



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

Exclusively Serving "Boca's Beachfront Condominiums"

TheAddison.org • TheExcelsior.org • PresidentialPlace.org
TheAragon.com • TheStratfordArms.com • ThreeThousandSouth.com • WhitehallSouth.com

THE BOCA BEACH REPORT

March 2008

*Privileged
information about
your real estate*

In This Issue

• Be Smart When Making An Offer

• Should You Have A Second Home In Your Investment Portfolio?

• Is Now The Time To Borrow For Investments?

• The Expert In Real Estate

• News From Our Area

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

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

(continued on page two)

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

(continued on page three)

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.

- 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.

Be Smart When Making On Offer...(continued)

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.

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. ♣

Second Home...*(cont. from page one)*

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 pay-

ment 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. ♣

Is Now The Time To Borrow For Investments?

The ultimate mortgage for keeping money circulating with the minimum cost is the interest-only mortgage. As the name says, nothing needs to be paid to reduce the principal, just a monthly payment of the interest. The loan usually has a 10-year due date. While some lenders do not offer these terms, many do. Usually they are adjustable rate loans that are often limited to high-income borrowers with mortgages exceeding \$350,000.

Prudent investors who think that they can invest and get returns higher than the interest-only payments are taking out these loans. On a \$1 million mortgage, interest-only at 6.5%, the

monthly payments are \$5,417.00. Many investors feel that making more

than that profit with \$1 million in capital is not difficult.

Capital in high ranges like that from a home is quite rare, but many owners today are easily getting equity loans of \$100,000 or more for investments in other real estate. Their feeling is that break-even investment in real estate is a great deal. In a few years, inflation and loan reduction will make them wealthy.

The Investment

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%.

If you made a cash purchase of \$25,000 in stock, the same change in value would give you only 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 are out of your control. ♣

The Expert In Real Estate

Helping the people of the community with their real estate purchases, sales, trades, leasing, acquisition of rentals and other transactions is what I do on a full time basis. It is not just a job, but my career.

Since real estate is my only business, I stay current on all tax laws, local ordinances and anything else that will affect your investment. I am able to pass on this information that

you just do not have the time to look up for yourself.

When you need to buy or sell a property, I am here. If you want to trade up or down from your present home to another, I can handle both ends of the transaction and coordinate the closings to your satisfaction. You can expect my assistance in setting correct prices that will result in the fastest and most profitable sale. My firm's marketing techniques will insure the maximum exposure to the marketplace in the shortest time.

When you receive a purchase contract, I can help you evaluate all of the terms and conditions so that the final acceptance will be satisfactory to you. Prices and terms in an original offer can be changed with a simple counter proposal. A minor change in terms might make the amount of money you receive, after taxes, much more satisfying.

Call on me for real estate assistance. ♣

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	ADOM	List Price Range	PC
2150	Aegean	8	0	0.0%	0	SOLD OUT	0
2070	Athena	4	0	0.0%	0	SOLD OUT	0
2066	Ocean Reef Towers	55	6	10.9%	148	548K to 1.169M	0
2000	Brighton	39	3	7.7%	190	1.299M to 1.75M	1
S/T	North Beach	106	9	8.5%	162	1.24M	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	ADOM	List Price Range	PC
250	Marbella	155	11	7.1%	192	589K to 899K	0
310	Boca Mar	38	4	10.5%	208	319K to 635K	0
350	Beresford	53	3	5.7%	318	1.0M to 1.999M	1
400	Excelsior, The	27	4	14.8%	160	3.4M to 6.95M	0
500&550	Chalfonte, The	378	19	5.0%	187	475K to 2.75M	1
600	Sabal Shores	125	6	4.8%	209	379K to 1.7M	0
700	Sabal Point	67	1	1.5%	421	850K	0
750	Sabal Ridge	31	2	6.5%	8	1.45M to 1.75M	0
800	Presidential Place	42	3	7.1%	177	3.45M to 4.45M	0
S/T	Boca Beach	916	53	5.8%	195	1.35M	2

South Beach

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

Address	Condo Name	TA	AA	%A	ADOM	List Price Range	PC
1180	Cloister del Mar	96	9	9.4%	182	349.9 K to 967K	1
1200	Cloister Beach Towers	128	7	5.5%	77	495K to 789K	0
1400&1500	Addison, The	169	10	5.9%	207	1.09M to 2.35M	0
1800	Placide, The	54	2	3.7%	254	799K to 1.029M	0
2000	Whitehall	164	13	7.9%	141	461K to 950K	1
2494	Aragon, The	41	3	7.3%	393	3.85M to 5.6M	0
2500	Luxuria, The	24	3	12.5%	149	5.7M to 5.8M	0
2600	Stratford Arms	120	8	6.7%	385	799.9K to 1.475M	0
2800	Whitehall South	256	13	5.1%	120	595K to 3.2M	2
3000	Three Thousand South	80	2	3.8%	113	599K to 755K	0
S/T	South Beach	1132	70	6.2%	186	1.28M	4
Totals	Boca's Oceanfront	2154	132	6.1%	188	1.31M	7

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 RMLS, Inc., on January 24, 2008. 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.