000 from Mayflower Cooperative bank was recorded at the time of the sale.

The property had been purchased in distressed condition at foreclosure auction several years ago and was substantially renovated with new wiring, septic and many interior upgrades. Assessed for \$113,000 at the time of the sale, it's most recent use was as weekly rental apartments on a year-round basis. The buyer was represented by John Sullivan, Esq. of Dennis. Chuck Carey of Carey Commercial Realtors represented the seller.

Presently Under Contract

Bank Owned Restaurant.....Office Condos.....Orleans Commercial Buildings
.....Development Land at Mashpee Rotary.....Industrial Building, Fall River.....

Just in case.....there is any confusion about sale prices quoted in CrossCurren-
ts, please be aware that some sales are divided into components of value for
tax reasons. In other words, A \$700,000 sale may be broken into \$440,000 for the
land and buildings, \$160,000 for goodwill and \$100,000 for equipment. The
reason is that such things as equipment and other components can be depreciated
differently on a shorter schedule and therefore there is a tax advantage to such a
division. Only the \$440,000 would be on the deed and only the deed would be
recorded at the Registry.

[HTTP://WWW.CAREYCOMMERCIAL.COM](http://www.careycommercial.com)

FOR SALE NOW:

Prime Development Sites:

- ^ 15 Acres, Rt. 28, Bourne
- ^ 7 Acres Rt. 6A Sandwich
- ^ 15 Acres, Mashpee Rotary
- ^ 2 Acres, Rt. 28, Yarmouth

Call Tom Sullivan for details

^ Automotive / Retail
6,000 square foot building
one lot from Rt. 132, Hyannis
near the Mall with plenty of
parking and good road
presence.....\$379,900

^ 10,000 SF Retail /
Commercial / Industrial
Bldg. Near the Highway
with excellent road presence
opposite major Shopping
Plaza with
Supermarket.....call
Kevin Pepe.....\$379,900

^ Business Oportunities:
several interesting and profit-
able to choose from. Call
Campbell Lawrence

^ 4 Unit Apt. or Office
Bldg. 53 Pleasant Street -
In the Professional / Residenc-
tial zone near Cape Cod
Hospital, Hyannis. Previously
used as an optometrist office
and now used as 4 apart-
ments. Plenty of parking and
on town sewer. Seller financ -
ing available at 8.5% APR
.....\$149,900

^ Cape Cod Marina

^ Cape Cod Golf Course for
Lease

^ 300 acres approved for Golf
Course / 48 lot subdivision.
Off Cape.

Call John E. Ciluzzi for Details...

RECENT SALES

CAPE COD

COMMERCIAL PROPERTY

99 RESTAURANT COMES TO WEST YARMOUTH

The well known 99 restaurant chain recently purchased a 2.5 acre parcel of commercially zoned land at the intersection of Rt. 28 and Berry Avenue in W. Yarmouth for \$325,000. The parcel purchased is part of one of the last large commercially zoned lots on Rt. 28 which totaled 7.81 acres. Christy's and the 99 restaurant are subdivisions of that parcel, several lots are still available.

Although the site has always been commercially zoned, the bulk of the property has never been developed. Upon the buyer exercising the rights of the commercial zone (i.e. to build a restaurant) the neighbors launched an outcry at town hall.

The operation is due to open shortly.

Tom Sullivan of Carey Commercial Realtors arranged the sale exclusively.

CAPE COD BREW HOUSE SELLS

The Cape's only Micro-brewery on the West End of Main Street in Hyannis changed hands recently at a sale price of \$700,000. The purchase was financed privately. The new owners are Chuck Kipnes, who operates a restaurant in Harwich and the Supernant family who presently own and operate the Sam Diego's Restaurant on Rt. 132, Hyannis.

The operation was set up as a micro-brewery and restaurant by the previous tenant / operator. The new owners plan to operate under the name of Hyannisport Brewing Company with the concept of a upmarket Brew Pub / Eatery.

The seller was J & N Realty Trust.

John E. Ciluzzi of Carey Commercial handled the transaction exclusively.

CROSSCURRENTS

of Cape Cod

A Commercial Real Estate Newsletter

IN THIS ISSUE:

RECENT SALES - FACTS & FIGURES



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