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# THE BOCA BEACH REPORT

**February 2015**

*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.*

## The Enormous Benefits Of Home Ownership

Occasionally we have heard comments from the person who is renting a house or apartment on why they should keep renting instead of buying a home. They feel that there are benefits to renting that outweigh the problems of owning and keeping up a home.

There may be a few advantages to renting--about the only one that we can think of is the advantage of lower costs if the person must move often. It would take many months of ownership to offset the closing costs on a sale if you must move often.

**On the benefits of home ownership, here is a list that a renter can never have in his wildest dreams:**

- Your net worth is affected without you doing anything else. We recently saw a financial article that stated that the average homeowner has a net worth of \$250,000 while a renter with the same income has a net worth of about \$9,000 (usually a car).
- The property taxes and mortgage interest payments are exceptional annual tax deductions. (The renter pays more income tax.)
- If any financial emergency strikes the family, the home owner can investigate the possibility of a home equity loan.
- There is a saving plan in making payments on a home. Each month, part of the monthly payment on an amortized loan goes to pay off the principal and the equity grows. Probably the home is also increasing in value.
- If the owner has a fixed rate mortgage, there is the security of knowing that the payment will not increase and no landlord can start an eviction. The renter has no control over rent increases and the possibility of eviction.
- The homeowner has the freedom to paint any room in whatever color, no matter how it looks. The property can be remodeled any time as long as the proper permits are secured; the garden can be changed to suit personal tastes. If any improvements made by the owner make the value of the property go up, the owner gets the benefits of the increase at the time of the sale.
- If you want a pet, have one. Within reason, no one will dictate whether or not you can have one, nor how much additional deposit must be paid. ❖

## Real Estate – Your Investment In 2015

The values of homes are continuing to increase in most parts of the country. Don't you wish that you had purchased one or two homes in your neighborhood as an investment a year or two ago?

In many parts of the country, residential condos continue to increase in value at a rate higher than that of single-family homes.

One of the reasons for the increase in values is the increase in transactions by the owners who are "serial sellers", taking advantage of the \$250,000 or \$500,000 tax free gain on the sale of a personal residence after two years of occupancy. In addition to the turnover in homes, lot prices are increasing as owners buy to build the next home to live in for 24 months.

Many homebuilders are now building the home that they and their family will live in for two years when it is completed. Some builders have purchased or optioned lots, preparing and planning for their home building and moves for some years in the future.

Historically, one of the best investments for anyone has been an investment in real estate. For the novice real estate investor, I always recommend a starter investment of another house, small apartment building, or condominium near the home or vacation home that is owned now.

Real estate offers many advantages over savings accounts and other investments. Here are some of them.

- **High Leverage.** Real estate can be purchased with a small down payment. That can multiply the return. For instance, if you buy \$100,000 worth of real estate, putting down 10% or \$10,000, a 10% increase in the value would result in a pre-tax yield of 100%. If you paid cash for stock worth \$10,000, a 10% increase would yield just \$1,000 (10%).
- **Source of funds.** Your money in savings can be invested. Or you can use equity in a home or other property. Suppose you already own a \$400,000 property with an existing \$75,000 mortgage. You can refinance to get more cash—tax free. If you sold stock that appreciated in value to get cash, you would have to pay a capital gains tax on any gain.
- **Management.** With real estate you have control over the investment. You can improve the property to increase its value or make

changes in the usage. As a stockholder in a corporation, you have little control over management decisions.

Here are a few real estate investments to consider:

1. **Your own home.** The beginning. This is one of the best investments that anyone can make. A solidly built home, located in an excellent neighborhood can be an incredible savings plan, a valuable investment that can be free and clear of loans by the owner's retirement.
2. **A rental home.** If your own home is an excellent investment, then how about a second or third house as a rental. The income from the rents can pay the expenses and mortgage.
3. **A fixer-upper.** This takes some care and professional help (I can help). A run-down home in a good or improving neighborhood and be fixed up to sell at a much higher price. While examples one and two allow wealth to build slowly, this can be the quickest way to make big profits.
4. **A lease-option purchase.** Perhaps a riskier way to invest, but with the highest return. Combine the fixer-upper with a no down payment or very low down. You control the property with the lease and can purchase it at a pre-agreed price with the option. If property value increases through your efforts, exercise the option and sell the property at a profit, or keep it as a rental. If value falls, you can bow out with little expense.

### Investment Decisions

I can help you with the things you must know to make the decisions in small real estate investments. For instance, you need to know:

- Market trends in your neighborhoods of interest.
- The true market value of individual properties.
- Methods of improving property values.
- Ways to use your growing equities to trade up into larger and more productive properties.
- Ways that you can refinance to gain cash to reinvest in other property and increase your estate.

This is one time that sitting on the sidelines can be expensive. Knowing what your opportunities can be in a residence, second home or for an investment property can shape your long-term planning. I can help you to formulate those plans. Give me a call - let me help you. ❖

# Trouble-free Security For Your Home

## **Every year there are over six million burglaries committed in homes and apartments.**

No home can be completely secure from burglars. While we can never make a property totally secure and still have it livable, you can make it a more difficult "target" for a burglar and discourage trying. Don't presume that the home is safe during the daylight hours – more than 50% of burglaries take place during the day.

### **Outside Of The Home**

An intruder starts on the outside, so work on that first. Prune lower limbs and branches on large trees near the house. This keeps thieves from climbing to a second floor window. You should trim trees and bushes so doors and windows are visible to neighbors. Keep ladders and tools locked up so that they cannot be used to climb and break in. Trellises are attractive, but place them where they can't be used as ladders to second floor windows or balconies.

Lighting is probably the best protection against intruders. Porches, yards, and all entrances to the home and garage should be well lighted. A well lit door has another advantage—helping law enforcement or fire departments to locate the house in an emergency. The house number should be clearly visible from the street and in direct lighting.

### **Getting Into The Home**

With the entrances exposed and lighted, a burglar is reluctant to approach. Then if he sees doors and locks that will delay him for several minutes, he'll get discouraged and leave. Keep doors locked. Make sure that it is difficult to jimmy the lock and pry open the door. Entry doors should be solid core wood (at least 1 3/4 inches thick). Hollow core doors can be easily broken through. The door should fit its frame tightly. If there is too big a gap, you can bolt a sturdy metal strip to the door edges.

Sliding glass doors attract intruders because they are often easy to open. Bolster the existing locks on sliding glass doors by placing a solid strip of wood or a broom handle in the track of the closed door.

### **Adequate Deadbolt Locks**

Usually the contractor who installed the original locks had economy in mind rather than security. Many houses have inexpensive key-in-knob

locks. These are easy to slip open with a credit card or break open with a screwdriver. Don't depend on a chain lock. An average person pushing against them can easily break most chain locks. Deadbolt locks are the best bet for security. When you buy a deadbolt lock, make sure the bolt extends at least one inch from the edge of the door (has a one inch throw). The connecting screws that hold the lock together must be on the inside of the door. The strike plate should be attached to the door frame with screws that measure at least two inches, and the cylinder must have a steel guard.

Many times your local police will provide tips on the right locks for the doors. Even better, many police and sheriff's departments will do a security check of a home.

### **Keep Track Of Your Keys**

Don't give a burglar a key! Victims report that as many as half of all burglaries take place without forced entry. In many cases the burglar used a key. Do not put identification tags on your keys. If you've recently moved into a new home, have the locks re-keyed or changed. Take care that your keys do not fall into the wrong hands. Don't give keys to maintenance or delivery people. And don't hide your key outside—burglars know all the hiding places.

### **Windows**

Windows are an obvious target. Keep them locked—including basement and second floor ones. If the windows are wood frame sliding windows, an easy inexpensive way to add to the existing window lock is to use the "pin" trick. Drill an angled hole through the top frame of the lower window partially into the frame of the upper window, then insert a nail. Neither window will move until the nail is removed.

For especially vulnerable windows consider installing grates or grills. Make sure grates are equipped with a quick release feature for emergency exits.

### **Alarm Systems**

Burglar alarm systems range in expense and, depending on quality and capability, can go as high as several thousand dollars. There are such innovations and rapid changes in electronic products and closed circuit TV today, we can only recommend that you consult the security experts in your community.

Don't forget. One of the best alarm systems is a good watchdog. Crooks do not like noise and a barking dog may persuade a burglar to move on. ❖

# 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	1
2066	Ocean Reef Towers	55	1	1.8%	190	799K	799K	0
2000	Brighton	39	1	2.6%	86	1.05M	1.05M	1
<b>S/T</b>	<b>North Beach</b>	<b>106</b>	<b>2</b>	<b>1.9%</b>	<b>138</b>		<b>925K</b>	<b>2</b>

## 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	1	0.1%	13	\$679K	695K	0
310	Boca Mar	38	2	5.3%	34	\$264.9K to \$420K	343K	0
350	Beresford	53	0	0.0%	0	SOLD OUT	N/A	2
400	Excelsior, The	27	4	14.8%	150	2.65M to 6.2M	4.086M	0
500&550	Chalfonte, The	378	8	2.1%	110	599K to 999.5K	800K	0
600	Sabal Shores	125	7	5.6%	181	549K to 1.15M	766K	0
700	Sabal Point	67	2	3.0%	248	499.9K to 695K	597K	3
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	N/A	0
800	Presidential Place	42	1	2.4%	103	3.495M	3.495M	0
1000	One Thousand Ocean	52	3	5.8%	86	2.995M to 11.499M	6.330M	0
<b>S/T</b>	<b>Boca Beach</b>	<b>968</b>	<b>28</b>	<b>2.9%</b>	<b>132</b>		<b>1.898M</b>	<b>5</b>

## 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%	33	\$499.5K to 1.05M	692K	0
1200	Cloister Beach	128	1	0.8%	18	\$1.099M	1.099M	0
1400&1500	Addison, The	169	4	2.4%	123	1.0M to 2.55M	1.624M	0
1800	Placide, The	54	2	3.7%	163	635K to 849K	742K	0
2000	Whitehall	164	1	0.6%	10	649K	649K	0
2494	Aragon, The	41	3	7.3%	178	2.499M to 3.45M	3,115M	0
2500	Luxuria, The	24	3	12.5%	98	5.495M to 6.25M	5.815M	0
2600	Stratford Arms	120	3	2.5%	37	798K to 875K	841K	0
2800	Whitehall South	256	8	3.1%	125	624.9K to 1.099M	830K	0
3000	3000 South	80	2	2.5%	150	520K to 1.075M	798K	0
<b>S/T</b>	<b>South Beach</b>	<b>1132</b>	<b>30</b>	<b>2.7%</b>	<b>106</b>		<b>1.645M</b>	<b>0</b>

<b>Totals</b>	<b>Feb. 2015</b>	<b>2206</b>	<b>60</b>	<b>2.7%</b>	<b>119</b>		<b>1.739M</b>	<b>7</b>
<b>Totals</b>	<b>Feb. 2014</b>	<b>2206</b>	<b>90</b>	<b>4.1%</b>	<b>189</b>		<b>1.671M</b>	<b>16</b>

### 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 FlexMLS on January 19, 2015. This representation is based in whole or in part on data supplied by FlexMLS. FlexMLS does not guarantee or is not in any way responsible for its accuracy. Data maintained by FlexMLS may not reflect all real estate activity in the market.