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THE BOCA BEACH REPORT

February 2012

*Privileged
information about
your real estate*

In This Issue

- Setting A Home's Price To Sell
 - Smart Negotiations Can Save You Money
 - We Have The Know-how To Sell Your Home
 - News From Our Area

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

Setting A Home's Price To Sell

The most critical thing in selling a home is setting the asking price. **Set your price too high, and no one comes to look at it. Set it too low and you have a quick sale – but you short-changed yourself.**

If an owner offered a house for sale at \$1 million too high it would never sell (or it would remain on the market until inflation caught up with the price after years.)

If you priced a \$500,000 home at \$100,000, you would have a sale instantly. Someone at the newspaper's classified ad department would be at your door five minutes after you called.

The home must be priced between these extremes, which will attract buyers and still bring you the most money possible.

There are factors that never influence your asking price:

- **Your cost.** Suppose you bought at a bargain from a relative – or inherited it. The cost cannot relate to anything.
- **What you paid for improvements.** Your improvements suited you, but may not appeal to anyone else. Just because you spent \$20,000 on an improvement doesn't mean the home is worth that much more. Maybe the potential buyer is looking at it figuring how much it will cost to remove it.

- **Assessed value.** This is almost never a dependable guide to what buyers will pay. The figure is set by the taxing authorities for collecting property taxes but it usually has no relation to actual value.

- **Your needs.** You may want a certain amount for an investment or your next home. Just because you want that amount doesn't mean the property is worth it.

- **Emotion.** Don't ask too much for the home because all the children were raised there and it has wonderful memories. Also, if you have any negative feelings, like a divorce, or the need to settle an estate quickly, lead you to ask too little for the place.

So, how do we value it?

Use comparisons only. The only thing that matters is how your home compares to the others currently offered for sale or recently sold in the neighborhood. Buyers will be comparing.

The law of supply and demand in the open market determine your home's value. We can tell you what buyers are paying for similar property – and that's what counts.

Call us for help in establishing value. ☐



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.

Smart Negotiations Can Save You Money

When a purchase contract is written, the selling price is the first thing on which both buyer and seller look at. This is always the way, but the price isn't the only factor that determines the net bottom line for both the buyer and the seller. Who does the contract say pays for all of the transaction costs? What if the buyer is offering to pay near to the asking price, but is asking for all of the furniture to be included?

Here are some other bottom-line points that can change the transaction:

1. As we mentioned above, how much are the estimated transaction costs and who will pay for what?

The transaction costs can amount to thousands of dollars. It may be customary for either the buyer to pay for

certain items, but all of them are negotiable. Here are some: The broker's commission. The home inspection. Escrow or attorney's fees. A termite inspection. Transfer taxes and recording fees. An owner's title insurance policy and a title search.

2. How much money is the buyer putting up as a deposit? When? Who has the money?

The deposit that is paid when the offer is signed can be as little as \$100.00 or the full down payment of thousands. This is an indication of whether the buyer is serious about completing the transaction. The seller wants the largest amount of money and wants it placed in an escrow account. Beware of a promissory note instead of money – it is just paper, not money.

3. Is the buyer financing with

a new mortgage? What are the terms?

Few buyers pay all cash. Most need financing and a mortgage escape clause is a must for them. Buyers must have this contingency, as they can be legally obligated to purchase the home even if they can't obtain financing. Usually this contingency says the buyer will obtain a loan "at a certain rate of interest" within a specified time period. The seller's broker can advise the seller if these terms are reasonable in the current market conditions.

4. What personal property is the buyer asking for?

In most places, anything that's permanently affixed to or installed in the home is real property. Anything else is the seller's personal property. There is room for confusion here. Built-in appliances are usually real property but

Smart Negotiations...*(continued)*

can be a problem if the seller removes them right before closing. It is best if the buyer carefully lists anything that is expected to stay. An expensive chandelier or window coverings are typical. Be specific – seller might substitute for an expensive item. The seller can counter-offer and remove something from the list that was not intended to be included.

5. What happens if buyer or seller breaches the contract?

When both the buyer and seller have agreed to the terms, it is a binding legal document. Unless an unmet contingency automatically kills the contract, a buyer who fails to perform can lose the deposit money. A seller who backs out can be sued for "specific performance," which can force the sale of the home to the buyer. Some contracts specify that disputes can be settled

in small-claims court or presented for arbitration or mediation.

When we represent you as buyer or seller in a transaction, we will go over the small print in the standard contract, and all the written terms, so that you'll know what to expect and be prepared to negotiate all the possible variations to get you the best terms. □

We Have The Know-how To Sell Your Home

When you decide to sell the home, time is of the utmost importance. Every day that the home is on the market, unsold, it costs money – a lot of money. If it sits for an extra month, you are obligated for another monthly payment, one-twelfth of the annual taxes, the utilities and any other costs for gardening, etc. Sellers often do not think of this when they set the price "a little high to test the market".

If you want to sell as soon as possible and at the best price and terms, you have to follow some basic rules in marketing real estate. Following these rules can make the transaction easy on you, as long as you do not cut corners on any of them.

- Choose your real estate office and agent carefully - an active professional office and a full time agent. The agents in this office may already be working with some buyers who might purchase your home quickly. The professional office agents will show your home and expose it to the market in many ways. At sale time, the experienced professional will

assist you in the negotiations. Since you are working with an enormous amount of money in most cases, you do not want to trust this to someone who does not have an office and may be working out of a car.

- Count on your agent to furnish you with all market data to help you set the correct asking price (it must be neither too high nor too low). This will include information on comparable homes in the area that have sold and others that are on the market. "Testing the market" with a higher price might cost you that extra two or three months of costs.

- Demand an "exclusive right to sell" listing agreement. This gives your home the broadest exposure in the marketplace. It can be placed on the Multiple Listing Service (MLS) and gives all other member agents in the area the opportunity for the sale. Make the listing period as long as possible to give your agent the time to market the home effectively.

- Understand that the

brokerage fee is well spent in getting the top price in the shortest time. Attempting to sell without the broker usually results in wasted time and if an offer is finally received, the buyer will ordinarily discount the price by the amount of a normal selling fee. (Remember those monthly costs.)

- Work on the home and landscaping to make it as appealing as possible compared to other houses in the area. A little paint can be a quick and profitable improvement.

- Allow the agent or agents to show the home. They have interviewed and qualified the buyers. Try to be absent when the house is shown in order to keep the buyer at ease and concentrating on the property and the purchase.

- When an offer is received, negotiate in good faith. When the price is good, be willing to give a little on small things, such as date of possession, personal items, etc. Accommodate the buyers in any way possible. Make money and save money! □

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	3	5.5%	1111	450K to 899.9K	650K	1
2000	Brighton	39	3	7.7%	360	999K to 1.3M	1.191M	0
S/T	North Beach	106	6	5.7%	735		921K	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	5	3.2%	147	645K to 775K	727K	0
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	0
350	Beresford	53	2	3.8%	380	895K to 1.05M	973K	0
400	Excelsior, The	27	4	14.8%	364	2.6M to 3.195M	2.974M	0
500&550	Chalfonte, The	378	6	1.6%	146	419K to 1.425M	629K	3
600	Sabal Shores	125	10	8.0%	409	314K to 999K	521K	0
700	Sabal Point	67	4	5.9%	280	379K to 650K	477K	0
750	Sabal Ridge	31	3	9.7%	203	1.098 to 1.499M	1.299M	0
800	Presidential Place	42	5	11.9%	106	2.995M to 6.99M	4.335M	0
S/T	Boca Beach	916	39	4.3%	261		1.614M	3

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	3	3.1%	64	295K to 379K	334K	1
1200	Cloister Beach	128	7	5.5%	160	275K to 480K	377K	1
1400&1500	Addison, The	169	13	7.7%	484	649K to 2.675M	1.326M	0
1800	Placide, The	54	7	12.9%	157	575K to 840K	707K	0
2000	Whitehall	164	7	4.3%	100	285K to 649K	472K	2
2494	Aragon, The	41	3	7.3%	351	1.995M to 2.95M	2.465M	0
2500	Luxuria, The	24	3	12.5%	198	3M to 5.2M	4.133M	2
2600	Stratford Arms	120	4	3.3%	19	600K to 929K	712K	0
2800	Whitehall South	256	6	2.3%	161	399K to 890K	526K	3
3000	3000 South	80	5	6.3%	131	499K to 679K	573K	0
S/T	South Beach	1132	58	5.1%	217		997K	9

Totals	Feb. 2012	2154	103	4.8%	262		1.242M	13
Totals	One Year Ago	2154	141	6.5%	234		1.128M	11

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 December 24, 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.