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THE BOCA BEACH REPORT

May 2008

*Privileged
information about
your real estate*

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

Homes Built on An Airstrip

There are thousands of aircraft owners and pilots. Many would like to commute to work by air. The drive to the airport is a factor that stops many of these plane owners from actually doing it.

Communities built around a golf course or around a lake have enjoyed exceptional success. Similarly, the idea of developing homes around an airstrip is generating considerable interest in the real estate business.

In Falmouth, on Cape Cod, Massachusetts, developers built 66 single-family homes and 11 multi-family dwellings. Each of these buildings borders on an airstrip. The home owners can land their own small airplanes and taxi right up to their back

doors. The property owners pay a maintenance fee for the use of the newly constructed 2,300 foot runway.

House and Hangar

There are 260 fly-in communities in the United States. These communities tend to be in affluent resort areas where busy people regularly travel by privately owned aircraft. Some of the airpark communities consist almost entirely of vacation homes. Others have primarily principal residences.

In addition to the convenience factor, the fly-in communities offer a special camaraderie. To homeowners at an airpark, the sound of airplane engines is a delightful noise, not an annoyance. 🏠

Home Equity Consolidation Can Slash Your Debt

Credit has been very easy to get. We are a nation of debtors. In the past two years, the official household savings rate fell to the lowest level since the Great Depression. But at the same time, households gained very much real estate equity. Using that equity, you can manage that debt.

When debts are consolidated, there might be a single payment. If there is a low interest rate, you can pay off your

indebtedness in less time for less money.

If you have a large equity, you have two options:

Home Equity Loans

Debt consolidation accounts for more than one third of all home equity loans.

- Make sure you can handle the payments. Practice living on a lower income before you apply for the loan. Save the difference. While the

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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.

- 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.

Home Equity...(continued)

equity loan is outstanding don't take on additional debts.

- Keep the payment period as short as you can handle. Even with a low interest rate a 10 to 15 year home equity loan can be expensive. Prepay your loan as soon as you can. The savings can be incredible. If you transfer a \$15,000 balance of just one 18 percent credit card to a 8 percent home equity loan and pay it off in five years, you'll save more than \$30,000.
- Some lenders used to advertise 125% of home's value loans. Never do that. Not only you cannot deduct all the interest but you'll also put your

home at unnecessary risk for a costly loan.

- Be prudent. Shop for the lowest rate.
- Avoid high closing costs, low introductory or "teaser" rates and credit cards tied to home equity lines of credit. They all undercut your reason for consolidating -- to get out of debt and save money.

Refinanced Mortgages

If you have a low first mortgage compared to the home's value or if you are paying an interest rate higher than prevailing rates, you might consider refinancing the existing mortgage.

If you refinance the mortgage, you may keep about the same monthly payment, and pay off more expensive debts.

- Don't pay for more of a refinance than you can afford. Don't take out a 15-year refinance if the payments will hurt. It is better to refinance for 30 years, then pay more monthly on the principal if you can. Adding that money to your monthly refinanced mortgage can save you thousands.

- Negotiate with the lender. Points and fees are negotiable. Check rates, points and fees with at least three to five lenders before signing on the dotted line.

- Pay closing costs up front. If you have the cash, paying closing costs will save you on financed interest charges over the life of the loan. ♣

A Good Negotiation Can Result In A Good Transaction

The buyer has signed a written offer to purchase a home. This is a serious and motivated buyer who wants the home. The seller said "no," to the price or the terms of the offer so now what happens?

This is a situation where the guidance of an experienced real estate agent is necessary. A serious buyer for any real estate is often difficult to get. Once an offer is made, negotiation between buyer and seller must continue. If negotiation continues, usually a satisfactory sale will happen. Both buyer and seller must sometimes give a little on terms. The brokers will help keep the negotiation going.

If the buyer and seller were not represented by real estate agents, a "for sale by owner" the refusal might end the possible sale. The "buyer" looks for another home. He is not encouraged to make another offer.

Stay In The Game

In this example, what could have been done differently to produce a better result? Let's review the bargaining process.

The seller is under no obligation to accept an offer if it is different than the asking price and terms.

An "offer" is an "offer" – it's not a "contract". Sellers are free to look at, and accept, any other offers.

This buyer may be a hard negotiator and the first offer may be low in price or terms – with the intention of "seeing if the price is firm". If it is, he expects a counter-offer to narrow the difference. If the seller just says, "no" it puts a crimp in negotiations.

No matter how far from the asking price and terms the original offer might be, the seller should make a counter-offer to keep the negotiation going. If he/she is very firm on the price, maybe a small change in the terms would help, like taking part of the price in a note.

Remember, when any change is made in the original offer, it negates that offer. A "counter-offer" is really a new offer, this time from the seller to the buyer. Even though the buyer and seller might agree to some or even most of the terms of a purchase/sale offer, any change effectively creates a counter-offer. In other words, all previous bets are off and the parties are back to square one in the negotiation process. The buyer can walk away.

Think about terms in advance when selling. What are you willing to give on? Here are some strategies.

What Is The Seller's Bottom Line?

Here is a hypothetical case. First, as the seller, the price (all cash) is the most important, (although you may have a bottom line price that is lower than the asking price). Second, you want a quick sale and closing. Third, you want the buyer to pay most of the closing costs. If you got one of the three items would that be enough? Two of three? Must you get all three? If you got your price, usually the top priority, but not the other two items, would you go ahead with the sale?

The choice here is to determine what is important, what's a "must" and what isn't.

Let Your Agent Know

Explain your position to your agent. The broker can then look at current market conditions and suggest the best approach to take on the basis of price, terms and negotiating tactics.

While counter-offers are designed to let the other party know you're still in the negotiating game, they represent some risk to both buyer and seller. A counter-offer is a new offer, and a new offer may not interest an owner or a buyer. Sensing what to ask, and when to back off, are both part of the bargaining process. ♣

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%	343	535K to 999K	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	1
S/T	North Beach	106	6	5.7%	343	742.5K	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%	185	599K to 899.9K	1
310	Boca Mar	38	5	13.2%	293	299K to 635K	0
350	Beresford	53	3	5.7%	272	1.0M to 1.95M	0
400	Excelsior, The	27	4	14.8%	285	3.4M to 6.95M	0
500&550	Chalfonte, The	378	19	5.0%	232	475K to 2.75M	0
600	Sabal Shores	125	8	6.4%	135	370K to 1.65M	0
700	Sabal Point	67	1	1.5%	496	850K	0
750	Sabal Ridge	31	5	16.1%	72	1.19M to 2.95M	0
800	Presidential Place	42	2	7.1%	239	3.45M to 4.45M	1
S/T	Boca Beach	916	58	6.3%	203	1.295M	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	6	6.3%	179	449K to 699K	2
1200	Cloister Beach Towers	128	7	5.5%	179	495K to 789K	0
1400&1500	Addison, The	169	10	5.9%	309	1.025M to 2.25M	1
1800	Placide, The	54	2	3.7%	111	679K to 749.9K	0
2000	Whitehall	164	11	6.7%	224	429K to 950K	1
2494	Aragon, The	41	4	9.8%	183	2.15M to 4.795M	1
2500	Luxuria, The	24	3	12.5%	224	5.7M to 5.8M	1
2600	Stratford Arms	120	8	6.7%	243	799.9K to 1.3M	0
2800	Whitehall South	256	17	6.6%	177	565K to 3.2M	1
3000	Three Thousand South	80	6	7.5%	129	499K to 880K	0
S/T	South Beach	1132	74	6.5%	206	1.205M	7

Totals Boca's Oceanfront 2154 138 6.4% 211 1.223M 10

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 April 7, 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.