

Survey Results: *Privately owned boat slips - "Dockominiums"*

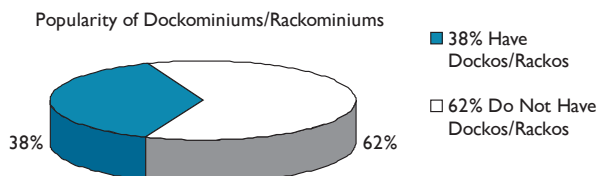
The results of Applied Technology & Management's (ATM) survey entitled Dockominium Study are summarized below. ATM would like to extend a special "thank you" to the participants for taking the time to provide this information. If you would like to contribute to ATM's next survey, or suggest a survey topic, please contact us via e-mail at marina@appliedtm.com. Questions or comments about these results, can be directed to Rob Semmes at (386) 418-6400 or via e-mail at rsemmes@appliedtm.com.

Summary

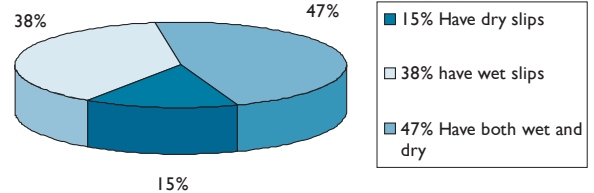
- Respondents replied from 12 different states and Mexico.
- 38% of respondents currently have at least some dockominiums/rackominiums (owned or leased > 50 years) at their marina. They are generally satisfied with their arrangements of owned or long-term leases.
- Dockominiums and rackominiums appear to be a growing trend, as 23% of respondents are considering going dockos/rackos in the future.
- Approximately 71% of respondents said the perception in their area was that there was a shortage of slips for certain-sized vessels. Most of these respondents were from the Southeast (34% were from Florida).

How many sold or long-term (>50 yr) leased slips/racks do you have at your marina?

- 38% of survey participants reported they have dockominium slips or racks, while 62% say they have none.
- Of the 38% that have dockominiums/rackominiums, half have more than 100 dockos/rackos, 22% have 51-100, another 22% have between 26-50, and 6% have between 1-25.



Dockominiums, are they wet slips or dry slips?



How many sold or long-term (>50 yr) leased megayacht (>80 ft) slips do you have?

19% have megayacht dockominiums.

Type of dockominium charter?

44% of respondents report their charter is fee ownership, 22% reported a club dockominium charter. Another 28% reported other.

Average cost of a dockominium by length, square foot, or cubic feet:

- l.f. \$1,000-\$5,000
- sq. ft. \$50-\$350
- cu. ft. \$2-\$34

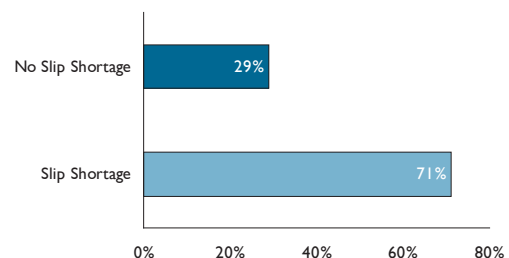
Did dockominiums replace rentals?

11% of respondents say at least some of their dockominiums/rackominiums replaced rental berths.

Do you have any plans to sell dockos/rackos or long-term leases in the future?

78% have no plans to sell, 16% plan to sell, and 6% may consider selling.

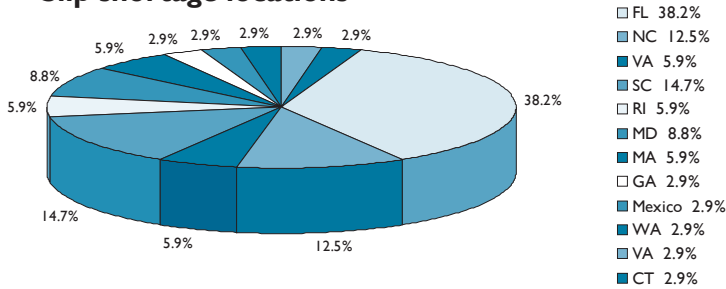
Is there a perception of a slip shortage in your area?



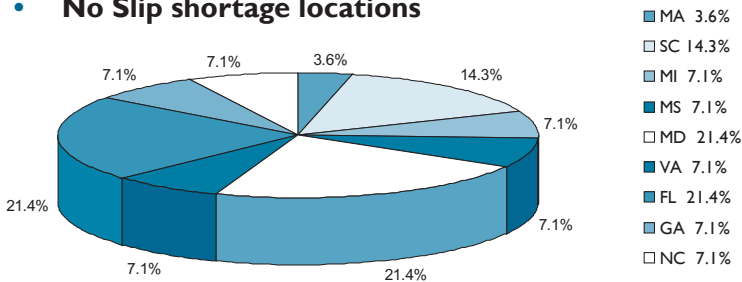
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Is there a perception of a slip shortage in your area? (cont'd)

Slip shortage locations



No Slip shortage locations



Recent ATM research of the Charleston, SC marina market reveals that over 50% of marina storage spaces (wet slip and dry stack) are currently being offered for "sale." This has prompted local concern regarding the availability for lease of slip and rack spaces, especially among those who may not be financially able to purchase long-term storage. Further, regulatory officials including the Army Corps of Engineers have taken note of the dockominium trends in the area and are examining the growing number of slip "conversions."

What is your opinion of dockominiums? We received the following comments:

- "One way for the owner to get cash and many people approve."
- "Fine for those who can afford them, property values are forcing the conversion issue resulting in a shortage of affordable dockage options."
- "Good financing tool for renovation, but operational difficulties."
- "No market for 5-10 years." (MI respondent)
- "Great exit strategy 10 years from now."
- "Great for a few, but bad for the majority."

- "It is causing the average boater to sell or get out of boating completely."
- "Ok to a limited extent, but public access needs to remain for lower and middle income also."
- "Love it!"
- "I think they are good especially where there is ample supply. Unfortunately not everyone can afford a dockominium and thus would hurt the slip availability of those that can't."
- "We would like to sell slips at the reported prices that are charged in Florida, but we can't." (GA respondent)
- "Not for my area." (MD respondent)
- "The future."
- "Attempts to sell at prices disproportionate to their income producing value create uncertainty and artificiality in the racko market which will create an image issue."
- "Bad for the industry!"
- "Would be a good idea if VA allowed it." (VA respondent)
- "Great if service and location is correct."
- "Negative due to a loss of operating control."
- "Too early to tell."
- "Working people will sell their boat or buy smaller trailerable boats."
- "It is a valid way for the public to access the water and to protect that access."
- "Our business has been good. Lots of cash up front, little expense, maintain rental business."
- "Not good for my marina."
- "It is a way to underwrite the facilities. It is a must."
- "Dockominiums are a good thing as they create water access and help keep the boating industry thriving."
- "It is a great cash cow."
- "They are great. We are open to the public and we welcome transients. This is the best of both worlds. We have the stability and resources of a private facility."
- "A lot of barriers to adding more [slips] so [they] will appreciate in value over time."

Question:

Would you like to receive The Waterfront by email? Request to be on ATM's Marina Team mailing list by visiting our website: www.appliedtm.com/contact.