



**Richard L. Dusik**  
President



**FLORIDA BEACH REALTY**  
and Financial Services, Inc.

1515 N Federal Hwy, Suite 300, Boca Raton, FL 33432-1994 (USA)

Bus: 561.391.9196 • TOLL FREE: 800.817.6957 • Fax: 561.391.0219

Website: [www.FloridaBeachRealty.com](http://www.FloridaBeachRealty.com) • E-mail: [RLD@FloridaBeachRealty.com](mailto:RLD@FloridaBeachRealty.com)

## Exclusively Serving "Boca's Beachfront Condominiums"

[TheAddison.org](http://TheAddison.org) • [TheExcelsior.org](http://TheExcelsior.org) • [PresidentialPlace.org](http://PresidentialPlace.org)

[TheAragon.com](http://TheAragon.com) • [TheStratfordArms.com](http://TheStratfordArms.com) • [ThreeThousandSouth.com](http://ThreeThousandSouth.com) • [WhitehallSouth.com](http://WhitehallSouth.com)

# THE BOCA BEACH REPORT

November 2007

*Privileged  
information about  
your real estate*

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

## In This Issue

- Use Equity Line To Finance Improvements
- Prepare Your Home Or Second Home For The Winter Season
- The Perils Of A "For Sale By Owner"
- News From Our Area

## Use Equity Line To Finance Improvements

Rather than move to a larger home, you may have decided to add on and remodel your present home. Your banker suggests that it would be best financially to use an equity line of credit to make the improvements and refinance the first mortgage later. That may sound like some of the costs of borrowing might be duplicated.

Maybe not. The costs to set up the equity line may be quite low. Some banks have

no fees at all for the equity line. The lender's suggestion may be a good one.

### Here's why:

Let's say the improvements will cost about \$75,000. Your mortgage balance is now down to \$150,000. The home should be worth approximately \$500,000 when the remodeling is done. By using the equity line for paying "as you go" you pay interest just on the outstanding balance each month. If you financed the whole \$75,000 up front, the interest would be on the total amount.

*(Continued on page two)*

## Prepare Your Home Or Second Home For The Winter Season

Whether homeowners live in a temperate climate in the city or by the beach or in a colder area, more of you are owners of second homes in mountain areas. Up to 20% of owners now own a vacation home somewhere. At ski resorts, ice, snow and wind can have devastating consequences on the coziest of homes. Last winter alone there was over \$1.5 billion dollars in insured losses due to burst

**pipes, frozen gutters and other weather-related disasters.**

Don't wait for the snow to fall to get ready for severe winter weather, A little time and effort in late Autumn can prevent the heartache of burst pipes and other disasters when a severe winter brings snow, freezing temperatures and arctic winds.

Here are suggestions for precautions homeowners can easily do (Some can apply to your primary home):

- **Check Insulation.** Look at insula-

*(Continued on page two)*

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.

### Use Equity Line...(Continued)

Here's an example. The contractor bills you just \$14,000 at the end of the first month. Your payments and interest are based on that amount only. If you had borrowed the entire \$75,000 with a traditional second mortgage or refinanced the first loan you would be paying interest on that full amount. The line of credit gives you the flexibility to borrow only what you need, when it is needed.

If you had refinanced the existing mortgage into one new, larger

loan, the amount of the loan would have been based on the property's value before the improvements, not the value after. It is possible you could be short of money.

Also, getting all of the money up front by refinancing the existing mortgage could require private mortgage insurance since you might need a loan that exceeded 80% of the property's current value. This would increase your monthly payment.

So, there is homework to do with the lender. You must get the costs of the equity line, then the total estimated costs to refinance once improve-

ments are completed. Then compare. If those costs using the equity line do not save significantly, then do the refinance at the beginning. There could be a saving.

While you are working with the lender initially, it might be a good idea to get a commitment on the final refinancing when the work is completed.

As is always recommended, obtaining financing counsel initially from more than one lender can give you the best idea of options and related costs. ♣

### The Winter Season...(Continued)

tion to attics, basements and crawl spaces. Add extra if it is packed down. If heat escapes through the roof it can cause snow or ice to melt up there. The water then re-freezes causing more snow and ice to build up. This can collapse a roof, and can cause ice damming. Well-insulated basements and crawl spaces will help protect pipes from freezing.

- **Maintain Gutters.** Remove leaves, sticks and other debris from gutters, so melting snow and ice can move freely. This will usually prevent ice damming - a condition where water is unable to properly drain. You also might install gutter guards. Available in most hardware and home stores, gutter guards are screens that prevent debris from entering the gutter in the first place.

- **Check The Thermostat.** The tem-

perature in the home should be at least 65 degrees. Since the temperature inside the walls where the pipes are located is substantially colder than the walls themselves, a temperature lower than 65 degrees may not keep the pipes from freezing.

- **Check Your Heat Sources.** The proper maintenance of furnaces, fireplaces and wood-burning stoves can prevent fire and smoke damage. Have all of



### *The Winter Season... (Continued)*

them serviced at least once a year. Make sure that smoke and carbon dioxide detectors are working properly.

- **Trim Trees.** Ice, snow and wind could cause weak trees or branches to break - damaging homes, cars, even people.
- **Maintain Pipes.** Wrap pipes with insulating tape and insulate unfinished rooms such as garages that may have exposed pipes. Also, repair cracks and leaks.
- **Know The Plumbing.** Can you shut the water off? Learn the location of the shut-off valve. Know

where your pipes are located. If your pipes freeze, time is of the essence. The quicker you can shut off the water or direct your plumber to the problem, the better chance you have to prevent the pipes from bursting.

- **Be Careful If Home Is Not Occupied.** If this is a second home, be sure to turn off the water and drain the system. If the home was built in the last 20 years, turn off the water. If the home was built in the last 20 years, the shut-off valve may automatically drain the pipes. Have a plumber check for you.

You might also hire someone to check on your home on a regular basis. If there is a problem, it can be fixed quickly.

Your insurance policy is probably adequate, but check it. Standard homeowners policies usually cover winter-related disasters such as burst pipes, ice dams, wind damage caused by weight of ice or snow.

Damage to homes caused by flooding is usually excluded from most standard homeowner policies. Flood insurance is available from the National Flood Insurance Program. ♣

## The Perils Of A "For Sale By Owner"

We can't think of another reason for the owner to try to sell a home than the saving of the real estate commission. That decision is often being "penny wise and pound foolish". There are very many reasons for the owner not to try to sell his own home.

Recently a homeowner who wanted to list a home for sale contacted us. The man and his wife had tried to sell it themselves for two months. They told us of their bad experiences with the potential buyers who looked. Here are a few of the problems they had and some others that we have added.

- The asking price may not accurately and objectively reflect realistic local market conditions. A price that is initially set too high wastes time and gives the house a negative reputation.
- Owner's information about sales of similar properties in the area will be sketchy at best and will be received with skepticism.
- A sign on the lawn or an advertisement in the newspaper will often be missed by interested buyers who have already visited a broker's office.

- Potential buyers, who have been discouraged or reluctant in the recent past, may be interested now. But owners do not know where or how to reach them.

- The sign encourages "lookers" who consider it an open invitation to see how you live. Owners waste much time with lookers who are not genuine prospects under any circumstances.

- Prospects do not confide in the owner about their personal finances. It's easier for such prospects to say they simply cannot afford the house and move along.

- Owners typically cannot explain the various mortgage possibilities (ARMs, Conventional, FHA, VA) so as to give prospective buyers something positive to think about.

- Prospects rarely will insult an owner by saying what they object to about the house. On the other hand, prospects will not hold back at all when they

deal with a real estate agent.

- The key "attractive" features of the home will not be properly stressed. The owner will often not even try to discover what a particular buyer wants and is looking for. Owners will concentrate on what they like about a house and ignore what a buyer may need or want.

- Prospects will feel free to arrive at any hour, on weekends, evenings, and other times when the owner might simply prefer to be tending to other business. Selling your own home ties you down full-time for as long as it takes.

- A sale cannot be closed quickly. When a buyer says I'll buy, what does the owner do? Is he ready to present a contract of sale?

- Most prospects will first have to sell their own home. That creates a period of prolonged uncertainty. A real estate broker can help speed both sales along, suggesting bridge loans and other ways to solve problems. ♣

# 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	7	12.7%	599K to 1.169M	1
2000	Brighton	39	2	5.1%	1.667M to 1.85M	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	7	4.5%	650K to 1.05M	0
310	Boca Mar	38	3	7.9%	570K to 635K	0
350	Beresford	53	4	7.6%	1M to 2.25M	0
400	Excelsior, The	27	2	7.4%	3.4M to 4.495M	1
500&550	Chalfonte, The	378	21	5.6%	475K to 2.75M	0
600	Sabal Shores	125	6	6.4%	399K to 1.999M	1
700	Sabal Point	67	2	3.0%	599K to 850K	0
750	Sabal Ridge	31	1	3.2%	1.45M	0
800	Presidential Place	42	3	7.1%	3.55M to 4.575M	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 967K	0
1200	Cloister Beach Towers	128	6	4.7%	399.9K to 789K	1
1400&1500	Addison, The	169	12	7.1%	1.25M to 2.495M	1
1800	Placide, The	54	2	3.7%	1M to 1.099M	0
2000	Whitehall	164	6	3.7%	549K to 993.5K	0
2494	Aragon, The	41	4	9.6%	2.595M to 5.6M	1
2500	Luxuria, The	24	3	12.5%	4.75M to 5.8M	0
2600	Stratford Arms	120	7	5.8%	889.5K to 1.115M	0
2800	Whitehall South	256	15	5.9%	589K to 1.399M	0
3000	Three Thousand South	80	3	3.8%	755K to 1.095M	0
<b>TOTALS:</b>		<b>2154</b>	<b>123</b>	<b>5.7%</b>		<b>7</b>

### 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 September 20, 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.