📊 KEY DATA

$3.3 million: Gross revenues reported by the New York Beach Club in 2025.

$17.3 million: Liabilities reported in the Chapter 11 bankruptcy filing.

11 acres: Size of the privately controlled oceanfront property up for auction.

🎯 EXPERT CONSENSUS

Experts would likely conclude that the sale of the New York Beach Club represents a high-stakes balancing act between preserving a cultural institution and maximizing the financial potential of a rare coastal asset.

PC Pamela Cox
Pamela Cox
3 days ago

Beyond the Beach Blanket: The High-Stakes Future of a Bankrupt NY Icon

ATLANTIC BEACH, NY – August 18, 2026

On the sun-drenched shores of Atlantic Beach, where the rhythm of the waves has scored New York summers for generations, a paradox is playing out. The New York Beach Club, an institution that reported nearly $2 million in profit last season, is being sold in a court-supervised bankruptcy. Up for auction is not just a business, but a sprawling 11-acre, 775-foot stretch of private oceanfront—an asset so rare within commuting distance of Manhattan that it’s considered almost mythical in real estate circles. The sale pits the hard logic of finance against the soft power of memory, forcing a reckoning over the future of a place many consider a second home.

Northgate Real Estate Group, the firm orchestrating this high-stakes disposition, is now accepting offers for one of the largest privately controlled oceanfront assemblages in the region. The offering presents a complex question: What is the true value of a place that is simultaneously a thriving seasonal business, a deeply troubled financial entity, and a vessel for decades of family traditions? The answer will determine the next chapter for a cherished piece of the Long Island coastline.

An Irreplaceable Asset, A Complicated Balance Sheet

On paper, the New York Beach Club is an investor’s dream. The press release from Northgate paints a picture of a robust, cash-flowing enterprise: 839 members, 133 cabanas, two pools, a beachfront restaurant, and reported gross revenues of over $3.3 million in 2025. “You can build another apartment building. You can’t create another stretch of oceanfront,” noted Greg Corbin, President of Northgate Real Estate Group, highlighting the property's core, immutable value.

Yet this idyllic financial picture is starkly contrasted by the legal filings that brought the club to this point. The business, along with its affiliates, filed for Chapter 11 bankruptcy protection on February 10, 2026, reporting a staggering $17.3 million in liabilities against just over $900,000 in assets. The trigger was a default on loans from Carver Federal Savings Bank totaling approximately $8 million. The path to bankruptcy is a contested narrative. The club's owner, Alexander Jacobson, has pointed to a “catastrophic” flood in early 2024 that caused extensive damage, claiming the bank exacerbated the crisis by withholding a crucial FEMA relief check. The bank, in turn, alleged in court filings that loan payments had ceased months before the flood and that the bankruptcy was a last-ditch effort to evade foreclosure.

This financial turmoil forces potential buyers to look past the immediate revenue stream. While a new owner could benefit from the club's proven income, they are also stepping into a situation born of financial distress. The opportunity lies in untangling the asset from its troubled past. “We expect interest from very different types of buyers: hospitality operators, family offices, real estate investors and developers,” Corbin said. “Each one can look at the same property and see a different path to creating value.”

The 'Stalking Horse' in the Sand

The process of extracting this value is itself a complex system, governed by the specific rules of bankruptcy court. Northgate is currently seeking a “stalking horse” offer, a term of art in the world of distressed assets. This is not just an opening bid; it’s a strategic maneuver designed to set a floor price for the auction and prevent the property from being sold at a lowball figure. The stalking horse bidder is granted an inside track, conducting extensive due diligence before anyone else and negotiating the initial terms of the sale.

In exchange for taking on the risk and effort of setting the market, this initial bidder typically receives bid protections, which can include reimbursement for legal fees and a "breakup fee" paid to them if another party ultimately wins the auction. This mechanism, overseen by the bankruptcy court, is designed to foster a competitive environment that maximizes the return for the creditors—in this case, primarily Carver Federal Savings Bank. It transforms a messy financial collapse into an orderly, market-driven sale, a specialty for a firm like Northgate, which has built its reputation navigating over $4.4 billion in such transactions.

"What makes this particularly compelling is that a buyer doesn't have to wait years for the real estate story to play out," explained Mickey Salzman, a VP at Northgate. "There is an operating beach club producing revenue today, with the land providing substantial long-term optionality."

A Community's Legacy on the Auction Block

Beyond the spreadsheets and legal filings, the New York Beach Club represents something far less tangible. Since its establishment in 1934, it has become part of the local identity. As owner Alexander Jacobson, who acquired the club in 2016, noted, "Beach clubs in Atlantic Beach are woven into the cultural fabric of Long Island. Families don't simply rent cabanas here; they create lifelong traditions."

This sentiment lies at the heart of the community's stake in the sale. For generations, the club has been a constant, a place for summer rituals passed down from parents to children. The bankruptcy sale introduces an element of profound uncertainty. Will a new owner, focused on maximizing return, honor that legacy? Or will the highest bidder be a developer with a vision that has no room for cabanas and family swim nights?

Jacobson himself seems to have made peace with the transition. "The opportunity now is to preserve that legacy while envisioning its next chapter," he stated. This reflects the dual nature of the asset: a piece of personal history for hundreds of families and a prime development opportunity for a savvy investor. The challenge for any new owner will be navigating the delicate balance between honoring the past and capitalizing on the future.

The Billion-Dollar Question: Redevelop or Preserve?

The ultimate question for any bidder is what to do with 11 acres of irreplaceable coastline. The most straightforward path is to continue and enhance the existing business. The property includes a 2.75-acre vacant parcel already zoned for beach club use, offering a clear path for expansion. A new owner could invest in enclosed, year-round dining facilities or a rooftop component, extending the club's operating season and revenue potential far beyond the traditional Memorial Day to Labor Day window.

However, the grand prize for some investors is the long-term redevelopment potential. The idea of residential construction on the site has been floated, but this is a far more complex and speculative play. Such a project would require significant zoning changes from the Town of Hempstead and would likely face staunch community opposition and a labyrinth of coastal building regulations. The market itself provides a pricing benchmark; the nearby Catalina Beach Club, on a smaller 6.47-acre lot, is currently for sale for just under $30 million. Before its bankruptcy, the New York Beach Club was reportedly under contract for $31.5 million, though owner Alexander Jacobson has suggested it could fetch as much as $50 million in a competitive auction.

In the end, the property's unique power may transcend any single development plan. As Greg Corbin of Northgate concluded, "When you stand on this property and look out at hundreds of feet of Atlantic Ocean frontage, you immediately understand why this deal is different."

Topics & Related

EVENT: › Bankruptcy › Divestiture

METRIC: › Revenue

UAID: 48278