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THE BOCA BEACH REPORT

November 2011

*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.

Use Equity Line To Finance Improvements

Rather than move to a larger home, you may have decided to add on and remodel your present home. Your banker suggests that it would be best financially to use an equity line of credit to make the improvements and refinance the first mortgage later. That may sound like some of the costs of borrowing might be duplicated.

Maybe not. The costs to set up the equity line may be quite low. Some banks have no fees at all for the equity line. The lender's suggestion may be a good one.

Here's why:

Let's say the improvements will cost about \$75,000. Your mortgage balance is now down to \$150,000. The home should be worth approximately \$500,000 when the remodeling is done. By using the equity line for paying "as you go" you pay interest just on the outstanding balance each month. If you financed the whole \$75,000 up front, the interest would be on the total amount.

Here's an example. The contractor bills you just \$14,000 at the end of the first month. Your payments and interest are based on that amount only. If you had borrowed the entire \$75,000 with a traditional second mortgage or refinanced the first loan you would be paying interest on that

full amount. The line of credit gives you the flexibility to borrow only what you need, when it is needed.

If you had refinanced the existing mortgage into one new, larger loan, the amount of the loan would have been based on the property's value before the improvements, not the value after. It is possible you could be short of money.

Also, getting all of the money up front by refinancing the existing mortgage could require private mortgage insurance since you might need a loan that exceeded 80% of the property's current value. This would increase your monthly payment.

So, there is homework to do with the lender. You must get the costs of the equity line, then the total estimated costs to refinance once improvements are completed. Then compare. If those costs using the equity line do not save significantly, then do the refinance at the beginning. There could be a saving.

While you are working with the lender initially, it might be a good idea to get a commitment on the final refinancing when the work is completed.

As is always recommended, obtaining financing counsel initially from more than one lender can give you the best idea of options and related costs. □



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.

Prepare Your Home Or Second Home For The Winter Season

Whether homeowners live in a temperate climate in the city or by the beach or in a colder area, more of you are owners of second homes in mountain areas. Up to 20% of owners now own a vacation home somewhere. At ski resorts, ice, snow and wind can have devastating consequences on the coziest of homes. Last winter alone there was over \$1.5 billion dollars in insured losses due to burst pipes, frozen gutters and other weather-related disasters.

Don't wait for the snow to fall to get ready for severe winter weather. A little time and effort in late Autumn can prevent the heartache of burst pipes and other disasters when a severe winter brings snow, freezing temperatures and arctic winds.

Here are suggestions for precautions homeowners can easily do (Some can apply to

your primary home):

- **Check Insulation.** Look at insulation to attics, basements and crawl spaces. Add extra if it is packed down. If heat escapes through the roof it can cause snow or ice to melt up there. The water then re-freezes causing more snow and ice to build up. This can collapse a roof, and can cause ice damming. Well-insulated basements and crawl spaces will help protect pipes from freezing.

- **Maintain Gutters.** Remove leaves, sticks and other debris from gutters, so melting snow and ice can move freely. This will usually prevent ice damming - a condition where water is unable to properly drain. You also might install gutter guards. Available in most hardware and home stores, gutter guards are screens that prevent debris from entering the gutter in the first place.

- **Check The Thermostat.** The

temperature in the home should be at least 65 degrees. Since the temperature inside the walls where the pipes are located is substantially colder than the walls themselves, a temperature lower than 65 degrees may not keep the pipes from freezing.

- **Check Your Heat Sources.** The proper maintenance of furnaces, fireplaces and wood-burning stoves can prevent fire and smoke damage. Have all of them serviced at least once a year. Make sure that smoke and carbon dioxide detectors are working properly.

- **Trim Trees.** Ice, snow and wind could cause weak trees or branches to break - damaging homes, cars, even people.

- **Maintain Pipes.** Wrap pipes with insulating tape and insulate unfinished rooms such as

garages that may have exposed pipes. Also, repair cracks and leaks.

- **Know The Plumbing.** Can you shut the water off? Learn the location of the shut-off valve. Know where your pipes are located. If your pipes freeze, time is of the essence. The quicker you can shut off the water or direct your plumber to the problem, the better chance you have to prevent the pipes from bursting.

- **Be Careful If Home Is Not Occupied.** If this is a second home, be sure to turn off the water and drain the system. If the home was built in the last 20 years, turn off the water. If the home was built in the last 20 years, the shut-off valve may automatically drain the pipes. Have a plumber check for you. You might also hire someone to check on your home on a regular basis. If there is a problem, it can be fixed quickly.

Your insurance policy is probably adequate, but check it. Standard homeowners policies usually cover winter-related disasters such as burst pipes, ice dams, caused by weight of ice or snow and wind damage.

Damage to homes caused by flooding is usually excluded from most standard homeowner policies. Flood insurance is available from the National Flood Insurance Program. □

What Happens When You Show A Home During The Holidays?

The answer is, "Good Things Happen". You'll never have a better time to sell. Everything is in the seller's favor!

The holiday season is the busiest and most frantic time of the year! The question is: Should you put off listing the home or take it off the market if it is already listed?

Here are some of the reasons we have heard to pass on this season:

- If the home goes off the market, you will save the trouble of "showings".
- If it was to sell during this period, you could be faced with packing and moving in the busiest time of the year.
- Anyway the showings will be way down in December, right? Maybe you should wait until January.

The holiday season is a wonderful selling period, maybe the best of the year! The house certainly cannot sell if it is off the market, and a sale is the goal, isn't it? Let us handle it.

Sure, fewer people will be looking. But they are the most precious buyers. Motivated buyers, the ones who really want to buy, often

are able to take time off during the season. Real estate agents like the holidays because only the buyers and sellers who need to buy or sell (the most motivated) are in the market. The "just looking" people don't have the time.

Here Are Reasons To Offer The Home For Sale During The Holidays:

- When someone receives a job transfer, particularly a promotion, there is usually no choice of when to make the move. Even the majority of transferring families who have children must move during the school year. These may be the most motivated buyers in the market. They often want to get a property into an escrow so the children can start school in January. A purchase during the holidays is perfect for them.
- Some other sellers in your area will choose to take their home off the market. With a lower inventory of homes for sale and motivated buyers looking, your chance for a quick sale may be better than during another time of the year.

- Our experience over the years is that there is no slow down in sales during the holiday season. If this might be a truly "slow" selling season, why is the "summer vacation" season, when many people are out of town, considered a prime sales period?

- Buyers who have no children, or have grown children may do their shopping after the so-called summer real estate season. They often feel that the decreased activity might make negotiations easier.

- Is there any other time of the year that your home looks more warm and inviting? We all decorate and spend time making our homes the most beautiful that we can, not for potential buyers, but for family and friends.

- Don't worry about having to move on December 24th or on New Years day. The buyer won't want to move then either. Choosing the home and getting the contract accepted is the usual motivation of any buyer. As in any other season, the closing will usually be set 30 to 60 days away. Possession of the home and closings are always negotiable. □

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	Price Range	Average	PC
2150	Aegean	8	0	0.0%	0	SOLD OUT	N/A	0
2070	Athena	4	0	0.0%	0	SOLD OUT	N/A	0
2066	Ocean Reef Towers	55	4	7.3%	778	289.9K to 899.9K	565K	1
2000	Brighton	39	3	7.7%	281	999K to 1.35M	1.216M	0
S/T	North Beach	106	7	6.6%	565		844K	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	Price Range	Average	PC
250	Marbella	155	8	5.2%	180	500K to 1.275M	758K	0
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	0
350	Beresford	53	2	3.8%	302	1.025M to 1.05M	1.038M	0
400	Excelsior, The	27	2	7.4%	238	3.495M to 3.495M	3.495M	1
500&550	Chalfonte, The	378	6	1.6%	204	460K to 795K	602K	3
600	Sabal Shores	125	9	7.2%	415	339.9K to 1.1M	649K	1
700	Sabal Point	67	2	3.0%	440	449K to 650K	550K	0
750	Sabal Ridge	31	2	6.5%	196	1.098 to 1.3M	1.199M	0
*800	Presidential Place	42	1	2.4%	371	4.2M	4.2M	0
S/T	Boca Beach	916	32	3.5%	285		1.009M	5

South Beach

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

Address	Condo Name	TA	AA	%A	ADOM	Price Range	Average	PC
1180	Cloister del Mar	96	1	1.0%	101	299K	299K	2
1200	Cloister Beach	128	6	4.7%	81	319K to 480K	387K	0
1400&1500	Addison, The	169	12	7.1%	507	775K to 2.675M	1.447M	2
1800	Placide, The	54	3	5.6%	224	599K to 840K	688K	0
2000	Whitehall	164	5	3.1%	65	395K to 649K	489K	1
2494	Aragon, The	41	5	12.2%	221	2.15M to 6.5M	3.4M	0
2500	Luxuria, The	24	4	16.7%	198	3.5M to 5.2M	4.136M	1
2600	Stratford Arms	120	1	0.08%	332	699K	699K	2
2800	Whitehall South	256	4	1.6%	232	425K to 925K	660K	2
3000	3000 South	80	2	2.5%	195	515K to 639K	577K	1
S/T	South Beach	1132	43	3.8%	261		1.454M	11
Totals	Nov. 2011	2154	82	3.8%	296		1.228M	17
Totals	Nov. 2010	2154	107	5.0%	284		1.202M	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 October 6, 2011. 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.