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THE BOCA BEACH REPORT

April 2009

*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.

Getting Started In Real Estate Investments

Some loans are now available for houses and small apartments. Buyers with a decent down payment can buy excellent rental properties. Prices and values have declined in real estate to the point where almost any investment will give the investor cash flow. We recommend real estate, not just because it is our business, but also because it has the best track record during recent years. Sales have slowed in real estate, which is the best time for investment.

When you own a rental house or houses in your home community, you are well on your way to wealth in the future. Another possibility is an investment home or condo at your favorite vacation spot.

There are three common types of residential real estate commonly used as rental units in most areas. Privately owned rental houses, cooperative housing projects and condominiums. Since there is a large market for rental housing, residential rental properties can be a very lucrative investment.

Each of these investments involves

a basic human need, which is living arrangements.

Homes And Co-ops

Individual ownership of a home is quite familiar to most everyone. Joint ownerships are different. The way joint ownership is achieved is what distinguishes condominiums from co-ops. In a typical co-op, a cooperative housing corporation is the title owner of the entire property. The unit owners are tenant-shareholders of the corporation whose stock holdings entitle them to lease to occupy a unit and use the common grounds. The corporation runs the property and the tenant-shareholders are each responsible for a pro-rata share of all operating expenses.

Condos

The condominium is the more common type of joint ownership. In a condominium, each unit owner owns an interest in real estate and is responsible for taxes, assessments, mortgage financing, and repair and maintenance work on the unit. The deed to the condominium unit also grants the owner an undivided interest in the common elements of the development. So the condominium unit owner enjoys almost all the benefits – and shoulders the same

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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.

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responsibilities--that a private homeowner does.

Vacation Areas

A leisure or vacation condominium can take many forms. It may be a project consisting of detached houses, townhouses, garden apartment or high-rise apartment buildings. Condominium units may run from one-room studio apartments to four-bedroom houses. Equipping each bedroom with its own bath and providing a foyer can provide flexibility. A two-bedroom apartment with a sofa bed in the living room could rent to three separate couples sharing the unit.

A condominium may even be in the form of a condominium hotel, in which rooms are sold to investors and, when not occupied by them, are rented on a day-to-day basis. Room owners get the rental fees less a charge for management, maintenance, taxes, etc.

The Rentals

When owners rent vacation

rentals, a rental agent in the resort community normally handles the rental. An owner might handle a long-term rental in his hometown, but short-term rentals, as short as a week-end should be handled by a management specialist. The management company in a resort will have a staff comparable to a hotel staff, with cleaning persons, maintenance personnel and full time bookkeepers and office staff to handle the turnover and keep the house or unit available.

Management fees will vary widely. They will be a higher percentage than a management company would charge in a non-resort area for a month-to-month rental of a home or apartment. The tenant in a month-to-month rental may stay for years, while the resort rental may change many times in a month.

Rental Arrangements

The rental may be handled as a direct rental or on a pooled rental arrangement, depending on the agreement with the management company.

In the direct rental, each rental of

the individual unit is reported separately, the management fee is deducted and the balance is sent to the owner, usually on a monthly reporting basis.

Under a rental-pool arrangement, condominium-unit owners agree to place their units in a common pool. They all share the expenses of the rental operation and receive a share of the net rental income. This is figured on the basis of the proportion that their unit bears to all the units in the condominium for the particular accounting period. The proportion is computed by determining the number of days that the unit was in the rental pool (i.e., the total rental days in the accounting period less the days in that period during which the owner occupied the unit himself).

The manager leases pooled units according to the terms of the agreement, collects and pools the rental income, pays all the rental pool's expenses, and pays each owner his net share. ♣

Here Are The Most Important Points In Negotiations

The natural focal point of a real estate purchase contract is the selling price of the home, but the price isn't the only factor that determines the net bottom line for both the buyer and the seller. Is a bargain for the buyer really a bargain if he or she is paying all the transaction costs? Is a top price for the seller really a top price if the buyer wants all the furniture to be included in the purchase price? Or if the buyer can't come up with the down payment or qualify for a mortgage?

Before you decide to go ahead with a great price, here are five other bottom-line points to consider:

1. What are the estimated transaction costs and who will pay for what?

Typical costs include the brokers' commission, a home inspection, a termite inspection, escrow or attorney's fees, a title search, an owner's title insurance policy, transfer taxes and recording fees. The price tags on these items vary greatly around the country. Who pays for what is a matter of both local custom and negotiation.

2. How much money is the

buyer putting into escrow and how soon?

A big deposit – called "earnest money" – and a substantial down payment are generally seen as a sign that the buyer is serious about completing the transaction. From the seller's point of view, the more money the buyer places in escrow and the sooner the money is transferred, the better.

3. Is there a mortgage financing contingency and how specific is it?

The mortgage escape clause is a must for buyers, unless they're paying all cash for the home. Without this contingency, buyers can be legally obligated to purchase the home even if they can't obtain financing. Further, an open-ended statement that says the buyer will obtain a loan "at the prevailing rate of interest" leaves the buyer completely exposed to interest rate fluctuations. A statement that says the loan must be at an interest rate "not to exceed xx percent" and on specified terms is preferable.

4. What furniture, fixtures and appliances, if any, are being sold with the property?

Technically, anything that's permanently affixed to or installed in the home is real property. Everything

else is the seller's personal property. This distinction is a narrow one and it naturally leads to a fair amount of confusion. Are built-in appliances real property or personal property? What about a shelving system? A chandelier? Window coverings? Potted plants in the backyard? Sellers who intend to remove anything that's attached to the home should have that spelled out in the contract. And the same goes for buyers who expect to acquire any of the furniture or other movables.

5. What will happen if either side breaches the contract?

Unless an unmet contingency triggers the abandonment of the contract, it's a binding legal document. Buyers who fail to perform can lose their deposit money. Sellers who try to back out can be sued for "specific performance," which forces the sale of the home to the buyer. Many contracts also specify that disputes must be brought in small-claims court or presented for arbitration or mediation.

Tip: Ask your real estate agent to go over the standard contract with you before you receive or make a purchase offer. That way, you'll know what to expect and be prepared to negotiate the best deal you can get. 🏠

Final Touches on a House Before Listing

When you are selling a home, you do not just put it on the market without some kind of a pre-marketing fix-up. A few people put a "junker" for sale "as is" but this is rare. Whether it is a complete remodel and upgrade or just a thorough cleaning, there will be some preparation.

Most everyone has heard all of the hints about the gardening, the painting, fixing faucets,

etc., so here are a few hints that you may not have heard before.

- Add a window or a skylight to a dark room. If you do not want to cut holes, at least add a new light fixture.
- Home offices are hot. Why not show one of the bedrooms furnished as a home office.
- Use closet organizers. They give up to twice as much usable space.

Most important, they make the space look larger.

- Get rid of the "pack rat" look in any room by removing excess furniture. A room packed with furniture looks smaller than it is.
- Visit the "open houses" that our office holds for our "for sale" clients. We will be glad to go over various rooms with you and show you what is right and wrong about a home being shown. 🏠

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	7	12.7%	381	499.9K to 998K	0
2000	Brighton	39	4	10.3%	308	1.295M to 1.7M	0
S/T	North Beach	106	11	10.4%	354	976K	0

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	3	3.2%	106	537.8K to 950K	5
310	Boca Mar	38	2	5.3%	442	349.9K to 449K	0
350	Beresford	53	3	5.7%	476	1M to 1.85M	0
400	Excelsior, The	27	8	29.6%	216	3.4M to 7.95M	0
500&550	Chalfonte, The	378	19	5.0%	241	399.9K to 875K	6
600	Sabal Shores	125	8	6.4%	185	339K to 1.299M	1
700	Sabal Point	67	2	3.0%	425	800K to 819K	0
750	Sabal Ridge	31	4	12.9%	195	950K to 2.65M	0
800	Presidential Place	42	1	2.4%	692	4.15M	0
S/T	Boca Beach	916	50	5.5%	259	1.745M	12

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	7	7.3%	242	399.9K to 599K	0
1200	Cloister Beach Towers	128	5	3.9%	263	429K to 565K	0
1400&1500	Addison, The	169	11	6.5%	439	895K to 2.2M	0
1800	Placide, The	54	2	3.7%	258	649.9K to 900K	0
2000	Whitehall	164	13	7.9%	253	349K to 795K	3
2494	Aragon, The	41	7	17.1%	222	1.999M to 7.25M	0
2500	Luxuria, The	24	1	4.7%	9	4.5M	0
2600	Stratford Anns	120	8	6.7%	290	785K to 1.15M	2
2800	Whitehall South	256	18	7.0%	187	485K to 2.89M	4
3000	Three Thousand South	80	9	11.3%	255	499K to 749K	0
S/T	South Beach	1132	81	7.2%	262	1.099M	11
Totals	Boca's Oceanfront	2154	142	6.6%	268	1.317M	23

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 27, 2009. 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.