

# Investment/Redevelopment Property Coastal Location



37558 Lighthouse Rd,  
Fenwick Island, DE 19944  
Offered at \$8.5 million

## Explore the Potential



# Untapped Coastal Redevelopment Opportunity



This vintage motel offers substantial potential for growth and redevelopment. Located just outside the town limits of Fenwick Island, DE, the property bypasses town restrictions and benefits from a more flexible county permitting process and easier parking variance approvals. Its prime location near beaches and attractions makes it an ideal opportunity for investors or developers to build a larger hotel, retail space or residential housing. While currently only operating from May–September by the owners’ choice, the parcel has untapped market demand for year-round operation. This presents a unique opportunity for interested investors to own a prime coastal location with unlimited redevelopment possibilities!

55

Bedrooms

1.46

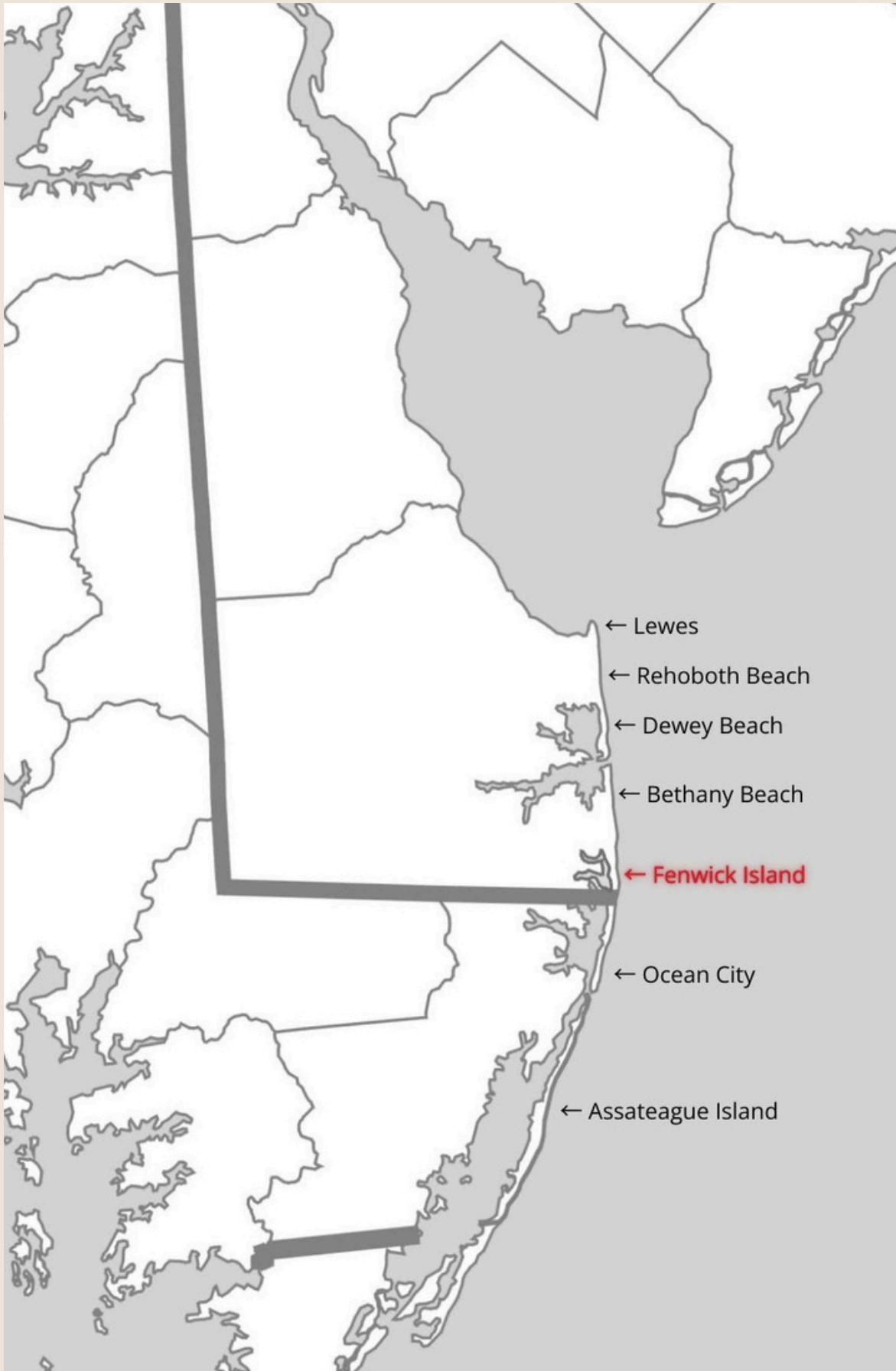
Acres

750 ft

from the beach



# 1.5M Visitors, 270 Residents: Capacity for Growth



Our property borders Ocean City, MD, at 146th Street and is located 18 miles south of Rehoboth Beach, DE and 5 miles south of Bethany Beach, DE

Number of beach visitors to Delaware (2022):

1.5 million

Fenwick Island permanent population:

270 people

Capacity (estimated based on bed base):

5,000 people

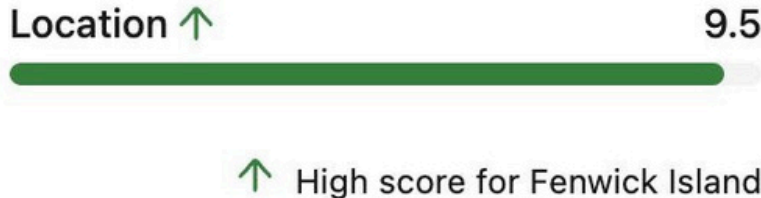
# Outperforming Competitors on Location Quality

Based on reviews from Booking.com, our property's location is rated higher than most of our competitors.

Atlantic Coast Inn  
55 rooms



Fenwick Shores, Tapestry  
Collection by Hilton  
65 rooms



Fenwick Islander



Seaside Inn




We are within walking distance of family-friendly activities, including the beach, a water park, a go-kart track, laser tag, and several mini golf courses. Just a short bike ride down the road, you'll find Coastal Kayak Rentals and Tours. Our location is also within walking distance of a variety of restaurants, from the waterfront Harpoon Hanna's to the modern and welcoming Matt's Fish Camp and the James Beard-nominated One Coastal.

## Customer Testimonials

Reviewed: August 19, 2024

**Our mother/daughter trip was fantastic & having a great place to stay let us focus on enjoying trip**

10

 This place is an absolute gem! From the super friendly and helpful staff to the super clean and comfortable rooms, everything was just perfect! The sparkling clean pool gave us a place to relax and enjoy after a day at the beach. The Inn's **location** is perfect for walking to access to the beach and many shops, restaurants and activities. It truly was the perfect **location** - we were so, so happy with our stay!!! This was our first trip to Fenwick Island, but it will not be our last and Atlantic Coast Inn will be the place we come back to!

 No complaints

Reviewed: July 9, 2024

**Great location for your stay at Fenwick Island!**

 The **location** is great...right in the center of restaurants and shops and the beach.


Reviewed: August 8, 2023

**This property was private and close to all attractions and was extremely clean.**

 Excellent **Location**

Reviewed: July 18, 2024

**Exceptional**

 Excellent **location**  
Rooms were clean  
Staff was friendly  
Price was very fair for being 1 block from ocean.



# Redevelopment Potential and Zoning Advantages for C-1 Properties



- C-1 Zoning ByRight – Parcel Specific (No Public Hearing Required)
- 51' Height Limit: Permitted to include ground-floor parking and structure.
- 7' Flood Zone Height: Allocated for compliance.
- 2' FEMA Freeboard Height Allocation: Included in zoning.
- Ground-Level Parking: Full ground-level parking under the structure is permitted, not to exceed 9'.
- Four Finished Floors: Allowed above ground-floor parking.
- Rooftop Mechanicals: Not included in the 51' height limit.
- Existing Setbacks: Grandfathered if improvements commence prior to the demolition of existing structures.
- Rooftop Recreation Variance - Public hearing required (food, beverage/bar)

Our property's value is higher because it is not within the town limits of Fenwick Island. As a result, we are not subject to their strict parking and height limitations. Instead, our property falls under unincorporated Sussex County, where we benefit from more favorable zoning regulations for redevelopment.



# By-Right Redevelopment: Hotel, Townhomes or Retail Space

Feasibility study conducted by the Becker Morgan Group

The 1.46-acre property can accommodate the following without any variances:

- A new hotel with 96 rooms, including:
  - 49 King Studio rooms
  - 47 Double Queen rooms
  - 150 parking spaces
  - An elevated pool
  - If a parking variance is granted, the number of hotel rooms could potentially double.
- 18 luxury townhouses
- Mixed residential/retail/Roof Top Restaurant & Bar



# Comprehensive Overview

## Location

- This commercial property, zoned C-1, is located just 0.5 blocks west of Route One and only 750 feet from the beach. It is within a short walking distance of the beach, several restaurants, and various shops.
- DELDOT surveys indicate a high traffic count for this location.
- The Atlantic Coast Inn has a well-established, repeat clientele that visits annually, spanning multiple generations.
- Local zoning laws and regulations are governed by Sussex County, not the local town, making it easier to obtain building permits and approvals.

## Condition of Property

- This 35+ year-old property is currently in use and has been consistently renovated and properly maintained.
- Front building: 27 rooms, built in 1957
- Back building: 22 rooms, built in 1982
- Fourplex: 4 king units, built in 2001
- Two apartments: Built in 2002
- Largest pool and sundeck in Fenwick Island

## Financial Analysis

- Financial records and other related information are available upon request after signing an NDA.

## Additional Photos

- [Click here for more Photos](#)
- [Click here to view Video](#)

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