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Exclusively Serving “Boca’s Beachfront Condominiums”

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# THE BOCA BEACH REPORT

**March 2021**

*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.*

## Wealth Is Possible With Good Credit

With good credit, loans are available for houses and small apartment buildings. Would-be buyers with a decent down payment can buy excellent rental properties. We recommend real estate, not just because it is our business, but also because it has the best track record of most investments. Anytime is a great time to invest in real estate.

When you own a rental house or houses in your home community, you are well on your way to wealth in the future. Another possibility is an investment home or condo at your favorite vacation spot.

There are three common types of residential real estate commonly used as rental units in most areas. These are:

***Privately owned rental houses, cooperative housing projects and condominiums.***

Since there is a large market for rental housing, residential rental properties can be a very lucrative investment.

**Each of these investments involves a basic human need, which is living space.**

### Homes And Co-ops

Individual ownership of a home is quite familiar to most everyone. Joint ownerships are different. The way joint ownership is achieved is

what distinguishes condominiums from co-ops. In a typical co-op, a cooperative housing corporation is the title owner of the entire property. The unit owners are tenant-shareholders of the corporation whose stock holdings entitle them to lease to occupy a unit and use the common grounds. The corporation runs the property and the tenant-shareholders are each responsible for a pro-rata share of all operating expenses.

### Condos

The condominium is the more common type of joint ownership. In a condominium, each unit owner owns an interest in real estate and is responsible for taxes, assessments, mortgage financing, and repair and maintenance work on the unit. The deed to the condominium unit also grants the owner an undivided interest in the common elements of the development. So the condominium unit owner enjoys almost all the benefits—and shoulders the same responsibilities—that a private homeowner does.

### Vacation Areas

A leisure or vacation condominium can take many forms. It may be a project consisting of detached houses, townhouses, garden apartment or high-rise apartment buildings. Condominium units may run



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from one-room studio apartments to four-bedroom houses. Equipping each bedroom with its own bath can provide flexibility. Think Bed & Breakfast. With the proper permits you can turn a vacation home into a B & B where the owner is not on the premises but provides a great little place that rents to people for a mini vacation. A two-bedroom apartment, condo or house with a sofa bed in the living room could rent to three separate couples sharing the unit.

### **The Rentals**

When owners rent vacation rentals, a rental agent in the resort community normally handles the rental. An owner might handle a long-term rental in his hometown, but short-term rentals, as short as a weekend should be handled by a management specialist. The management company in a resort will have a staff comparable to a hotel staff, with cleaning persons, maintenance personnel and full time bookkeepers and office staff to handle the turnover and keep the house or unit available.

Management fees will vary widely. They will be a higher percentage than a management company would charge in a non-resort area for a month-to-month rental of a home or apartment. The tenant in a month-to-month rental may stay for years, while the resort rental may change many times in a month.

### **Rental Arrangements**

The rental may be handled as a direct rental or on a pooled rental arrangement, depending on the agreement with the management company.

In the direct rental, each rental of the individual unit is reported separately, the management fee is deducted and the balance is sent to the owner, usually on a monthly reporting basis.

Under a rental-pool arrangement, condominium-unit owners agree to place their units in a common pool. They all share the expenses of the rental operation and receive a share of the net rental income. This is figured on the basis of the proportion that their unit bears to all the units in the condominium for the particular accounting period. The proportion is computed by determining the number of days that the unit was in the rental pool (i.e., the total rental days in the accounting period less the days in that period during which the owner occupied the unit himself).

The manager leases pooled units according to the terms of the agreement, collects and pools the rental income, pays all the rental pool's expenses, and pays each owner his net share.

This type of arrangement will of course vary depending on the area, type of unit and how you choose to have it managed. ❖

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## **Price Isn't The Only Factor In A Sale**

The natural focal point of a real estate purchase contract is the selling price of the home, but the price isn't the only factor that determines the net bottom line for both the buyer and the seller. Is a bargain for the buyer really a bargain if he or she is paying all the transaction costs? Is a top price for the seller really a top price if the buyer wants all the furniture to be included in the purchase price? Before you decide to go ahead with a great price, here are five other bottom-line points to consider:

### **1. What are the estimated transaction costs and who will pay for what?**

Typical costs include the brokers' commission, a home inspection, a termite inspection, escrow or attorney's fees, a title search, an owner's title insurance policy, transfer taxes and recording fees. The price tags on these items vary greatly around the country. Who pays for what is a matter of both local custom and negotiation.

### **2. How much money is the buyer putting into escrow and how soon?**

A big deposit – called “earnest money” – and a substantial down payment are generally seen as a sign that the buyer is serious about completing the transaction. From the seller's point of view, the more money the buyer places in escrow and the sooner the money is transferred, the better.

### **3. Is there a mortgage financing contingency and how specific is it?**

The mortgage escape clause is a must for buyers, unless they're paying all cash for the home. Without this contingency, buyers can be legally obligated to purchase the home even if they can't obtain financing. Further, an open-ended statement that says the buyer will obtain a loan “at the prevailing rate of interest” leaves the buyer completely exposed to interest rate fluctuations. A statement that says the loan must be at an interest rate “not to exceed xx percent” and on specified terms is preferable.

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#### 4. What furniture, fixtures and appliances, if any, are being sold with the property?

Technically, anything that's permanently affixed to or installed in the home is real property. Everything else is the seller's personal property. This distinction is a narrow one and it naturally leads to a fair amount of confusion. Are built-in appliances real property or personal property? What about a shelving system? A chandelier? Window coverings? Potted plants in the backyard? Sellers who intend to remove anything that's attached to the home should have that spelled out in the contract. And the same goes for buyers who expect to acquire any of the furniture or other movables.

#### 5. What will happen if either side breaches the contract?

Unless an unmet contingency triggers the abandonment of the contract, it's a binding legal document. Buyers who fail to perform can lose their deposit money. Sellers who try to back out can be sued for "specific performance," which forces the sale of the home to the buyer. Many contracts also specify that disputes must be brought in small-claims court or presented for arbitration or mediation.

**Tip:** Ask your real estate agent to go over the standard contract with you before you receive or make a purchase offer. That way, you'll know what to expect and be prepared to negotiate the best deal you can get. ❖

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## Before You Sign – Get A Professional Inspection

Whether you buy a new home from a contractor or purchase a used home from a home owner, you should get a professional inspection to locate any problems before the closing. Before you settle on a home, while you are still looking, here is a short list of things to look for yourself. This can help you settle on the right home, then have the professional inspection.

A buyer can be concerned about possible problems that do not exist and can take a very defensive position during an inspection. Another buyer might be so elated about the purchase that he/she can overlook things that might be easily fixed before the closing. Here are a few things that a new homebuyer can look for during an inspection:

1. **Concrete.** When the driveway and garage floor are new, there should not be major cracks. After some time, you can expect some small cracks, but there shouldn't be any that have opened up more than 1/8 inch or have displaced.
2. **Sheet rock or plaster.** The walls and ceilings should have an even texture without clumps of material in corners. Nail indentations, cracks or "nail pops" should be repaired. Seams should not show.
3. **When a home is new, it should look new.** The home should look and feel like it was put together with materials that look good. Examine the finish hardware and baseboards. Is everything sparkling new? Don't accept anything that looks used or damaged.
4. **The floors** may be hardwood, tile, carpet, vinyl or laminate.

- Carpets have seams, but they should not "stand out." Some designs of carpet make seams that are more difficult to hide. If a seam stands out, pull the yarn back and see if the backing is tight and straight. If it is, then you have a good seam. If there is a space, it needs to be straightened. Wall-to-wall carpeting should be stretched tight to all walls. Look for any stains in the carpet.
- Vinyl should have seams that are clean and tight. Look for damage, tears and gouges.
- Hardwood and laminate floors. Check for an even finish with no gaps and check everywhere for squeaks.
- Tile floors. Check for loose tiles, cracks or chips.

5. **Check the paint,** it should cover evenly without streaks, blotches or runs. Most builders will leave touch-up paint of each color for the buyer.

6. **Appliances, sinks, tubs, showers, and kitchen tile:** Check for cracks, dents and chips. Find them now, so that there can be no later arguments with the builder.

7. **Operation manuals** for all appliances, water heaters etc. should be in the home. General information about the operation of anything should be provided.

All of these things are cosmetic in nature and are the things that can be inspected visually during the tour. Any problems with plumbing, heating, electrical, etc., will have to wait until the buyer lives in the home for a while. On a new home, the builder expects to be called back occasionally to correct minor things. ❖

# 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	1	12.5%	217	2.69M	2.69M	0
2070	Athena	4	0	0.0%	0	SOLD OUT	0.00M	0
2066	Ocean Reef Towers	55	1	1.8%	13	1.089M	1.089M	0
2000	Brighton	39	1	2.6%	29	1.795M	1.795M	1
<b>S/T</b>	<b>North Beach</b>	<b>106</b>	<b>3</b>	<b>2.8%</b>	<b>86</b>		<b>1.858M</b>	<b>1</b>

## 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	10	6.5%	127	899K to 1.85M	1.313M	2
310	Boca Mar	38	1	2.6%	94	550K	550K	0
350	Beresford	53	1	1.9%	113	1.55M	1.55M	0
400	Excelsior, The	27	1	3.7%	351	4.2M	4.2M	0
500&550	Chalfonte, The	378	4	1.1%	82	899K to 1.475M	1.156M	3
600	Sabal Shores	125	3	2.4%	55	575K to 1.195M	846K	2
700	Sabal Point	67	2	3.0%	166	710K to 1.295M	1.003M	2
750	Sabal Ridge	31	2	6.5%	508	2.1M to 3.4M	2.75M	1
800	Presidential Place	42	0	0.0%	0	SOLD OUT	0.00M	1
1000	One Thousand Ocean	52	5	9.6%	288	2.995M to 13.5M	7,428M	0
<b>S/T</b>	<b>Boca Beach</b>	<b>968</b>	<b>29</b>	<b>3.0%</b>	<b>178</b>		<b>2.457M</b>	<b>11</b>

## 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%	85	535K to 1.195M	888K	4
1200	Cloister Beach	128	0	0.0%	0	SOLD OUT	000K	3
1400&1500	Addison, The	169	6	3.6%	187	1.595M to 5.495M	3.278M	3
1800	Placide, The	54	3	5.5%	70	899K to 1.725M	1.265M	1
2000	Whitehall	164	8	4.9%	105	650K to 1.425M	1.005M	5
2494	Aragon, The	41	2	4.9%	150	3.895M to 3.995M	3.945M	1
2500	Luxuria, The	24	2	8.3%	179	6.25M to 6.5M	6.375M	0
2600	Stratford Arms	120	2	1.7%	455	1.15M to 1.245M	1.198M	1
2800	Ocean Towers	256	9	3.5%	152	799K to 1.895M	1.150M	4
3000	3000 South	80	4	5.0%	100	889K to 1.65M	1.204M	1
<b>S/T</b>	<b>South Beach</b>	<b>1132</b>	<b>39</b>	<b>3.5%</b>	<b>148</b>		<b>1.856M</b>	<b>24</b>

<b>Totals</b>	<b>March 2021</b>	<b>2206</b>	<b>71</b>	<b>3.2%</b>	<b>157</b>		<b>1.678M</b>	<b>36</b>
<b>Totals</b>	<b>March 2020</b>	<b>2206</b>	<b>93</b>	<b>4.2%</b>	<b>140</b>		<b>1,940M</b>	<b>18</b>
<b>Totals</b>	<b>March 2019</b>	<b>2206</b>	<b>100</b>	<b>4.5%</b>	<b>145</b>		<b>2,039M</b>	<b>11</b>

### 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 February 18, 2021. 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.