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THE BOCA BEACH REPORT

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your real estate*

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this real estate office.*

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Real Estate – Still The Top Investment

If there is a “correction” in the prices of homes, it only makes them a more attractive investment. With continued low interest rates, there is an opportunity to acquire more investment real estate. If you don’t want or need to move into a newer home, this might be the time to consider taking advantage of these rates to make money in real estate investments.

Other kinds of investments, like stocks, have no comparison to real estate.

Leverage: Most improved real estate can be purchased with a small down payment. The purchase of a \$250,000 property might be made with just 10% (\$25,000) down. If the property increased in value by just 10%, you would have an increase in your

equity of 100%. Where else can you get that kind of profit with a 10% increase?

The use of money: Suppose you own a property valued at \$400,000 that is encumbered by just a \$50,000 mortgage. You can refinance the property and take out a great amount of cash—tax-free. If you had the same type of appreciation in a stock, you would have to sell it in order to get the use of the capital—a taxable event.

Control of the Investment: With the real estate investment, you make the decisions that might enhance the value. You can improve or remodel the property, change the usage, or make other changes. With an investment in a stock, all of the management decisions that might affect the value

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Easements On Real Estate

During a storm, a crew from the electric company may come on to your property to make repairs on their lines. Usually, they notify you in advance, but in emergency situations sometimes that is not possible. What rights do they have to access your property?

When the utility companies that serve your home with gas, water and electricity cross

your yard to get to your home, they have a legal right of way or easement to cross your property. This legal right was given to them in a recorded document that was signed by you or by a previous owner of the property.

An easement has been defined as a right to use and enjoy **someone else’s** land for a particular purpose. This right has tremendous importance and

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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.

- Purchasing a home or second home Long distance Relocation
 Selling a home or second home Other _____
 Purchasing or selling Investment Property Please contact me between these hours _____
 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.

Real Estate-Top Investment (Continued)

are out of your control.

Choices For Investors

There are different ways that investors may use to make profits in real estate. One way is to invest for the long term by owning apartments or commercial properties. Some investors pick only land investments, spending a great deal of time choosing the areas that have the best potential for increases in value. There are some other investors that move quickly in and out of houses or small income properties, rehabilitating the neglected ones that will increase in value after a fix up.

Investors have been investing in rundown properties for a long time. Sometimes a homeowner may see an opportunity for profit right next door. With hard work and a small investment, an inexpensively purchased property that was in a rundown condition might be transformed into an attractive home.

Some owners lease the property for rental income while they hold

it for long-term capital appreciation. Sometimes they refinance, getting their original down payment back, and then hold the property as a long-term investment.

Things To Watch For In A Fix Up

Before the property is purchased, the investor must determine whether the property can be profitably fixed up. Some owners do the work themselves and others hire people to do it. Either way, planning is necessary. Here are some of the things that can be done to make a profitable fix up job:

1. General clean up and painting.
2. Replace carpets and window coverings.
3. Repair any broken or cracked windows.
4. Replace outdated bathroom fixtures.
5. Repair or replace broken gutters or downspouts.
6. Complete new landscaping of the yard.

Here are some of the things that can

be very difficult and may make a fix up job unprofitable:

1. A serious termite problem.
2. A wet basement.
3. Inadequate plumbing or plumbing needing replacement.
4. Broken seals on thermopane windows.
5. Building is structurally unsound. (Severe cracks, uneven settling or buckling.)
6. A new roof. While this can sometimes be handled in the ordinary fix-up, it is expensive. If all other things are favorable, check with a roofing contractor to see if the roof can be repaired rather than replaced.

Making a mistake in the purchase of a property for rehabilitation can be disastrous. Before making the offer to purchase any house that is to be fixed up for profit, hire an engineer or a competent inspector. The report from this professional will tell you what repairs are essential and some idea of costs. ♣

Easements (Continued from page one)

certain dangers for owners of real estate. Since an easement can restrict the free and complete use of land, it could have a negative effect on the true value of that land. Whenever a property is purchased, the buyer should identify any easement and carefully consider its significance in the light of his/her plans for the property. The buyer could find that the price was too high for land that cannot be freely and fully used.

Most all easements are in one of three categories: (1) **Surface easements**, (2) **Subsurface easements**, and (3) **Overhead easements**. Within any of these categories, a particular easement might be **temporary** or **permanent**.

◦ **The Surface Easement:** This is the right to use only the surface of the land. It includes right-of-way easements for highways and railroads as well as footpaths, driveways, bicycle routes, and the like. What if a neighbor has the right to cross your land with a driveway to his property? This could change the value drastically!

◦ **The Subsurface Easement:** This easement is the right to use the land at a designated distance below the surface of the land. Common examples of this easement would be for utilities. Underground water and sewer pipelines, telephone and telegraph cables and storage facilities.

Typically, a utility company would have the right to run its gas and electric lines on an owner's property (often in a five-foot deep, six-foot wide strip along the entire rear, front or side property line). The owner is restricted from either building on top of the easement or from denying ready access to the company for work on those lines. Anyone purchasing a property for a home and planning an in-ground swimming pool had better learn the exact details of any utility easements that could deny the free use of the area where the pool will be located.

• **Overhead Easements:** This easement is the right to use space

at a designated distance above the surface of the land. It usually will include power lines but could also include aviation routes. When the land borders an airport, an easement may be granted so that aircraft are permitted to cross the land at a lower elevation during take-offs and landings. A light-and-air easement (a refinement of the overhead) provides for open space in a specified area, prohibiting owners of adjacent properties from erecting any structure on those properties in such a way as to block out the light and air.

Usually an easement passes along with the land when the land is sold. The easement itself is a separate legal interest and it can be sold or transferred or leased.

Before investing in any property, be sure to check any easements on it. Insist that the documents of sale identify and describe the exact nature of any easements. Don't be caught unaware of a restriction that can drastically change the use of the land that you will own. ♣

Water And Fire Safety In Your Home

Homes are in more danger from fire during winter months than in other seasons. With heaters of various kinds plus fireplaces, there are more flames to touch off the disasters. Everyone has been told over and over about fire safety.

Fires can kill people and do damage to property. But, speaking of damage, did you know that your home is **six times** more likely to suffer damage from water than fire? That is what a major insurance company's claim results show for 2006.

Here are a few tips to use to reduce fire risk and water damage in your home.

First - Water Safety

- Find out where your main water shutoff valves are located. If a special tool is needed, get one.
- Inspect plumbing and waste lines for leaks or damage.
- Replace washing machine hoses

every 2 - 3 years. (A friend that owns a coin laundry replaces all hoses every 12 months.)

- Replace the water heater after 7 - 10 years.
- Clean gutters regularly and inspect roof annually.
- If you have a sump pump, test and maintain it regularly.
- Consider installing a water flow/leak detection device.
- With more people buying second homes, owners should consider turning off water at main shutoff valve when leaving either home unoccupied.
- Encourage builders to install easily accessible shutoff valves in all retrofitted and newly built homes.

Fire Safety

- Don't run electrical cords under rugs. Replace any frayed or

damaged cords. Make sure that extension cords are safety tested and can take an adequate amount of current. Don't use any electric heaters until you have checked if the home's wiring is adequate.

- Put safety covers over wall outlets if children are in the home.
- Keep drapes and furniture at least three feet from woodstoves, heaters and fireplaces. Have a screen over fireplace opening.
- Never leave cooking food on a stovetop unattended.
- Have home checked by electrician if there is any sign of bad wiring such as blown fuses.
- Have the chimney inspected and cleaned regularly. Like water safety, clean roof and gutters of leaves and debris. Trim dead branches from trees and bushes. Keep woodpile and flammable plants away from the house. ♣

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	List Price Range	PC
2150	Aegean	8	0	0.0%	TEMPORARILY SOLD OUT	0
2070	Athena	4	0	0.0%	TEMPORARILY SOLD OUT	0
2066	Ocean Reef Towers	55	6	10.9%	480K to 1.2M	1
2000	Brighton	39	3	7.7%	1.65M to 1.850M	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	List Price Range	PC
250	Marbella	155	11	7.1%	717K to 2.9M	0
310	Boca Mar	38	3	7.9%	589K to 649.9K	0
350	Beresford	53	4	5.7%	1.0M to 2.25M	0
400	Excelsior, The	27	3	11.1%	3.6M to 4.495M	2
500&550	Chalfonte, The	378	18	4.8%	495.8K to 2.2M	1
600	Sabal Shores	125	8	6.4%	399K to 1.45M	1
700	Sabal Point	67	2	3.0%	699K to 999K	0
750	Sabal Ridge	31	1	0.0%	1.45M	0
800	Presidential Place	42	2	4.8%	4.45M to 4.725M	0

South Beach

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

Address	Condo Name	TA	AA	%A	List Price Range	PC
1180	Cloister del Mar	96	7	7.3%	435 K to 895K	1
1200	Cloister Beach Towers	128	7	5.5%	449K to 899K	1
1400&1500	Addison, The	169	14	8.3%	1.295M to 2.495M	3
1800	Placide, The	54	3	5.6%	699K to 1.099M	0
2000	Whitehall	164	9	5.5%	585K to 993.5K	1
2494	Aragon, The	41	4	9.8%	2.595M to 5.5M	1
2500	Luxuria, The	24	1	4.2%	4.95M	0
2600	Stratford Arms	120	8	6.7%	850K to 1.195M	0
2800	Whitehall South	256	17	6.6%	599K to 1.399M	3
3000	Three Thousand South	80	4	5.0%	649K to 1.25M	0
TOTALS:		2154	135	6.3%		16

Key:

TA = Total Number of Apartments in Development * **AA** = Number of Apartments Available For Sale
%A = Percent of Apartments in Development For Sale * **PC** = Number of Apartments SOLD and Pending Closing

This information is compiled from RMLS, Inc., on April 23, 2007. This representation is based in whole or in part on data supplied by the RMLS, Inc. RMLS, Inc. does not guarantee or is not in any way responsible for its accuracy. Data maintained by RMLS may not reflect all real estate activity in the market.