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## Exclusively Serving "Boca's Beachfront Condominiums"

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# THE BOCA BEACH REPORT

**April 2008**

*Privileged  
information about  
your real estate*

## In This Issue

- Dealing With Clouds On Your Title
- Keep Records On Home Improvements For Taxes
- Homeowner's Insurance
- News From Our Area

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

## Dealing With Clouds On Your Title

At closing time, the seller will be asked to provide good and marketable title to the property, a title which is free of any liens or judgments, or "clouds on the title." A lien is a claim to property for the payment of a debt, and the lien holder could foreclose on the property if the debt is not paid off. Liens can generally be removed by the payment of the amount owed. This payment can occur before the closing takes place, or at the time of closing.

There are several types of liens, all of which could cloud the title and prevent the seller from conveying marketable title to the buyer. A mechanic's lien, or a construction lien, is a claim made by contractors or subcontractors who have performed work on the house who have not been paid. A supplier of materials delivered to the job may also file a mechanic's lien.

In some states, contractors and subcontractors must notify the home owner when they intend to file the

*(continued on page two)*

## Keep Records On Home Improvements For Taxes

In keeping records on your home, first and foremost, adopt the principle that nothing will be left to memory. Trying to recall, from unwritten memory, at age 65 or so, the cost of a new roof that was put on your home some 20 or 30 years ago is virtually impossible. So use a book. Probably best is an accounting-paper (lined and ruled) hard-backed book to

which pages cannot be inserted or substituted. Here are the entries that should be made:

- Enter the exact address (street, city and state) of the residential property.
- Record the date of purchase and your costs, including fees and closing costs.
- Insert the date on which the home improvement project was started (such as, the date on which a con-

*(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.

- |  |  |
|--|--|
| <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.

### *Dealing With Clouds On Your Title...(continued)*

lien, but in other states they can file the lien without any prior notification to the owner. An owner could face a mechanic's lien if his contractor fails to pay a subcontractor or a materials supplier. To insure that your property is free of any mechanic's liens, an owner should obtain a release of lien form signed by all subcontractors and material suppliers before making the final payment to the contractor.

Another type of lien which may occur is one related to a divorce. Often in a divorce, one or the other spouse may be awarded the right to live in the house. When that spouse sells the

property, for instance, the ex-spouse may be entitled to half of the equity. If things don't go as they should, the ex-spouse could file a lien for his share of the sales proceeds.

There are liens which exist in connection with condominiums and homeowner's association dues. At closing, the title or escrow company will request a certificate of payment from the homeowner's association to be sure that all dues and assessments have been paid and are current.

Some states allow a lien to be placed on property of divorced parents for unpaid child support payments. This is a lien which would have to be paid off before the property could be sold. Court judgments for unpaid

debts, such as credit card judgments or unpaid legal fees, is a type of lien which would have to be paid and removed before closing.

If you find a lien on your property, contact the lien holder and negotiate to pay off the debt, or if there is a question as to whether the debt is your responsibility, contact a lawyer to determine how to remove the lien from your property. If you are advised to pay off the lien to clear the title, be sure to have the lien holder sign a release of lien form and file this at the county recorder's office to clear the title in the official records. ♣

## Keep Records For Taxes...(cont. from page one)

tract was signed with an electrician or plumber or roofer.

- Describe the project. It is wise to put an envelope or pocket in the book so that you can file a copy of the contract or a written estimate provided for the job.

- Insert the date on which the home improvement project was completed. This detail is particularly important when a project takes a long time, covering periods in two different years.

- Enter the costs paid. These figures may be segregated by labor and materials. Costs should show the contractually agreed upon amount, and additional expenses that were paid as the project actually proceeded.

- Keep receipts, canceled checks, and similar written evidences of payments made. It is essential that you be able to "prove" the capital expenditure payments made and that calls for more than simply the entry of a dollar amount in a record book or a ledger.

- Start a new page for the next home you own and repeat the same kind of entries.

### Why The Records

If you live in a home for many years, the increase in value may exceed the \$250,000 or \$500,000 that is allowed to be forgiven in taxes on the gain.

The owner will have to pay tax on the gain he or she realizes over that figure and the purchase price at the time of the sale. At selling time, the amount of gain might be overstated because the homeowner's basis will be undervalued unless the

owner has records that (1.) substantiate the original cost of the home, and (2.) prove the capital improvement expenditures made over the years.

Although most homeowners have good records to establish what they paid for their homes, very few have records (or even have given thought to keeping records) to determine the amounts spent for improvements. The lack of proof generally means big trouble with the Internal Revenue Service; the homeowner could lose badly in the amount of taxes that must be paid.

**The Solution:** That is why we recommend creating the ongoing, permanent, written record. Set up a special, separate book in which to record the details of each and every outlay of money for home improvement. It will save money. ♣

## Homeowner's Insurance

When you are buying a home, the close of the transaction is the moment when all parts come together and the deed will record. There may be one more question: Do you have evidence that you have homeowner's insurance.

All of what it takes to finalize a real estate transaction will be handled at closing. The escrow officer or settlement agent will take in money from the buyer and the lender and pay out money to the seller, tax collectors, and any others who should be paid. But sometimes, homeowner's insurance will be shown as "POC" on the settlement form or "paid out of closing."

When buying a home, you must obtain homeowner's insurance on your own. This means you can shop for rates,

terms, and coverage. When you have chosen the company and policy, you then provide evidence at closing to show that you have adequate coverage.

The lender is interested in homeowner policies because they will be named as the "mortgagee". Later, if you have a claim this little bit of paperwork will become important to you and the lender.

A few years down the line, you have a minor fire or other damage. Now you have a claim. The insurance company is there just about instantly and your check arrives very quickly. But the check is made out to you, and the lender. To cash that check the lender must sign off.

So, under the terms of the insurance policy, the house is the lender's security, something to assure that the loan will be re-paid. If there is a fire or other damage at the property, the lender's security

could be devalued. Therefore, lenders require borrowers to have homeowner's insurance.

Different lenders handle claims in different ways. Some will merely sign off on the check, while others will only release money as receipts come in.

The time to pre-plan is before you close on the house. Sit down with a local insurance broker then to get your answers. Find out about costs, coverage, limits and exclusions. Ask about replacement cost coverage, generally the sale price of the property less the value of the land. Is there an automatic adjustment for inflation?

When you settle on the coverage and sign up for the policy, the insurance agent will send the escrow officer or settlement agent a confirmation the home is covered by insurance as soon as the deed is recorded. ♣

# 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	5	9.1%	366	565K to 1.169M	0
2000	Brighton	39	3	7.7%	352	1.299M to 1.85M	1
<b>S/T</b>	<b>North Beach</b>	<b>106</b>	<b>8</b>	<b>7.6%</b>	<b>361</b>	<b>1.076M</b>	<b>1</b>

## 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	12	7.7%	172	599K to 899.9K	0
310	Boca Mar	38	4	10.5%	317	319K to 635K	0
350	Beresford	53	3	5.7%	231	1.0M to 1.999M	0
400	Excelsior, The	27	4	14.8%	244	3.4M to 6.95M	0
500&550	Chalfonte, The	378	16	4.2%	240	475K to 2.75M	0
600	Sabal Shores	125	10	8.0%	122	349K to 1.65M	0
700	Sabal Point	67	1	1.5%	455	850K	0
750	Sabal Ridge	31	5	16.1%	31	1.395M to 2.95M	0
800	Presidential Place	42	2	7.1%	199	3.45M to 4.45M	1
<b>S/T</b>	<b>Boca Beach</b>	<b>916</b>	<b>57</b>	<b>6.2%</b>	<b>194</b>	<b>1.32M</b>	<b>1</b>

## 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%	204	349.9 K to 967K	2
1200	Cloister Beach Towers	128	8	6.3%	127	495K to 789K	0
1400&1500	Addison, The	169	11	6.5%	275	1.025M to 2.25M	1
1800	Placide, The	54	2	3.7%	70	699K to 799K	1
2000	Whitehall	164	14	8.5%	218	449K to 950K	1
2494	Aragon, The	41	3	7.3%	427	3.85M to 5.6M	0
2500	Luxuria, The	24	3	12.5%	183	5.7M to 5.8M	0
2600	Stratford Arms	120	8	6.7%	316	799.9K to 1.395M	2
2800	Whitehall South	256	17	6.6%	150	574.9K to 3.2M	0
3000	Three Thousand South	80	3	3.8%	328	599K to 755K	0
<b>S/T</b>	<b>South Beach</b>	<b>1132</b>	<b>78</b>	<b>6.9%</b>	<b>217</b>	<b>1.22M</b>	<b>7</b>

<b>Totals</b>	<b>Boca's Oceanfront</b>	<b>2154</b>	<b>143</b>	<b>6.6%</b>	<b>216</b>	<b>1.25M</b>	<b>9</b>
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### 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 February 26, 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