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THE BOCA BEACH REPORT

Be Smart When Making An Offer

When you are buying a house, there are some things that don't count when making an offer. What really doesn't count is an oral offer. It must be in writing. The seller could tell you in front of 100 witnesses, "I'll sell you the house for \$300,000, and I will give you a receipt for the \$30,000 you are handing me to serve as an earnest money deposit. Let's shake hands on it".

And if the seller backed out, and you took the 100 witnesses into court to prove he had accepted your offer, it would not do any good. There would be no sale. Nothing is legally enforceable in the purchase and sale of real estate, unless it is in writing. (That's according to a law known as the Statute of Frauds.)

Even that \$30,000 you gave as a deposit would not help— though the judge would probably order it returned to you.

Be Careful What You Say

Remember that the seller's agent is legally obligated to report everything he knows to his client. Suppose you say, "This is the house for us — if

they don't take this offer, we'll go higher." Statements like this will be reported to the seller.

How Much Should You Offer?

Do not assume the sellers have built in a cushion because most sellers expect a "usual" five or ten percent bid under the listing price. Some owners hate negotiating and may list at rock-bottom for a quick sale.

No matter what the asking price, some buyers think it is smart to make a very low offer and wait for the seller to counter a few thousand dollars off of that price. Then the buyer raises the offer a little and continues with offers and counter offers until a low price is reached on the house.

In our experience, this tactic might kill the sale. Too low on the original offer and picking on the seller with many offers and counter-offers can raise tempers and frustrate the seller. When the seller is angry and will not answer another counter-offer, the buyer is left hanging. ➔



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Privileged information about your real estate

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

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Please Clip and Mail or Call Me for More Information

As your real estate professional, I am available to assist you in your planning. Simply complete and return the following request for information or contact me today for immediate assistance.

- | | |
|--|--|
| <input type="checkbox"/> Purchasing a home or second home | <input type="checkbox"/> Long distance Relocation |
| <input type="checkbox"/> Selling a home or second home | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Purchasing or selling Investment Property | <input type="checkbox"/> Please contact me between these hours _____ |
| <input type="checkbox"/> Checking on current value of my property | |

Name _____

Address _____

City _____ State _____ Zip _____ Phone _____

E-mail: _____

If your property is now listed with a broker, please disregard this offer. We will cooperate with other brokers.

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The broker can show you a list of sales that are comparable to this house and the asking price. If the price is fair and in the market, it's wise to make your original offer close enough to the asking price to tempt the sellers to accept it immediately and be done with everything. They won't have to keep the home perfect for showing and can get on with their lives.

The list of "comp" sales establishes accurately the real value. They show the process of supply and demand in the open market — what other buyers have been paying for similar property in the neighborhood recently.

Here is where you might make a low offer. If the house has been on the market for many months at a given price, then other buyers have voted that it isn't worth what's being asked. Don't offer full price.

On the other hand, don't hesitate if you find a bargain. (With your list of "comps" and experience in the neighborhood, you should be able to recognize one.) If the house is just listed and "hot" — unusually attractive, under priced, it won't last long. Offer full price. If other buyers are swarming around an open house, your offer may be in competition with others by that evening; consider offering something over full price. ♣

Selling? Make Your Home The Most Desirable In Town

In any market some homes always sell at the highest price. These sellers are always the most outstanding homes. In the past few years, in a seller's market (buyers far outnumber sellers) planning the home sale to the extreme brought sellers larger profits. Many buyers were willing to pay a premium price for a truly exceptional home (or one that appears exceptional). Now, the market is balanced between buyers and sellers, so sellers must work hard.

Some owners have even moved all of their furniture out and rented more expensive furniture to have the home show in the best way.

Without taking that step, there are five steps to creating the exceptional home.

- Cleaning
- Clearing the clutter
- Depersonalizing
- Decorating and accessorizing
- Maintaining

Cleaning

This means a cleaning that most of us have never done. It is a deep cleansing that goes to every surface, every window, carpet, ceiling fan, shower door, everything in the home. Every exposed surface in the home should look new and sparkling. Replace the covers of any wall plugs and light switches. Replace the carpet if it shows any wear. Many sellers replace all of the doorknobs ➔

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throughout the home. (Tip: Doorknobs on the inside of closet and bedroom doors are probably like new, and can be switched with worn ones.)

Clearing The Clutter

Most people put this off until after the sale. But now is the time to get rid of those things you will never need again. Throw them away, donate or sell them. Also, pack up anything you can live without for the selling period. Bundle about half of the things that are now in closets, and any knickknacks anywhere in the home. The kitchen and bath counters must be clear and uncluttered. Cabinets and drawers must contain just a few items, because prospective buyers will be opening doors and drawers and will want to see a lot of space.

Get rid of some furniture. Most homes have too much. Cut it to a minimum and the home looks larger.

Don't put the packing boxes and furniture in the garage. It should be roomy and uncluttered too. Store them with a friend or rent a storage unit.

Depersonalizing

Get the picture of a builder's model home in your mind. Get rid of your personal stuff. Family photographs and personal collections have to go. Buyers try to visualize themselves living in each home they see and it is difficult to do with your

personal things around. Try to make every room impersonal and orderly so that it will appeal to everyone.

Decorating and Accessorizing

Paint works wonders and costs little, but more than anything else, gives that new look to the home. You got rid of all the personal things, so now add fresh flowers, green plants and pretty accessories. These really add to the overall look and do not break the bank account.

Maintaining

Here is the tough one. The "look" that you have worked to achieve must be kept—all day, every day. That is inflexible. Everyone in the family must work at this. It is not easy to keep a home hotel-clean while you are living there, but the payoff can be a higher price and perhaps a quicker sale. The yard must be maintained, neat and trimmed. Don't do elaborate landscaping; the buyer might think it would be hard to keep up.

Pay attention to the traffic flow in the home. You got rid of some furniture. Now arrange the rest so a prospective buyer can easily navigate around. They must be able to walk through a room without being impeded by any piece of furniture.

You can choose how far to go. It might be simply cleaning or might involve a total remodel of an old home. We can help with suggestions when you list it for sale. ♦

Should You Have A Second Home In Your Investment Portfolio?

We have heard reports that many people are moving money out of the stock market and retirement plans and investing in real estate. They consider real estate a safe investment. Other investments are not as secure.

Owning a rental home in your home area is a great investment. A resort home or condo located at or near golf courses, tennis clubs, ski areas, lakes or oceans can also be an outstanding idea. Other than just being able to use it as a second home, there are other benefits used by some owners of these properties. Here's a partial list of extra benefits:

- Tax benefits that include depreciation allowances and deductions for property expenses (for properties that are rented).
- Long term property appreciation.
- A possible retirement residence.
- The opportunity and challenge to own and operate a "small business."

- Trading weeks of vacation time with other owners of resort property around the nation and around the world.
- Forced savings and building of assets.
- A place to entertain friends, family, or business customers and clients.
- The status, pride and pleasure of owning a home at a resort.

When the investor looks at such a property as a rental, the first question usually is, "Will I have a positive cash flow with the investment?" This can be estimated only on a specific property when we know (1) the size of the down payment made on the property, (2) the property's expenses and (3) the amount of rental income.

If this sounds good to you, and you want to make an investment at your favorite vacation spot, give us a call. If you want to trade up or down to another property, we can answer all of these questions for you. ♦