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THE BOCA BEACH REPORT

September 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.

Time To Downsize

You have chosen that perfect Condominium for your new home and have sold the home that you raised your family in. Your kids have moved out for the last time (or so they say). You are now empty nesters and you’re ready to downsize. But doing so is all about getting rid of what doesn’t matter, holding on to what does — and knowing the difference.

Using space wisely is essential to downsizing. If you are parents of grown children, striking a balance between tossing everything and saving cherished childhood items can be a problem.

Moving from a 2,400-square-foot house to a 1,200-square-foot townhome and easing into a smaller space can be distressing, but renting a self-storage unit to help in the process might be a good idea to downsize gradually.

Looking around your new home you may find areas that you can add storage space. Installing closet organizers, and shelving in unused spaces such as under a staircase can add that much needed storage space.

Have things in a keep pile, a maybe pile and a get-rid-of pile. The keep pile are things you will need for your kitchen, bath, bedrooms, and things that are most precious to you. The

things that make a home, a home. The maybe pile becomes important, because you should think through it—once it’s gone, it’s gone. The get rid of pile, donate to a local charity.

A contractor once told us, when remodeling our home, if you haven’t used it in two years, get rid of it. This goes for kitchen items, large roasting pans, extra dishes, and cookware. The out of style clothing that fills your closets. Look over everything and ask the question “How long has it been since I have used this?” If the answer is, a long time, then it’s time to get rid of it. You will be amazed at the things that you have kept that you no longer use or even want.

Deciding what to keep often comes down to determining if the item is useful and personally significant, sentimental but not really useful, or easily replaceable and taking up space. The things that you think your children ‘might’ want to have at a later time or your someday grandchildren might want. Will they really want them?

Installing closet organizing systems and adding storage units in small areas can be done with very little cost.

Be deliberate when downsizing, think “stuff is just stuff”, but also use a sense of caution that you don’t go too far too fast. ♦

The Definition Of Value In A Home

Home owners asked about the definition of value in a home. They became confused with terms like “fair market value,” “listing price,” “actual sales price,” and “assessed value.”

There are several definitions of “value” in a home or other kinds of real estate. The concept of value only takes on meaning when defined by another word such as “assessed.” Here are some of the definitions:

Fair market value is the price at which a change of ownership between a “willing and able” seller and a “willing and able” buyer occurs. The sales price may not be an indicator of fair market value if the transaction occurred between relatives, for example, or if one of the parties was a poor negotiator.

In some situations, such as tax appeal and refinancing the property, fair market value must be determined even when a transaction will not occur. However, fair market value is ultimately determined by comparison to actual sales in properties compared to the home being evaluated.

Listing price refers to the amount the seller lists the home for with an agent. The main significance is a legal one: If the agent comes up with a ready, willing and able buyer, the seller may owe the agent a commission even if he or she decides not to sell the home after all. Listing price may not have relation to actual value of a property, but only what a potential seller may want to get in a sale.

The asking price is the figure that the buyer first encounters from the agent, seller or advertisement. The listing price and asking price need not be the same, but usually will be, particularly if the information is from an agent.

Assessed value does not necessarily have any direct relation to fair market value. In some states, the assessment is based on a percentage of fair market value—50 or 30 percent is not uncommon—although the rules may be more complex than this. Thus the assessed value of a home with a fair market value of \$100,000 might be \$30,000, \$50,000 or \$100,000 depending on the system used.

This is the way that assessments for taxes work in many states, and since some of you own property in two or more states, you may want to check with the specific place that your second home, etc., may be located.

In a few states, like California, the assessment

process has been changed by legislation. In California, the assessment for taxation is based only partially on the value, since the assessment is based in the fair market value at the time the home was purchased, plus a small percentage per year, rather than the value during the year when it is assessed for taxes.

When Do You Need A Professional Appraisal?

The owner or a prospective buyer can order an appraisal at any time, but there are times when it is always required. Here are some of the recommended times to get an appraisal:

- **To determine whether a proposed purchase or sale is at a fair price.** The value fixed by the appraiser may strongly affect the final price, but the financing and tax aspects of the overall transaction may be such that a buyer could be willing to take less for the property.
- **Appraisals of each of the properties** in a planned exchange should be made. A good estimate of value on each will assist everyone involved to establish equities in the exchange.
- **Always when a new institutional loan is required** for a new buyer. Often, the lender will appraise the property conservatively. This is always understandable when the buyer may be prepared to put up only 10% of the value, and the lender is being asked to put up all or most of the balance of the purchase price.
- **Before entering into a long-term lease**, both the lessor and lessee each may need an accurate idea of the value. This might be a basis for negotiation by either, to determine if the proposed lease is for a fair rental amount.
- **If a renovation or modernization** of an older building is being planned, the appraisal may be requested to be made on the basis of the property, as it will be when the renovation is completed. The purpose of the appraisal would be to determine if the additional income would be sufficient to amortize the capital investment and also return a profit to the owner.
- **For insurance purposes.** It may be important to establish replacement costs, less the physical depreciation, to determine how much fire and casualty insurance should be purchased to adequately cover the property. An appraisal may also be needed to establish proof of loss or to establish the basis for settlement in cases of partial or total loss under insurance contracts.

(continued)

- **For condemnation purposes.** To estimate damages that are adequate, but not in excess of fair compensation, when negotiating a condemnation award, or seeking the determination of fair compensation for a condemned property in court.
 - **For local tax purposes.** To make a proper assessment for local real estate taxes, or to review and contest an assessment to reduce real estate taxes.
 - **Income tax liability.** It may be necessary to appraise a property to determine the liability for income taxes in a taxable exchange, or in a liquidation of a corporation owning real estate.
 - **For estate tax purposes.** To determine inheritance and estate tax liability when real estate was owned by a decedent at the time of his or her death.
 - **For gift tax purposes.** To determine the tax liability when real estate is the taxable gift.
- As a basis for offering investors an interest** in real estate through syndication or participation in a corporation or real estate investment trust.

Market Value Vs. Market Price

While value does not need a transaction to exist (you can value something too much to sell it), price does.

Price is the amount of money paid for something.

Most of us have heard the old expression, "You can name the price on your property, if I can name the terms". There is a world of difference between an all-cash sale and a "no money down and carry-back loan with low interest".

Market price is simply the amount paid or contracted for in a particular transaction. As such, it may or may not be governed by prudent acts of the parties, unique financing agreements, or open market conditions. Using some of the creative financing ideas of recent years has demonstrated the truism that the terms and conditions of a transaction determine the price. Sophisticated market appraisals should include these factors on properties used as a recent comparable sale as surely as they do the differences in location, size, or quality of the improvements. ❖

The Right Real Estate Investment

The smart buyers are making their moves in the real estate market. They recognize opportunities and are being guided and represented by the most professional real estate offices in the area.

The agents in our real estate company are in the market place every day, keeping a daily contact with prices, values, supply and demand for all types of real estate in the local area. We keep up with the latest laws and local conditions that can affect the value of your property. When you need professional help, we are ready to assist with your sales, purchases and exchanges.

This newsletter keeps the homeowner informed on the latest news, nationally and locally, that will have some bearing on your property and its value. We will inform you of new tax laws and decisions regarding real estate and information about maintenance and repairs.

When you purchase real estate, your first consideration may be to know about the best homes offered in the area that you prefer. We will make sure that you see every property in your price range that is available for purchase. When your perfect property is located, we assist with the offer. You must know the value of comparable properties that have been sold

and other properties remaining on the market. The terms that you settle on in your offer can be as important as the price or the down payment.

Selling a property can be an easy or difficult experience. The actual asking price is critical. To get the maximum amount of money for your equity in the shortest time, the amount asked for the home must be right at the market. Price it too high and the property may stay on the market for many months, at a cost of both time and money; too low and you sacrifice some of your equity. We can suggest ways to make the home more attractive to buyers, then review the offers you receive to make sure you fully understand the terms.

The offered price may not be the whole story. Remember, it is always the amount of money that you will keep, after taxes, that is the real "bottom line" in your real estate sale.

It is difficult to know exactly what will happen in coming months in the real estate market, but we do understand trends. The recent trends have been more activity in the market place. If you want to buy or sell in the near future, we ought to discuss the timing with you as soon as possible.

Let's get together and evaluate your position. ❖

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	0.00M	0
2070	Athena	4	0	0.0%	0	SOLD OUT	0.00M	0
2066	Ocean Reef Towers	55	1	1.8%	49	850K	850K	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	0.00M	0
S/T	North Beach	106	1	0.9%	49		850K	0

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	2	1.3%	13	999K to 1.55M	1.275M	1
310	Boca Mar	38	0	0.0%	0	SOLD OUT	0.00M	0
350	Beresford	53	0	0.0%	0	SOLD OUT	0.00M	1
400	Excelsior, The	27	0	0.0%	0	SOLD OUT	0.00M	0
500&550	Chalfonte, The	378	2	0.5%	30	899K to 990K	945K	2
600	Sabal Shores	125	2	1.6%	60	649K to 1.295M	972K	2
700	Sabal Point	67	0	0.0%	0	SOLD OUT	0.00M	0
750	Sabal Ridge	31	1	3.2%	123	2.395M	2.395M	0
800	Presidential Place	42	1	2.4%	70	4.75M	4.75M	0
1000	One Thousand Ocean	52	0	0.0%	0	SOLD OUT	0.00M	5
S/T	Boca Beach	968	8	0.8%	50		1.691M	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	1	1.0%	21	499K	499K	2
1200	Cloister Beach	128	1	0.8%	31	949.9K	949.9K	0
1400&1500	Addison, The	169	1	0.6%	324	5.25M	5.25M	0
1800	Placide, The	54	1	1.9%	181	1.3M	1.3M	1
2000	Whitehall	164	4	2.4%	309	739K to 1.49M	1.2M	1
2494	Aragon, The	41	1	2.4%	105	6.99M	6.99M	0
2500	Luxuria, The	24	3	12.5%	93	4.999M to 9.75M	6.915M	1
2600	Stratford Arms	120	0	0.0%	0	SOLD OUT	0.00M	1
2800	Ocean Towers	256	1	0.4%	27	945K	945K	2
3000	3000 South	80	6	7.5%	55	845K to 1.595M	1.055M	2
S/T	South Beach	1132	19	1.7%	124		2.428M	10

Totals	Sept. 2021	2206	28	1.3%	100		2,161M	21
Totals	Sept. 2020	2206	93	4.2%	160		1,781M	15

FIGURES FOR 2019 ARE UNAVAILABLE

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 August 19, 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.