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THE BOCA BEACH REPORT

December 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.

Reverse Mortgage – A Supplement For Retirement

Retirement plans have taken a beating during the recession. Many people who have been looking forward to retirement have had to delay the date for years. Some who have retired already have found that they must go back to work, if they can find a job. A few of these people have taken advantage of a new mortgage plan where the bank pays the owner instead of the owner paying the bank.

The reverse mortgage is a special kind of home loan that lets a homeowner convert a portion of the equity in the home into cash. The equity built up over years of home mortgage payments can be paid to the owner. But unlike a traditional home equity loan or second mortgage, no repayment is required until the borrower(s) no longer use the home as their principal residence.

What's the difference between a reverse mortgage and a bank home equity loan?

With a second mortgage, or a home equity line of credit, you must have sufficient income versus debt ratio to qualify for the loan, and you are

required to make monthly mortgage payments. The reverse mortgage **pays you**, and is available regardless of your current income. The amount you can borrow depends on your age, the current interest rate, and the appraised value of your home or FHA's mortgage limits for your area, whichever is less. Generally, the more valuable your home is, the older you are, the lower the interest, the more you can borrow. You don't make payments, because the loan is not due as long as the house is your principal residence. Like all homeowners, you are still required to pay your real estate taxes and other conventional payments like utilities, but with a Reverse Mortgage, you cannot be foreclosed or forced to vacate your house because you "missed your mortgage payment."

Who can qualify for a reverse mortgage?

To be eligible for a reverse mortgage, a homeowner must be **62 years of age or older**; own their home outright, or have a low mortgage balance that can be paid off





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.

Reverse Mortgage...(continued from page one)

at the closing with proceeds from the reverse loan; and they must live in the home. They are further required to receive consumer information from approved counseling sources prior to obtaining the loan.

What types of homes are eligible?

The home must be a single family dwelling or a two-to-four unit property that you own and occupy. Townhouses, detached homes, units in condominiums and some manufactured homes are eligible.

Can the lender take my home away if I outlive the loan?

No! You do not need to repay the loan as long as you or one of the borrowers continues to live in the house and keeps the taxes and insurance current. You can never owe more than your home's value.

Will I still have an estate that I can leave to my heirs?

When you sell your home or no longer use it for your primary residence, you or your estate will repay the cash you received from the reverse mortgage, plus interest and other fees, to the lender. The remaining equity in your home, if any, belongs to you or to your heirs. None of your other assets will be affected by the Reverse Mortgage loan. This debt will never be passed along to the estate or heirs.

How much money can I get from my home?

The amount you can borrow depends on your age, the current interest rate, and the appraised value of your home or FHA's mortgage limits for your area, whichever is less. Generally, the more valuable your home is and the older you are, the lower the interest and the more you can borrow.

How do I receive my payments?

You have five options:

- Tenure - equal monthly payments as long as at least one borrower lives and continues to occupy the property as a principal residence.
- Term - equal monthly payments for a fixed period of months selected.
- Line of Credit - unscheduled payments or in installments, at times and in amounts of borrower's choosing until the line of credit is exhausted.
- Modified Tenure - combination of line of credit with monthly payments for as long as the borrower remains in the home.
- Modified Term - combination of line of credit with monthly payments for a fixed period of months selected by the borrower.

Short Cut Appraisals

If you are going to make a real estate transaction, you want it to be as quick and smooth as possible. A big help is to get familiar with the value of your home if you are a seller and the values of the homes in your target area if you are buying.

With prices still falling in some places and increasing in others it is difficult to be accurate. Some banks have an electronic page on their web site for an estimate of value. The more information they add about sale prices in the computers, the more accurate their appraisal. Enter the address – get an instant estimate. It is usually very close. Close enough, in some cases, for the bank to use it for equity loans without a formal appraisal. Try it – it is a good place to start.

No buyer wants to pay more than a property is worth. A seller must list a property near its market value in order to sell in a reasonable time. If it is far overpriced, no one will look at it

and agents will be unlikely to show it.

Here is the definition of market value, to be used by loan examiners, according to the statement by federal regulators:

The most probable cash sale price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated (i.e., motivated by self-interest).*
- *Both parties are well-informed or well-advised and acting in what they*

consider their own self interest.

- *A reasonable time is allowed for exposure in the open market.*
- *Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto.*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.*

One of the reasons that buyers and sellers should have an experienced agent representing them is that a good agent can help them with prices and values. Using the guidelines that are commonly used in real estate, the experienced agent can show by comparable sales of similar properties what market values should be.

The exact value is important. Call me. ☐

True Expertise In Real Estate

Your investment in your home or other real estate is probably the most important investment of your life. It should not be trusted to just anyone that you might meet.

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 also my career.

You need up-to-date information on real estate at your primary home or at a second home investment in order to maximize the benefits that are received

from the ownership of these properties. 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	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%	798	289.9K to 899.9K	565K	0
2000	Brighton	39	3	7.7%	301	999K to 1.35M	1.216M	0
S/T	North Beach	106	7	6.6%	585		842K	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	Price Range	Average	PC
250	Marbella	155	7	4.5%	190	549K to 1.275M	795K	1
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	0
350	Beresford	53	2	3.8%	321	895K to 1.05M	973K	0
400	Excelsior, The	27	4	14.8%	305	2.6M to 3.495M	3.135M	0
500&550	Chalfonte, The	378	8	2.1%	171	419K to 1.58M	703K	3
600	Sabal Shores	125	10	8.0%	392	314K to 1.1M	616K	0
700	Sabal Point	67	3	4.5%	310	379K to 650K	4930K	0
750	Sabal Ridge	31	2	6.5%	216	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	37	4.0%	277		1.078M	4

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%	98	299K	299K	2
1200	Cloister Beach	128	8	4.7%	85	275K to 480K	382K	0
1400&1500	Addison, The	169	11	6.5%	513	649K to 2.675M	1,351M	2
1800	Placide, The	54	6	11.1%	132	599K to 840K	730K	0
2000	Whitehall	164	6	3.7%	56	395K to 649K	499K	1
2494	Aragon, The	41	5	12.2%	189	2.15M to 6.5M	3.4M	0
2500	Luxuria, The	24	4	16.7%	185	3.5M to 5.2M	4.136M	1
2600	Stratford Arms	120	0	0.0%	0	SOLD OUT	N/A	3
2800	Whitehall South	256	7	2.7%	133	409K to 925K	575K	0
3000	3000 South	80	4	5.0%	105	515K to 679K	600K	0
S/T	South Beach	1132	52	4.6%	196		1.261M	9

Totals	Dec. 2011	2154	96	4.5%	259		1.160M	13
Totals	Dec. 2010	2154	112	5.2%	272		1.269M	5

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 26, 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.