



Richard L. Dusik
President



FLORIDA BEACH REALTY
and Financial Services, Inc.

1515 N Federal Hwy, Suite 300, Boca Raton, FL 33432-1994 (USA)
Bus: 561.391.9196 • TOLL FREE: 800.817.6957 • Fax: 561.391.0219
Website: www.FloridaBeachRealty.com • E-mail: RLD@FloridaBeachRealty.com

Exclusively Serving “Boca’s Beachfront Condominiums”

TheAddison.org • TheExcelsior.org • PresidentialPlace.org
TheAragon.com • TheStratfordArms.com • ThreeThousandSouth.com • WhitehallSouth.com

THE BOCA BEACH REPORT

April 2015

*Privileged
information about
your real estate*

In This Issue

- Be Careful When You Overbid A Home Price
- Remodeling Homes – Profits For Owners
- Real Estate Personal Service
- How To Enjoy House Hunting
- News From Our Area

This publication is not a solicitation but is an information service from this real estate office.

Be Careful When You Overbid A Home Price

With the real estate recovery increasing, many buyers are out there. The inventory of homes for sale is low. There is much competition for the better homes. In this new market, it’s still not uncommon for buyers to find themselves in a bidding war over a very desirable house that is priced fairly close to market value. But a house could be overpriced. For example, buyers are in a bidding war for the house they really want and are willing to give the seller his inflated asking price of \$495,000 (although the market value is more like \$465,000) plus pay \$500 of his closing costs.

Here’s the problem. By overpaying for the house, it costs them more money for the down payment, more in closing costs (since many mortgage costs are based on a percentage of the mortgage), not to mention thousands of dollars more in interest over the years due to the larger mortgage. Over the years, it will cost considerably more than the extra \$30,500.

Depending on the interest and down payment, up to \$60,000 over a few years!

But that is only the start. Because they bought at an inflated price, the equity buildup is off to a slow start. What if they’re forced to sell before the house can realize some significant appreciation? (Appreciation may take much longer even after some recovery.) They may have to bring money to closing—something no seller should ever have to do.

Keep in mind the professional investor’s rule, “You don’t make money in real estate when you sell, you make money when you buy!” Overpaying, over-leveraging, and overspending on closing costs will come back to haunt you later.

If you decide to overpay, make sure you know why. Make sure the overpayment works into your plans based on how long you’ll keep the house. If you know you’ll have to pay more upfront (due to competing buyers, etc.) but have a long-term plan to recoup your losses,



(continued)

overpaying for your home could work.

For instance, you've overpaid for a property that has several extra acres that can be sold at a substantial gain. What if the acreage sale could fund an entire remodel for your home? Remember, overpaying for a house in a stable, appreciating neighbor-

hood may not be as bad as spending too much on a house in a deteriorating subdivision or on the edge of a warehouse district.

Keep emotions under check. Have a buying game plan and make money when you purchase the house. That is where the extra profit is found. ❖

Remodeling Homes – Profits For Owners

The Owner-Occupied Home

When owners live in a home for a while, they see things that can be done. They also can put up with the work going on around them, particularly when it will lead to a later profit. A tenant in a rental does not expect to be disturbed, so owner-occupied homes make up the largest number of homes that are remodeled.

Remodeling a home has always been popular with homeowners who wanted to upgrade to make the home more interesting and livable. If you must sell in the present real estate market, it makes sense to do things to make the home interesting to the new owner before listing for sale. It can be profitable.

Profitable Improvements

When an owner wants to completely remodel a home, it is practically a rebuilding. This can change an old structure into a new, modern building. This can be very expensive and the homeowner may not get the best return on the value when it comes time to sell. When doing smaller, individual changes, the owner must be very selective. Some changes cost a great deal, but do not add much to the value.

Here are some of the best projects for homeowners looking to improve their home and to improve the resale value when time to sell.

Add a new front door. Removing the old entry door and replacing it with a new steel door has proven to be very cost effective. Just replacing the front door with a new wooden door makes the entry look like new. There are many different styles and finishes available.

Add a wood deck to the home to increase the outdoor living area. Adding some planting areas and an outdoor kitchen can give an ordinary patio area new life. This can be done with a minimum of cost or can be very elaborate.

Do a minor kitchen remodel. Replace the

counter tops with granite, or a granite composite (80% granite - 20% acrylic resin). Counter tops of wood cutting board give the kitchen an updated new look. How about painting the cabinets a bright white and adding new door and drawer pulls. Replace the old appliances with energy efficient models.

Replace the old wood framed windows with a more energy efficient vinyl window frame.

Here is why more remodeling is happening:

- Home values have taken a hit in the economic turndown, so owners are staying and remodeling instead of moving up to more expensive homes.
- With building codes throughout the country, homes have been well built for decades. Some developers in most areas have become specialists in remodeling some of the older homes into new designs.
- The homeowner knows the value of a home in the current condition and is aware of the increase in value that a remodel will bring. It makes sense to make a profit.
- Some owners have done so well with remodeling their own home that they have gone out to find other homes that can be remodeled for profits.
- The well-to-do young to middle-age professionals use more imagination in leading the good life at home. They may add skylights, finished basements, fireplaces, sun porches, decks and spas, and upgraded bathrooms.

Income Property Upgrade

There is a large increase in the remodeling of rental structures also, although the volume is not as high as in owner-occupied homes. In any area where there are high vacancy rates and severe competition for tenants, owners are remodeling in order to stay in the rental business. Also, the increase in rent levels has given the owners money to do this work. ❖

Real Estate Personal Service

The job of the professional real estate agent is to bring buyers and sellers together. To do this we must keep up-dated on the local and national real estate market, financing, and all other aspects of buying and selling homes and other properties. A major part of this activity is to keep in touch with my past, present and future clients. That is why I send you this newsletter.

When you want to buy or sell real estate, you want to do it now, with no delays. To assist you in this, I maintain a wide network of clients that create a pool of buyers for homes like yours. I know people with homes in all areas and price ranges that can fit your future needs.

Here are some of the ways I can help:

Home owners: I can prepare an analysis of the current range of value for estate planning or insurance review. If you want to make improvements, advise you on the ones that will increase value.

Supply prices of all homes for sale in the area to keep you up on all price trends.

Home sellers: I can give you all information necessary to arrive at the best price to insure the top dollar in the sale, show you how to increase the home's marketability. My firm will only show the home to pre-qualified buyers. When the sale occurs, we help with the negotiation and see you through the closing.

Home buyers: I can help to decide how much house you can afford, show you homes in your price range in different neighborhoods. When the perfect home is located, help with negotiation for the best price and terms, assist with the financing, and make the transaction run smoothly through to the closing.

In the meantime, keep this newsletter as an update on information about your home, maintenance and repairs, changes in tax laws, and other things than can affect your home and its value. Call me with any real estate question. ❖

How To Enjoy House Hunting

These eight tips can help make your house-hunting experience positive and rewarding when you are buying a home:

1. Location Does Count.

You must have heard the real estate slogan about "location, location, location," but it is always true. Location is crucial. Think about the commute to your place of employment? What are the local schools, shopping centers, public transportation, seniors' services and other public amenities like? Is the area all zoned for residential? You don't want to end up next to a commercial building. Even if the home itself is perfect in every way, buying can be a mistake if it's in a bad location, and a home like that can be a particularly bad choice if you must resell the home within a few years.

2. Know What You Want.

Have you really thought about exactly what you want in a home? Do you and your spouse or partner agree? You could save many hours of looking if you make a list ahead of time. What are the features you must have, would like to have, what you don't want and would prefer not to have. The goal is to find a home that suits your needs without falling in love with one that doesn't suit your needs. Start the list by thinking about what you like and dislike about your current home.

3. Get All The Information.

Do some homework. Before you start, get all of the information possible about recent home sales prices, market trends, homes on the market now, neighborhood statistics and the home-buying process. Much is available on the Web. Go

surfing. We will appreciate your knowledge when we show you homes.

4. Go see Your Lender.

The home you can afford is a bottom line of your household income, your creditworthiness, interest rates, the kind of loan you select and how much cash you will be putting down. Instead of guessing or estimating how much you can afford to spend, get a banker or mortgage broker to give you a true estimate and a letter stating how much you're qualified to borrow. This amount may be much more or much less than your original estimate.

5. Take Notes On Homes You See.

When we show you homes, compare them to your original "want" list. Seeing many homes is a confusing experience for most people. Make notes about the homes you see with us. Grade each one with a "yes", "definite no" or "maybe".

6. Be comfortable. This can take time.

Wear comfortable clothes and shoes. Touring many homes can be tiring, especially if you're relocating from a distant community. You will want to see as many homes as possible in a day.

7. Be Ready To Buy.

If we find the perfect home, you should make the offer now. If the home is perfect for you, others may want it too. To save time, we may take you through a blank purchase contract in advance so you'll know what decisions you'll face when the time comes to make an offer.

8. Relax.

If you are prepared well in advance, the whole process will not be stressful. You may have an idea now, after reading this, how stressed-out home buying can be for the unprepared. ❖

Boca BEACHFRONT Availability

The following is a summary of the available and pending residences located on the East (BEACH) side of OCEAN Blvd. (A1A) in Boca Raton.
 0.1% to 3.9% is Low Inventory * 4.0% to 6.9% is Balanced Inventory * 7.0% to 9.9% is High Inventory * 10.0% + is Excessive Inventory

North Beach

(North of Palmetto Park Road on North OCEAN Blvd. - Listed from North to South)

Address	Condo Name	TA	AA	%A	ADOM	Price Range	Average	PC
2150	Aegean	8	0	0.0%	0	SOLD OUT	N/A	0
2070	Athena	4	0	0.0%	0	SOLD OUT	N/A	1
2066	Ocean Reef Towers	55	4	7.3%	85	620K to 1.39M	852K	0
2000	Brighton	39	1	2.6%	143	999K	999K	0
S/T	North Beach	106	5	4.7%	97		882K	1

Boca Beach

(South of Palmetto Park Road to the Boca Inlet on South OCEAN Blvd. - Listed from North to South.)

Address	Condo Name	TA	AA	%A	ADOM	Price Range	Average	PC
250	Marbella	155	0	0.0%	0	SOLD OUT	N/A	1
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	1
350	Beresford	53	1	1.9%	13	\$1.15M	1.150M	1
400	Excelsior, The	27	3	11.1%	134	2.495M to 5.995M	4.262M	0
500&550	Chalfonte, The	378	9	2.4%	123	589K to 995K	745K	4
600	Sabal Shores	125	7	5.6%	171	549K to 1.15M	659K	0
700	Sabal Point	67	2	3.0%	116	695K to 849K	772K	2
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	N/A	1
800	Presidential Place	42	0	0.0%	0	SOLD OUT	N/A	1
1000	One Thousand Ocean	52	5	9.6%	106	2.995M to 11.499M	5.957M	1
S/T	Boca Beach	968	27	2.8%	129		2.096M	12

South Beach

(South of the Boca Inlet on South OCEAN Blvd. - Listed from North to South)

Address	Condo Name	TA	AA	%A	ADOM	Price Range	Average	PC
1180	Cloister del Mar	96	3	3.1%	53	424.9K to 950K	633K	0
1200	Cloister Beach	128	2	1.6%	38	499.9K to 999.9K	750K	0
1400&1500	Addison, The	169	6	3.6%	101	1.149M to 2.55M	2.027M	1
1800	Placide, The	54	1	1.9%	285	635K	635K	2
2000	Whitehall	164	1	0.6%	13	799K	799K	1
2494	Aragon, The	41	2	4.9%	93	2.499M to 3.395M	2,948M	1
2500	Luxuria, The	24	3	12.5%	155	4.995M to 6.25M	5.648M	0
2600	Stratford Arms	120	2	1.7%	80	798K to 849K	824K	2
2800	Whitehall South	256	6	2.3%	132	692.9K to 1.25M	843K	4
3000	3000 South	80	2	2.5%	58	675K to 999K	837K	1
S/T	South Beach	1132	28	2.5%	102		1.663M	12

Totals	April 2015	2206	60	2.7%	114		1.793M	25
Totals	April 2014	2206	85	3.8%	180		1.775M	23

Key:

TA = Total Number of Apartments in Development * **AA** = Number of Apartments Available For Sale
%A = Percent of Apartments in Development For Sale * **ADOM** = Average Number of Days on Market per Listing
PC = Number of Apartments SOLD and Pending Closing

This information is compiled from FlexMLS on March 17, 2015. This representation is based in whole or in part on data supplied by FlexMLS.
 FlexMLS does not guarantee or is not in any way responsible for its accuracy. Data maintained by FlexMLS may not reflect all real estate activity in the market.