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THE BOCA BEACH REPORT

April 2018

*Privileged
information about
your real estate*

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

Keep Records On Home For Taxes

In keeping records on your home, first and foremost, adopt the principle that nothing will be left to memory. Trying to recall, from unwritten memory, the cost of a new roof that was put on your home some 20 or 30 years ago is virtually impossible. So use a book. Probably best is an accounting-paper (lined and ruled) hard-backed book to which pages cannot be inserted or substituted. Here are the entries that should be made:

- Enter the exact address (street, city and state) of the residential property.
- Record the date of purchase and your costs, including fees and closing costs.
- Insert the date on which the home improvement project was started (such as, the date on which a contract was signed with an electrician, plumber or roofer).
- Describe the project. It is wise to put an envelope or pocket in the book so that you can file a copy of the contract or a written estimate provided for the job.

- Insert the date on which the home improvement project was completed. This detail is particularly important when a project takes a long time, covering periods in two different years.
- Enter the costs paid. These figures may be segregated by labor and materials. Costs should show the contractually agreed upon amount, and additional expenses that were paid as the project actually proceeded.
- Keep receipts, canceled checks, and similar written evidences of payments made. It is essential that you be able to “prove” the capital expenditure payments made and that calls for more than simply the entry of a dollar amount in a record book or a ledger.
- Start a new page for the next home you own and repeat the same kind of entries.

Why The Records

If you live in a home for many years, the increase in value may exceed the \$250,000 or \$500,000 that is allowed to be forgiven in taxes on the gain. ➡

(continued)

The owner will have to pay tax on the gain he or she realizes over that figure and the purchase price at the time of the sale. At selling time, the amount of gain might be overstated because the homeowner's basis will be undervalued unless the owner has records that (1.) substantiate the original cost of the home, and (2.) *prove the capital improvement expenditures made over the years.*

Although most homeowners have good records to establish what they paid for their homes, very few have records (or even have given thought

to keeping records) to determine the amounts spent for improvements. The lack of proof generally means big trouble with the Internal Revenue Service; the homeowner could lose badly in the amount of taxes that must be paid.

The Solution: That is why we recommend creating the ongoing, permanent, written record. Set up a special, separate book in which to record the details of each and every outlay of money for home improvement. It will save money. ❖

Dealing With Liens On Your Home Title

At closing time, the seller will be asked to provide good and marketable title to the property, a title which is free of any liens or judgments, or "clouds on the title." A lien is a claim to property for the payment of a debt, and the lien holder could foreclose on the property if the debt is not paid off. Liens can generally be removed by the payment of the amount owed. This payment can occur before the closing takes place, or at the time of closing.

There are several types of liens, all of which could cloud the title and prevent the seller from conveying marketable title to the buyer. A mechanic's lien, or a construction lien, is a claim made by contractors or subcontractors who have performed work on the house who have not been paid. A supplier of materials delivered to the job may also file a mechanic's lien.

In some states, contractors and subcontractors must notify the home owner when they intend to file the lien, but in other states they can file the lien without any prior notification to the owner. An owner could face a mechanic's lien if his contractor fails to pay a subcontractor or a materials supplier. To insure that your property is free of any mechanic's liens, an owner should obtain a release of lien form signed by all subcontractors and material suppliers before making the final payment to the contractor.

Another type of lien which may occur is one related to a divorce. Often in a divorce,

one or the other spouse may be awarded the right to live in the house. When that spouse sells the property, for instance, the ex-spouse may be entitled to half of the equity. If things don't go as they should, the ex-spouse could file a lien for his share of the sales proceeds.

There are liens which exist in connection with condominiums and a homeowner's association dues. At closing, the title or escrow company will request a certificate of payment from the homeowner's association to be sure that all dues and assessments have been paid and are current.

Some states allow a lien to be placed on property of divorced parents for unpaid child support payments. This is a lien which would have to be paid off before the property could be sold. Court judgments for unpaid debts, such as credit card judgments or unpaid legal fees, is a type of lien which would have to be paid and removed before closing.

If you find a lien on your property, contact the lien holder and negotiate to pay off the debt, or if there is a question as to whether the debt is your responsibility, contact a lawyer to determine how to remove the lien from your property. If you are advised to pay off the lien to clear the title, be sure to have the lien holder sign a release of lien form and file this at the county recorder's office to clear the title in the official records. ❖

Be Aware Of Attractive Nuisances

All property owners should be aware of potential lawsuits involving the attractive nuisance.

Children from the neighborhood might enter your property lured by a potentially dangerous manmade object, building, or hole. If they are injured you could be sued for having an "attractive nuisance" which caused the uninvited problem. You might try to blame their parents for lack of supervision but you are still liable for providing an "irresistible" lure and have left yourself open to litigation.

The attractive nuisance can be any manmade object that presents an irresistible attraction and hidden danger to young children. It is your responsibility to see that your property is properly secured and maintained so that a curious child does not get hurt.

Attractive nuisance liability is extremely broad. These laws are meant to protect children from flagrant abuses of property ownership, such as those yards that are poorly maintained or stocked like junkyards with rusting jagged metal, broken glass, and tomb-like refrigerators. It also extends to the hapless property owner who is guilty of posing temporary dangers, such as leaving a ladder on the side of a house while taking a break from painting. If a child climbs the ladder and then falls from the roof, the do-it-yourselfer is considered at fault.

Since children do not fully realize some dangers, a property owner is liable if a child is injured when proper precautions and safety measures are not taken, which means the property owner is either not aware of a potential danger or is in flagrant disregard of that potential for danger. Whether or not a child would know an object is dangerous and whether the property owner took reasonable precautions to prevent injuries are the issues that are heavily debated in court. This means that the property owner who accidentally leaves his tool shed door unlocked is as liable as the neighbor who defiantly leaves an old refrigerator in the yard with the door still connected.

Before you build that swimming pool and leave a big hole in the ground, make sure you have a fence around your property. And that may not even be enough. Some local laws insist that the property owner go to the expense of erecting

pool enclosures above and beyond the fencing of the yard.

Beware of everyday objects, too. Don't leave your car idling and unlocked in the driveway while you go back inside for something you forgot. Your neighbor's child may pick that exact moment to take a joyride right into a tree. And don't leave that lawnmower running or your power tools out while you skip indoors to use the rest room. You could return to a missing foot or hand that will bankrupt you.

It's now a world in which many place blame instead of taking responsibility. No longer are parents required to raise children to respect other people's property and its boundaries. First, today's parents would have to raise children to mind them and respect what they tell them. Then they would actually have to be around to supervise them. Since that doesn't happen in many families, they must be able to pass the blame along to someone else, should the worst occur. Now there is a legal fail-safe to bail them out in case they don't do their jobs as parents and neighbors.

The unspoken issue is where parental responsibility lies. What is the matter with this society in which many so willingly abdicate responsibility for children, expecting unsuspecting neighbors to anticipate their curiosity and daring and take the appropriate measures? In many cases those measures are necessary. But we are a nation that already expects day-care centers and schools to educate our children and teach them family values and common sense. People are too busy working to support a better life style. With all of the many distractions in life, many parents can't seem to have the time to train their children to use good judgment themselves.

Since the abdication of parental responsibility is legally defensible in court, your best course of action as a property owner is prevention. If you are in doubt as to whether something constitutes an attractive nuisance, then secure it or get rid of it. If this article has made you paranoid enough, find out what are considered attractive nuisances in your community, ask your insurance agent, and rely on your common sense about safety. ❖

Oceanfront In BOCA

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	0
2066	Ocean Reef Towers	55	3	5.5%	88	1.199M to 1.795M	1.410M	0
2000	Brighton	39	1	2.6%	40	1.299M	1.299M	1
S/T	North Beach	106	4	3.8%	76		1.382M	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	4	2.6%	62	895K to 1.55M	1.135M	1
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	0
350	Beresford	53	1	1.9%	170	1.195M	1.195M	0
400	Excelsior, The	27	2	7.4%	782	2.75M to 5.495M	4.123M	0
500&550	Chalfonte, The	378	7	1.9%	81	695K to 1.225M	904K	3
600	Sabal Shores	125	9	7.2%	122	330K to 1.1M	768K	5
700	Sabal Point	67	5	7.5%	61	699K to 1.675M	1.004M	1
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	N/A	1
800	Presidential Place	42	5	11.9%	219	3.495M to 5.499M	4.158M	0
1000	One Thousand Ocean	52	12	23.1%	184	2.995M to 13.95M	6.059M	0
S/T	Boca Beach	968	45	4.6%	161		2.794M	11

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	2	2.1%	38	549K to 769K	659K	2
1200	Cloister Beach	128	6	4.7%	224	450K to 799K	539K	1
1400&1500	Addison, The	169	6	3.6%	216	1.695M to 4.1M	2.443M	3
1800	Placide, The	54	3	5.6%	92	800K to 1.395M	1.090M	1
2000	Whitehall	164	11	6.7%	183	630K to 1.375M	842K	1
2494	Aragon, The	41	1	2.4%	306	8.9M	8.9M	1
2500	Luxuria, The	24	3	12.5%	264	4.8M to 6.15M	5.613M	1
2600	Stratford Arms	120	2	1.7%	78	1.295M to 1.45M	1.373M	0
2800	Ocean Towers	256	9	3.5%	83	775K to 2.495M	1.434M	3
3000	3000 South	80	1	1.3%	12	1.595M	1.595M	0
S/T	South Beach	1132	44	3.9%	155		1.698M	13

Totals	April 2018	2206	93	4.2%	155		2,215M	25
Totals	April 2017	2206	83	3.8%	153		1.915M	14
Totals	April 2016	2206	68	3.1%	121		2.081M	20

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 BeachesMLS on March 20, 2018. This representation is based in whole or in part on data supplied by BeachesMLS. BeachesMLS does not guarantee or is not in any way responsible for its accuracy. Data maintained by BeachesMLS may not reflect all real estate activity in the market.