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**Exclusively Serving “Boca’s Beachfront Condominiums”**

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# THE BOCA BEACH REPORT

**JULY 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.*

## Condo Living Can Be Attractive

People invest in condominiums for many reasons. Many times these dwelling units are more affordable than single-family homes. Because of this, they are attractive alternatives for first-time or low-income buyers. When an owner has limited time, the maintenance and repair responsibilities taken care of in the monthly fees is attractive. Residential condominiums are more like apartments than single-family homes. Condos usually have amenities like pools, tennis courts and recreation rooms that are part of the development. Many condominiums are located in highly desirable resorts, golf course communities or vacation centers.

Like home buying or renting, there are pros and cons about condo living. Here are some questions to consider if you are thinking about buying a condominium as a full time residence or a vacation home:

### **Do you like Neighbors?**

Unlike single-family homes, condominium residents may

share walls, floors/ceilings, hallways, entrances and parking areas with their neighbors, like apartments. Thinking of other people’s privacy and right to the quiet enjoyment of their homes is part of the arrangement. In a condo, neighbors appreciate efforts to keep down the volume, walk softly, close your doors quietly and limit your vacuuming to reasonable hours. If you’re a noisy neighbor, you won’t get along.

### **The Association Has Rules**

Condominium owners are bound by the association’s covenants, conditions and restrictions (CC&Rs). These are legal documents that cover everything from special assessments and the election of the association’s officers to the allocation of parking spaces and the use of recreational facilities. If an owner fails to follow the rules, he can be fined, and most associations have the power to attach a lien to an owner’s property if the fines or assessments aren’t paid. If you are a team player and are willing



*(continued)*

to follow the rules and regulations, you can be happy living in a condominium.

### **The Owners Have Joint Financial Responsibility**

A single-family homeowner does not need to consult neighbors about financial decisions with respect to their own property. Condominium owners must agree on a variety of maintenance and repair matters. Should an older roof, an unreliable security gate be replaced this year or next year? Should a special assessment be collected for an emergency repair or extra service? How much money should be spent on landscaping? How often should the garbage be

collected? If you relish the opportunity to make responsible decisions along with others, condo living might be a good choice for you.

### **The Board Of Directors And Management Company**

Some condominium owners never volunteer for anything. Usually, being part of the condo community means you might be expected to take your turn at serving on the board of directors, joining a special committee, getting estimates for repairs or taking responsibility for other tasks that benefit the group as a whole. Many large condo complexes hire a real estate management company to handle most of these decisions, so the board has little to do. ❖

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## **A Different Idea When Showing Your Home**

We all love the smell of fresh baked cinnamon rolls, but there is new research that says that this may not be the best scent at an open house or a home showing.

We have all heard the thing about how your home smells to a prospective buyer. It was once said that the smell of cookies or fresh baked cinnamon rolls made your home seem like a wonderful place and brought back pleasant memories. Now a recent study has shown that the fresh clean smell of citrus has a more positive effect .

Home owners are told by their real estate agent that they should be aware of how their home smells to other people. There is now a new thought on the subject as to just how different aromas will affect a potential home

buyer. Complex smells like potpourri, popcorn or baked goods are likely to turn that potential buyer off.

An aroma may affect the same areas of the brain involved in decision-making, and having the smell of something complex, even if it is pleasant, can be a distraction because some people subconsciously dedicate time on trying to figure out just what that aroma is.

At a showing of your home or at an open house, they are not there to process the smells and what they may be, they are there to process whether this is a place they and their family want to live.

A study has found that a clean, simple smell of fresh lemons, oranges, fresh basil or vanilla had a more positive effect on the people looking at your home. ❖

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## **Real Estate Help Is Close By**

While our firm may have the listings on most of the homes in your area, a few may be listed with other real estate offices. If you are interested in knowing any information on any home for sale in the neighborhood, I have the information at my fingertips. No need to contact a whole list of different agents.

If you want to know what the price of any home in the area is listed for, just call

me, and give me the address. If you have several homes in the area on your list, save time by making only one call. There is no need to contact all of the offices on the signs; I have all the information on everything on the market.

If you are interested in seeing any home that is for sale, I can show any of them. Just let me know the time and place! ❖

## Opportunities For Wealth Are All Around

Real estate is booming again. It has always been the best investment for the long term. Five years from now we will look back at 2015 as the opportunity year of our lifetime. This is the year when the market turned.

Most everyone has a loan of some kind on their home or second home. Some have a second or a third note on the property. A very few owe large amounts on the property, but have no loans recorded against it. These owners may work for a large corporation or bank that advanced the money against the executive's personal account within the company.

If anyone could have a home free and clear of encumbrances, you would normally think it would be the very rich. However, most wealthy owners have all real estate mortgaged to the maximum. This gives them additional cash invested in their business or other investments, with a return higher than the interest rate on the loans. When mortgage interest rates dip to a low level, these investors buy more property or refinance what they have. They treat owning real estate as a business, and this is just one of their rules.

If an owner has title to a total value of \$250,000 in real estate that increases in value by 10% in one year, the increase in equity is \$25,000. If he increases his overall holdings to a value of \$750,000 using leverage, the increase of 10% could amount to \$75,000, even though the owner's equity may be just the same in both examples!

Using \$200,000 in cash in a 25% leverage position could quickly mean an ownership of \$800,000 worth of property. This could be a \$200,000 down payment on an \$800,000 apartment or diversified into several properties, such as \$50,000 down on each of four \$200,000 rental houses.

The long-term trend in real estate has always been higher prices. When we see the threat (or opportunity) of inflation still in the future, we must consider the possibility of using whatever means that we have to control more real estate. Our existing equity can be an answer.

### Your Home Equity

If you have owned your home for a few

years, you may be surprised at the amount of equity that you may have accumulated, even after the recession. Your wealth in equity builds up from the loan reduction from monthly payments and from increases in value. While inflation has not been in the news, most homes have been increasing in value, recently. Real estate owners who have not had great amounts of ready cash before may find that they might easily have access to \$50,000, \$100,000, \$200,000 or more.

When you borrow money on something you already own, the proceeds of the loan is not taxable that year as income. There will be a normal tax liability on the gain, if and when the encumbered property is sold at some later date. (Check with your tax advisor.)

The borrower can use the borrowed money for anything. Some have invested in higher education to increase income. Others have used it to go into business. Many property owners borrow on one property for the purpose of acquiring other real estate. If one property can make you wealthy from appreciation, why not own two, three, or more?

This kind of financing can be a good use of the equity in a home that the owners wish to keep. With other properties (like a rental you already own) there are other possibilities. Here are some ideas.

1. Sell the property and use the proceeds to purchase other real estate using leverage to the best advantage. On a rental, the tax may be low.
2. A second and perhaps a better idea. Exchange the equity up into a different leveraged position in another property, resulting in more income. (This can be a tax-free event if handled for you by experts.)

Sometimes, option #1 (sale) can be done, without tax problems. In one case, the sale of the taxpayer's residence, it might be tax-free. Under the present tax law, you and spouse may get up to \$500,000 of gain free of tax. Most of the cash from the sale can be retained, with no tax liability. Invest the proceeds in down payments on another primary home and in down payments on other investment properties.

Check with your estate planner, tax advisor and attorney before taking any action in using equity to increase your estate. ❖

# 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	2	3.6%	227	620K to 799K	710K	1
2000	Brighton	39	0	0.0%	0	SOLD OUT	N/A	1
<b>S/T</b>	<b>North Beach</b>	<b>106</b>	<b>2</b>	<b>1.9%</b>	<b>227</b>		<b>710K</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	2	1.3%	50	749K to 849K	799K	0
310	Boca Mar	38	0	0.0%	0	SOLD OUT	N/A	0
350	Beresford	53	1	1.9%	100	\$1.099M	1.099M	0
400	Excelsior, The	27	3	11.1%	89	2.095M to 4.95M	3.332M	0
500&550	Chalfonte, The	378	6	1.6%	61	650K to 949K	798K	7
600	Sabal Shores	125	4	3.2%	203	549K to 1.15M	772K	2
700	Sabal Point	67	0	0.0%	0	SOLD OUT	N/A	1
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	N/A	0
800	Presidential Place	42	1	2.4%	36	5.25	5.25M	1
1000	One Thousand Ocean	52	4	7.7%	188	4.099M to 9.95M	6.234M	0
<b>S/T</b>	<b>Boca Beach</b>	<b>968</b>	<b>21</b>	<b>2.2%</b>	<b>116</b>		<b>2.417M</b>	<b>11</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	1	1.0%	165	520K	520K	0
1200	Cloister Beach	128	2	1.6%	48	475K to 699K	588K	0
1400&1500	Addison, The	169	4	2.4%	194	1.249M to 2.55M	1.774M	2
1800	Placide, The	54	2	3.7%	107	839K to 1.25M	1.045M	0
2000	Whitehall	164	2	1.2%	55	749K to 795K	772K	0
2494	Aragon, The	41	2	4.9%	104	2.499M to 5.25M	3,875M	0
2500	Luxuria, The	24	2	8.3%	231	4.995M to 5.9M	5.448M	0
2600	Stratford Arms	120	0	0.0%	0	SOLD OUT	N/A	1
2800	Whitehall South	256	1	0.4%	218	695K	695K	1
3000	3000 South	80	3	3.8%	44	649K to 1.49M	963K	1
<b>S/T</b>	<b>South Beach</b>	<b>1132</b>	<b>19</b>	<b>1.7%</b>	<b>125</b>		<b>1.824M</b>	<b>5</b>

<b>Totals</b>	<b>July, 2015</b>	<b>2206</b>	<b>42</b>	<b>1.9%</b>	<b>125</b>		<b>2.067M</b>	<b>18</b>
<b>Totals</b>	<b>July, 2014</b>	<b>2206</b>	<b>58</b>	<b>2.6%</b>	<b>163</b>		<b>1.622M</b>	<b>14</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 June 12, 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.