

Are investor driven STRs (VRBOs/AirBnBs) impacting housing prices in Jacksonport?

One of the concerns associated with locally unregulated Short Term Rental (STR) activities and their growth is the impact on both the availability and cost of homes for local residents who live and work in the area. The presentation at the July 27th Town Board session indicated that home purchasers intending to rent are paying less than seasonal/full year purchasers, and that only just over 20% of residential real estate sales were becoming Short Term Rentals.

A short exercise was conducted looking at real estate purchases for the period from November 2021 to today for the township of Jacksonport to see if there are any new residential sales trends and impacts in Jacksonport.

A search of the real estate site Redfin in early November 2024 for properties for sale, and completed sales over the previous 3 years was completed. That search (11/10/2024) indicated there are 3 parcels of land for sale and 3 house, cottage or condominiums for sale at present in the Township. In the past 3 years there has been 35 land-only sales and 32 arms-length residential sales (houses, cottages and condominiums) completed. Tables A and B at the end of this note lists the land and residences involved, respectively.

The residences for sale and the past 3 year completed transactions were checked against a May 2024 list of Short Term Rental properties registered with the Door County Tourism Zone. **Of the 32 housing properties sold in Jacksonport over the last 3 years, 11, or 32%, are or have become STRs.** In addition, **2 of the 3 active residences for sale are STRs.**

Jacksonport has a very wide range of residence types including large to small homes, cottages, and condominiums, on small plots to many acres. The locations can be on the water, in the woods, in the fields, and along streams or highways. As a result of this diversity, the price range is large among the near 3 dozen residential properties for sale or sold in the last 3 years. **One general observation is that nearly all more recent sales, STR or not, are at increasing prices well above the 2024 tax assessed values for the properties involved as seen on the Door County GIS website.** Just a few years ago, even pre-Covid, those value difference was not nearly as wide in percentage terms as they are today.

The wide diversity of properties constrains like-for-like comparisons potentially inhibiting identification of trends for price escalation differences of STR versus non-STR properties. (see Table B)

The property histories on Redfin indicated that 7 of the 32 residential properties had been sold more than once in the last 10 years. It turned out 4 of those properties are STRs and 3 are not STRs.

The table just below summarizes the data for those 7 properties. Six of the properties were sold twice during the last 10 years, while one was sold three times.

Jacksonport Recent Home Sales and Histories

Address	Type	Yr Built	Land Acres	Date Sold	Price	\$ per sq foot	Gross % Increase	% Increase per year	STR Before ?	STR After ?
4091 Bagnall Road	House	2007	9.65	11/15/2021	\$790,000	\$368	9%	7%	No	No
				9/21/2020	\$725,000	\$338			No	No
6469 County A, 54209	House	1985	1.56	7/11/2022	\$531,500	\$274	97%	14%	No	No
				9/29/2015	\$270,000	\$139			No	No
6352 Hwy 57, #2, 54235	Condo	2008	1.05	4/7/2023	\$475,000	\$431	86%	11%	No	No
				3/9/2015	\$256,000	\$233			No	No
6346 Hwy 57, #1, 54235	House	1915	0.72	9/14/2023	\$400,000	\$234	33%	67%	Y(VRBO)	Y(VRBO)
				4/26/2023	\$300,000	\$176	33%	17%	Y(VRBO)	Y(VRBO)
				4/16/2021	\$225,000	\$132			No (SFH)	Y(in prep)
6346 Hwy 57, #4, 54235	Cottage	1952	0.72	11/1/2023	\$366,667	\$740	267%	103%	Y(VRBO)	Y(VRBO)
				3/16/2021	\$100,000	\$200			Y	Y(VRBO)
6346 Hwy 57, #5, 54235	Cottage	1952	0.72	11/21/2023	\$365,000	\$456	55%	24%	Y(VRBO)	TBD
				8/2/2021	\$235,000	\$294			Y	Y(VRBO)
6280 Hwy 57, 54235	House	1876	0.65	10/22/2024	\$925,000	\$441	36%	12%	Y(VRBO)	TBD
				10/12/2021	\$679,000	\$324			No (SFH)?	Y(VRBO)

Average Increase per year for non-STRs (3 Properties)	11%
---	-----

Average Increase per year for STRs (4 Properties)	51%
Average Increase per year for STRs (Lower 3 Properties)	34%

The Gross % of the price increase from the previous to the most recent sale is large in nearly every case. As the time between the sales is different from property to property, an annualized % increase was calculated to show the average yearly price increase. **For six out of the seven properties, the average price increase per year has been well above the rate of inflation for the period. Another key observation is that the average annual price increase of 51% for the STR properties most recent sales was significantly greater than for the non-STR properties (11%). Even if one omits the STR with the greatest average annual increase (103%), the remaining STR properties have a 34% annualized increase, triple that of the non-STR properties.**

Experience in other parts of the country has indicated that expanding STR presence increases near-term property prices and decreases the availability of properties for first time or low income local buyers. An added impact is that the incremental demand from STR investors “floats all boats”, increasing the prices of both STR and non-STR properties. Is Jacksonport starting to see this effect as seen elsewhere? In addition, is the competition among STR investors increasing the turnover, as well as accelerating the price increases, for those properties? While there may not be enough data as yet to definitively answer those questions, **evidence is starting to emerge of a negative impact on the Jacksonport housing market from STR growth. An STR Ordinance is required to help regulate, or at minimum, help monitor, that growth.**

M J Desmond
November, 2024

Table A: Jacksonport Township Land Sales

For Sale					
Address	Type	acres	Date Sold	Price	\$/acre
3348 Clark Lake Ct, 54235	Land	1.26		\$150,000	\$119,048
TBD N Cave Point Drive, 54235	Land	1.25		\$150,000	\$120,000
TBD N Sunrise Dunes Circle, 54235	Land	0.36		\$80,000	\$222,222

Recently Sold					
Address	Type	acres	Date Sold	Price	\$/acre
7136 Laurel Lane, 54202	Land	5.03	8/20/2024	\$154,000	\$30,616
Jack Pine Road	Land	5.3	12/15/2021	\$46,000	\$8,679
Laurel Lane	Land	5.29	5/20/2022	\$56,000	\$10,586
Logerquist Road	Land	40	3/11/2022	\$426,000	\$10,650
Memorial Drive	Land	15.26	6/17/2024	\$265,000	\$17,366
6930 Division Road, 54209	Land	40	6/21/2022	\$225,000	\$5,625
Lost Lake Road	Land	21.84	6/2/2022	\$125,000	\$5,723
6809 Lost Lake Road	Land	21.84	6/2/2022	\$104,000	\$4,762
Lost Lake Road	Land	16.55	3/24/2022	\$40,000	\$2,417
Hidden Drive ?	Land	8.5	12/9/2021	\$40,000	\$4,706
6356 County Road A, 54209	Land	40	6/30/2022	\$285,000	\$7,125
Hwy 57, 54202	Land	0.4	7/18/2022	\$149,000	\$372,500
6311 County A, 54209	Land	0.96	9/6/2023	\$150,000	\$156,250
Midday Ct ?, 54235	Land	1.02	1/11/2022	\$7,500	\$7,353
Hwy 57 west side, 54235	Land	0.46	2/9/2022	\$51,000	\$110,870
3415 County Road V, 54209	land	1.51	3/5/2024	\$49,600	\$32,848
3362 Lakeside Lane, 54235	land	1.51	12/15/2021	\$32,000	\$21,192
Lakeside Lane, 54235	land	1.53	3/8/2022	\$40,000	\$26,144
6252 Breezewood Lane, 54235	Land	1.01	3/15/2022	\$27,500	\$27,228
6244 Breezewood Lane, 54235	Land	0.98	1/31/2022	\$65,000	\$66,327
6249 Breezewood Lane, 54235	Land	0.96	1/31/2022	\$95,000	\$98,958
6133 Hwy 57, 54235	Land	2.89	1/10/2022	\$24,900	\$8,616
6155 Hwy 57, 54235	Land	2.88	1/7/2022	\$24,900	\$8,646
6006 Lakeshore Rd, 54235	Land	0.51	11/24/2021	\$275,000	\$539,216
Lakeshore Rd, 54235	Land	1.27	12/18/2022	\$85,000	\$66,929
Cave Point Dr or Jorns Rd 54235	Land	1.38	12/7/2021	\$45,000	\$32,609
5861 Cave Point Dr, 54235	Land	0.83	7/18/2022	\$93,000	\$112,048
Cave Point Dr 54235	Land	5.93	6/1/2022	\$190,000	\$32,040
N Cave Point Drive	Land	2.15	7/6/2023	\$149,000	\$69,302
5588 Cave Point Estates Way, 54235	Land	2.04	4/5/2022	\$55,000	\$26,961
3566 Weiterman Dr 54235	Land	0.55	12/15/2021	\$80,000	\$145,455
5618 Clark Lake Dr 54235	Land	0.46	8/15/2022	\$25,000	\$54,348
TBD Clark Lake Dr 54235	Land	0.46	6/10/2022	\$20,000	\$43,478
Hwy 57, 54235	Land	28.84	11/11/2021	\$139,900	\$4,851
5592 County T, 54235	Land	28.37	7/26/2022	\$170,300	\$6,003

Table B: Jacksonport Township House, Cottage, Condominium Sales

For Sale								
Address	Price	Type	Land Acres	Date Sold	Price	\$/sq foot	STR Before	STR After
6280 Breezewood Lane, 54235	\$724,900	House	1.5		\$724,900	\$467	Y(VRBO)	TBD
3360 N Sunrise Dunes Circle, 54235	\$775,000	House	0.36		\$775,000	\$407	No	TBD
6226 Highway 57, 54235	\$2,499,000	House	1.3		\$2,499,000	\$624	Y(VRBO)	TBD
Recently Sold								
Address	Price	Type	Land Acres	Date Sold	Price	\$/sq foot	STR Before ?	STR After ?
7002 Hwy 57, 54202	\$1,951,000	House	2.75	9/8/2023	\$1,951,000	\$991	No	No
6672 Hwy 57, 54202	\$725,000	House	0.9	4/15/2022	\$725,000	\$440	No	No
6945 Memorial Drive, 54209	\$340,000	House	20	4/21/2023	\$340,000	\$133	No	No
6596 Hidden Drive, 54209	\$402,000	House	12.94	6/3/2022	\$402,000	\$252	No	No
6570 Hidden Drive, 54209	\$540,000	House	20	7/8/2022	\$540,000	\$322	No	No
6410 Loritz Road	\$740,000	House	38.99	11/7/2022	\$740,000	\$303	No	No
4091 Bagnall Road	\$790,000	House	9.65	11/15/2021	\$790,000	\$368	No	No
				9/21/2020	\$725,000	\$338	No	No
6564 Hwy 57, 54202	\$760,000	House	0.5	8/9/2022	\$760,000	\$413	?	Y(VRBO)
6576 Hwy 57, 54235	\$479,000	House	0.75	12/9/2021	\$479,000	?	No	No
6469 County A, 54209	\$531,500	House	1.56	7/11/2022	\$531,500	\$274	No	No
				9/29/2015	\$270,000	\$139	No	No
3370 Evening Ct, 54235	\$275,500	House	0.47	10/28/2022	\$275,500	\$249	No	No
6390 Middy Ct, 54235	\$380,000	House	2.45	9/22/2023	\$380,000	\$351	No	No
6352 Hwy 57, #2, 54235	\$475,000	Condo	1.05	4/7/2023	\$475,000	\$431	No	No
				3/9/2015	\$256,000	\$233	No	No
6346 Hwy 57, #1, 54235	\$400,000	House	0.72	9/14/2023	\$400,000	\$234	Y(VRBO)	Y(VRBO)
				4/26/2023	\$300,000	\$176	Y(VRBO)	Y(VRBO)
				4/16/2021	\$225,000	\$132	No (SFH)	Y(in prep)
6346 Hwy 57, #4, 54235	\$366,667	Cottage	0.72	11/1/2023	\$366,667	\$740	Y(VRBO)	Y(VRBO)
				3/16/2021	\$100,000	\$200	Y	Y(VRBO)
6346 Hwy 57, #5, 54235	\$365,000	Cottage	0.72	11/21/2023	\$365,000	\$456	Y(VRBO)	TBD
				8/2/2021	\$235,000	\$294	Y	Y(VRBO)
6340 Hwy 57, 54235	\$332,500	Cottage	0.37	3/1/2024	\$332,500	\$480	No (SFH)	Y(in prep)
6342 Hwy 57, 54235	\$332,500	Cottage	0.28	3/1/2024	\$332,500	\$282	No (SFH)	Y(in prep)
6280 Hwy 57, 54235	\$925,000	House	0.65	10/22/2024	\$925,000	\$441	Y(VRBO)	TBD
				10/12/2021	\$679,000	\$324	No (SFH)?	Y(VRBO)
6140 Lakeshore Rd, 54235	\$507,100	House	0.5	6/30/2023	\$507,100	\$744	No	No
6124 N Cave Point Dr, 54235	\$526,000	House	1.2	11/15/2021	\$526,000	\$267	?	Y(VRBO)
6102 Lakeshore Rd, 54235	\$475,000	House	0.45	5/5/2023	\$475,000	\$608	Y(VRBO)	?
6088 Lakeshore Rd, 54235	\$505,000	House	0.4	10/6/2022	\$505,000	\$451	No	No
6037 Lakeshore Rd, 54235	\$383,800	House	0.58	7/21/2022	\$383,800	\$252	?	Y(VRBO)
5826 N Cave Point Dr, 54235	\$925,000	House	2.92	9/25/2024	\$925,000	\$797	No	TBD
5666 Cave Point Court, 54235	\$810,000	House	1.39	8/11/2023	\$810,000	\$648	No	No
5551 Cave Point Estates Way, 54235	\$635,000	House	4.48	10/31/2023	\$635,000	\$255	No	No
5562 Schauer Rd, 54235	\$1,100,000	House	1	8/10/2023	\$1,100,000	\$796	No	No
5520 Schauer Rd, 54235	\$1,400,000	House	1.1	9/8/2023	\$1,400,000	\$636	No	No
5720 Clark Lake Dr, 54235	\$300,000	House	0.57	11/18/2022	\$300,000	\$316	?	Y(VRBO)
5620 Clark Lake Dr 54235	\$295,000	House	0.51	8/5/2024	\$295,000	\$236	No	TBD
5564 Clark Lake Dr, 54235	\$326,000	House	0.85	10/23/2023	\$326,000	\$451	No	No