



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 • E-mail: RLD@FloridaBeachRealty.com

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THE BOCA BEACH REPORT

December 2007

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your real estate*

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this real estate office.*

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Selling Your Home – Help Us By Being Away

my job. Believe me, the owner is not any help to the agent. Here are a few reasons why:

1. You make the buyer uncomfortable.

If you can recall how you felt when you were shopping for the home before you bought it, think about it. If the owner was there, you may have felt somewhat intimidated or reluctant to spend much time in the home. When it is only the agent and the buyers, the buyers are relaxed and will give your home their full attention

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When we list your home, we go over a short list of ways that you, the owner, can help us market your home. Most of these have to do with the appearance of the home and yard, to make the property as nice-looking as possible to any prospective buyer.

One of the most important on the list is not pertaining to the physical property but to you. When I or one of my cooperating agents shows the property, make yourself scarce—get out of the way and let me do

The Lowdown On The Second Home Market

Since 1999 – 2000 the number of people buying second homes has doubled. In 2004, nearly 460,000 families acquired a second home. Now one in 10 Americans own more than one house.

Buyers are taking advantage of low interest rates and the big increase in equity in their primary homes to fund the down payment and payments on the new homes.

Perhaps it is an extreme response to the explosive nature of the stock market or

maybe a desire to reunite scattered families in a vacation setting, but second homes are the choice investment today with baby boomers, the ones with the most disposable income.

Real estate has always been a top investment for Americans, but the second home is unique. It is real, something you can see and use, not an intangible like stock. You and your family can enjoy it. You can rent it out. It can give you the benefits of an investment return on rental income and appreciation on the investment.

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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.

Selling Your Home...(Continued)

and consideration. If the buyer has a minor objection to the home, he often will not voice it in front of the seller, and purchase another home.

2. The buyer makes you uncomfortable.

Sellers are always anxious. They are unsure of the price, and the length of time it has taken or will take to sell. Buyers are always critical even if they instantly like the home. There is no need to hear their criticisms of the color scheme or their redecorating plans. An experienced agent can detect some of these comments as "closing" signs, meaning they have decided

on this home.

3. Sellers might say the wrong thing.

Have you had a little disagreement with a neighbor? You might find yourself telling the buyer. Is the swimming pool too expensive to maintain in your opinion? This buyer might have a swimming pool like yours at the top of his "want" list. Schools close by? Maybe they have no children. Anything you say might be a "deal-killer". Discussing your motivation for selling can give them a reason to make a low offer.

4. We'll sell the home quicker

We want to show the home when you are not there. This is the same

at a weekend open house or a private showing. The one-on-one frank conversations that we can have with prospective buyers just cannot happen in front of the seller. When we call ahead for an appointment to show the home at a certain time, it is your signal to get out. This is the main reason for the call.

Occasionally, an agent from another office may be driving by with a prospective buyer who sees the for-sale sign and asks to see the home. Without any appointment, he may just knock on the door. The "perfect seller" will open the door and say, "Come on in, we were just leaving." And leave. ♣

Second Home Market...(Continued)

You own it and control it. There is a move away from things we can't control, such as the stock market.

The most popular locations are at recreation areas near water usually with golf courses and tennis courts. Top choices - at the seashore, lakes in mountain

areas, ski resorts. Exercise is vital to the baby boomers, hiking trails are a must, with swimming pools and fitness centers.

When choosing the second home, the commute is a big factor. Owners want to have a four-hour trip or less, by car or plane. Any further and it is too far away to use on week-ends.

Here is some data and stats about second homes:

- In the past 30 years numbers of second homes in the U.S. grew from 2.8 million to 6.4 million.
- Most owners are married with no children under 18. The average age of the buyer is 52.

Second Home Market... (Continued)

- Between now and 2010, projections indicate Americans will purchase nearly 1,000 homes per day. Eighteen percent of second homes are valued at \$500,000 or more.

- Only about half of second home purchasers take out a mortgage. The rest pay cash.

Using The Recreation Home As A "Primary"

Many employers in the 21st century are giving the "work at home" option to workers. It frees that worker from most of the problems of the daily commute. Computers, modems, fax machines, electronic mail keep the employee in touch almost like working at the office.

where they would like to live the year round. Many plan to retire there—someday. It may be a mountain resort, a lake, at the seashore.

The employee who works out of a home will probably still have to appear occasionally at the office, so must stay within a certain commuting distance. A daily commuter might want to live within 10 to 25 miles of the office, but someone coming in once a week might think 75 to 200 miles would be fine.

Entrepreneurs in certain lines of work can literally live anywhere. Computer program designers need only a computer and modem to be in a

underwriting guidelines are stiffer on second-home loans.

Also, the secondary market where the lender sells the second-home loan has different requirements for loans on second-homes.

Requirements and Qualifying

Most second-home loans require a 20 percent down payment. This would be for both an existing home and for a new second home that you will build. This 20 percent down applies to both fixed-rate and adjustable-rate mortgages.

Qualifying for a second-home mortgage can differ because the

Top choices - at the seashore, lakes in mountain areas, ski resorts.

The employee might live almost anywhere!

Employers Are The Real Winners

The employee might save money on travel, clothes or car expense, but the employer could be the big winner by being able to downsize office space. Saving the monthly rent on thousands of square feet could add a substantial amount to the balance sheet.

Employees, Entrepreneurs Work Where You Play

Many employees of companies that are still in downtown areas are aggressively looking for ways to transfer their office desk to their home, wherever it might be. If they can make the change, they might choose a remote area, a vacation resort.

When people pick a place for a second home or vacation home, it is at the one place in the country

multi-million dollar business. Publishers, advertising agencies and many other telecommuters have relocated to resort areas all over the country.

Financing The Resort Home

If you are selling the home in a metro area and moving to the country, financing should not be a problem as it is a primary home. But obtaining financing for a second home can sometimes be different.

A lender views loaning money on a second home somewhat differently than loaning money on your primary home. His thought is that since you have a primary home, should financial problems arise, you might forsake making payments on the second home in order to preserve the equity on your primary home. That's why most qualifying and

lender will count not only your loans such as cars and credit cards, but the payment you're making on your first mortgage as well. This can disqualify the potential borrower or at least minimizes what he/she can qualify for.

One suggested tool could be putting 10 percent down, applying for a 75 percent 1st loan and ask the seller to carry back a 15 percent 2nd loan. This is allowed by the secondary market that purchases second-home loans and will allow you to avoid private mortgage insurance (PMI) because your first mortgage of 75 percent is less than the amount of loan requiring PMI.

Check in advance what the lender will require if you use any creative combination of traditional and second mortgage financing. ▲

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%	599K to 1.169M	1
2000	Brighton	39	3	7.7%	1.45M 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	8	5.2%	650K to 899K	0
310	Boca Mar	38	3	7.9%	570K to 635K	0
350	Beresford	53	5	9.4%	895K to 2.25M	0
400	Excelsior, The	27	3	11.1%	3.4M to 7.45M	1
500&550	Chalfonte, The	378	18	4.8%	475K to 2.75M	1
600	Sabal Shores	125	6	6.4%	379K to 1.999M	0
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	9	9.4%	435 K to 967K	0
1200	Cloister Beach Towers	128	5	3.9%	495KK to 789K	0
1400&1500	Addison, The	169	10	5.9%	1.15M to 2.495M	0
1800	Placide, The	54	2	3.7%	1M to 1.049M	0
2000	Whitehall	164	9	5.5%	499.9K to 993.5K	0
2494	Aragon, The	41	3	7.3%	3.85M to 5.6M	1
2500	Luxuria, The	24	3	12.5%	4.75M to 5.8M	0
2600	Stratford Arms	120	6	5.0%	885K to 1.115M	0
2800	Whitehall South	256	12	4.7%	590K to 1.399M	1
3000	Three Thousand South	80	3	3.8%	659.9K to 1.095M	0
TOTALS:		2154	120	5.6%		6

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 October 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.