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THE BOCA BEACH REPORT

December 2016

*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.

Hire The Best Before You List

Even though home sales are getting back to normal in many parts of the country, it may take longer than usual to sell your home. It is most important to hire the best, most active real estate office to handle the transaction.

There is a big difference between real estate offices and the way that properties that are listed are promoted. The agent’s marketing plan has two main objectives. The prospective buyer must be persuaded to go out and see the property—then he must “see” it through your eyes, with its true potential fully realized. Other brokers must also see the home as “special” so their clients will appreciate it, when they show it. A well-conceived descriptive sales package or report on the property can achieve both of these aims.

Assembling all of the data that prospects need and presenting it in a handy and attractive form can expedite the entire process of negotiation as well as the ultimate sale. Besides speeding up the communications process, the “package” also provides the seller with a

means of getting his information to a wider range of buyers in a more effective manner.

The Benefits Of The Package

A well-prepared sales package serves essentially five marketing purposes:

- Helps the seller’s agent identify and reach prospective buyers or lessees.
- Provides an agent and his/her associates with an attractive and effective way of presenting the property.
- Gives the buyer, in one neat package, all the information needed to decide whether or not to buy.
- Provides dollars and cents demonstrations that will support the seller’s price.
- If the property is other than residential, it provides information on the property’s potential for development.

Included In The File

The following information should be of interest to a prospective buyer and should be preassembled in a handy, attractive form.

Physical Features:

- Legal description of property.
- Plot plan showing survey boundaries and dimensions, access streets, sidewalks, buildings, structures, parking areas, easements, etc.
- Description of topography and surroundings.
- Topographic map, if available. ➤

(continued)

- Photographs of the property, including an aerial view.
- Soil Analysis report, if applicable.
- For an existing building, a statement of its physical condition, copies of floor plans, gross and net square footage.

Other Attributes:

- Statement of present ownership.

- List of any encumbrances.
- Statement of present zoning status.
- Proximity to highways, public transportation, residential areas, schools, houses of worship, shopping, sources of employment, etc.

All of this can be done in multiple copies in folders so that each prospective buyer who shows a serious interest can take a copy for further study. ❖

Get Better Lighting—Save Money & Energy

Here are some tips to cut down on your electric bill. You can save many dollars each year by doing just a few simple inexpensive things.

- Turn Off Lights When You Leave a Room

Simply turning off lights when no one's around can lead to impressive cost savings

- Replace Old Bulbs

ENERGY STAR-certified CFL or LED bulbs have come a long way since they were first introduced. Today's models provide similar light quality to your old bulbs and can save \$40 to \$135 over their lifetime.

- Use Solar Lights Outside

Small solar-powered lights for lining your driveway and walkways are inexpensive, economical, and attractive.

- Use LED Lights for the Holidays

Little changes in decoration add up, especially when you're talking about 1,000 holiday lights.

- Install dimmer switches on overhead lights

Instead of stark on/off switches, dimmers help you adjust the mood while saving energy.

- Use Task Lamps for Small Jobs

Lots of activities don't require you to light the whole room. For example, use a reading lamp for just the amount of brightness you need.

- Use Motion Detector Lights

Since they only come on when they're needed, these lights are convenient and efficient options for both indoor and outside.

Types of Light Sources and Light Bulbs

The performance of any light fixture depends very much on the light source (bulb) used. Different bulbs produce different lighting effects, and many bulbs have widely varying performance. To save energy, select the most efficient light bulb that will provide the type of lighting you need.

LED

LED lighting in general is more efficient and longer lasting than any other type of light source, and it is being developed for more and more applications within the home. To ensure that you are purchasing an LED bulb with good color quality and energy efficiency that is as good or better than fluorescent bulbs, look for the ENERGY STAR symbol.

Incandescent

Incandescent bulbs produce light when an electric current passes through a filament and causes it to glow. Because they are less energy efficient than other light sources, they are best used for task lighting that demands high levels of brightness.

Incandescent bulbs are the inexpensive, readily available light bulbs that most of us think about when we hear "light bulb". They produce a warm, yellow-white light that is emitted in all directions and are available in either a clear or frosted finish. There are three basic shapes:

General, Globe, Decorative (Flame, teardrop and other shapes), and Reflectorized Bulbs (reflectorized incandescent bulbs have a reflective coating inside the bulb that directs the light in one direction rather than all around).

Fluorescent

They use 1/5 to 1/3 as much electricity as incandescent and last up to 20 times longer. Compact types are used in smaller, trimmer fixtures such as recessed downlights, wall sconces, close-to-ceiling fixtures, and track lights. Screw-in types can be used in place of incandescent in standard lamp sockets. Today's fluorescent bulbs come in a wide selection of sizes and colors and can produce warm tones of light similar to those of incandescent.

If your fixtures are on a dimmer system, look for fluorescent bulbs labeled "dimmable." Not every bulb is dimmable, so you should check the bulb's packaging. ❖

Investing In The Future

Owning more real estate is an investment in the future. With real estate prices increasing, now may be your time.

People are buying homes. In addition, many own a second home. If you already own the home you live in, is it time to buy another? Why not start on a program of estate building by the purchase of an extra home or homes for rentals? Each successive investment gets easier.

Your Down Payment

Compared to investments such as the stock market, the amount of capital required can be remarkably small. The leverage is better, with down payments still as low as 10% or 15% of the value. You may be able to make an investment in a significant property with just a down payment in the \$20,000 to \$30,000 range (or even less). Someone else, either a lender or maybe the seller of the property will put up the rest of the investment capital. Real estate is always the perfect place for the use of OPM (other people's money). Usually the rents will cover most of the expense.

Capital Gains

If there is any increase in value in real estate, the potential for big gains on a leveraged (OPM) investment can be significant. An increase in value affects the whole value of the property, not just your equity.

Suppose you have invested a \$30,000 down payment in a \$300,000 property (or properties) that increases in value by only 20%. The \$300,000 total value just increases to \$360,000. That 20% increase in value of the property made your equity increase to \$90,000. That is a 200% increase in equity.

Picture the profit on this transaction if the property went up 50% in value to \$450,000.

Look For The Right Location

What should you look for?

A neighborhood where most homes are occupied by the owners. You will probably be able to get higher rents in an area where the other houses are owner-occupied. Owner-occupied houses will usually be better maintained and the neighborhood will be more stable. If you own a second home in a resort, check out that area. Resort areas bring in high rental amounts and usually have excellent property managers.

In the area of your primary home, be aware of the location of schools, churches, shopping - just as you would if you were purchasing the property for your own residence. The person you sell to later will be doing the same. Make sure of the zoning of the neighborhood and any adjoining areas. Be sure you do not have any sudden surprises after you make your purchase. (We will make sure that this will not happen when we help you with the purchase.)

Other Benefits

There are many more benefits from investments in single-family homes. Many professional investors specialize in houses and have never owned any other type of income property:

1. It is usually the easiest property to qualify for a high ratio loan. It is not unusual to have 80% or 90% loans on homes, even when not owner-occupied. Remember the example of leverage when property increased by only 20%.
2. Refinancing any income property already owned can be a good source of tax-free cash. Any house owned for any length of time can probably be utilized to borrow against to acquire cash to buy another property. Later, when you can refinance both houses again, your investments can multiply!
3. There is little risk, if you have chosen the right property and neighborhood. Can you think of any less risk in investing than owning a home in a good neighborhood?
4. The negotiation can be easier than dealing with professional investors of income property. When you purchase a home, you are usually dealing with a seller who is not a professional investor, but just the owner of a house.
5. The owner of a rented single-family home has all of the tax benefits of depreciation.
6. Tenants who rent single-family homes or vacation homes are more stable people and better credit risks than occupants of apartment properties.
7. Down payments are low compared to investments in apartment properties, since you only purchase one unit at a time. In the single family house, you are purchasing one house, one unit, rather than two or more units.
8. Like the purchase, when you sell the home, the buyer will usually be buying the property as a home. The sale transaction is very simple since you will not be dealing with a professional investor.
9. If you own more than one investment home, your investments are scattered and are separate properties. Later, when you sell, you can then have the choice of paying the income tax on the gain in whatever year you choose. By selling only one, two or a few houses in any one tax year, the gains can be spread out for years to fit into a long-term plan to minimize income taxes. You can move from one to another, live in each long enough to qualify for the \$250,000 or \$500,000 exemption from capital gains taxes, and retire very rich.
10. Since rental houses are investment properties like any apartment or business property, the owner can combine them using any or all equities at any time for a tax-deferred exchange into other investment properties. ❖

Oceanfront In BOCA

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	0	0.0%	0	SOLD OUT	N/A	1
2000	Brighton	39	1	2.6%	225	1.395M	1.395M	1
S/T	North Beach	106	1	0.1%	225		1.395M	2

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	0.7%	8	795K	795K	1
310	Boca Mar	38	2	5.3%	285	315K to 459K	387K	0
350	Beresford	53	2	3.8%	199	1.385M to 2.4M	1.893M	1
400	Excelsior, The	27	1	3.7%	652	2.95M	2.95M	0
500&550	Chalfonte, The	378	3	0.8%	70	795K to 929K	848K	0
600	Sabal Shores	125	7	5.6%	192	529K to 995K	768K	0
700	Sabal Point	67	2	2.9%	55	899K to 1.299M	1.099M	0
750	Sabal Ridge	31	2	6.5%	268	1.5M to 1.8 M	1.650M	0
800	Presidential Place	42	4	9.5%	135	4.699M to 5.8M	5.237M	0
1000	One Thousand Ocean	52	2	3.9%	95	5.995M to 6.35M	6.173M	0
S/T	Boca Beach	968	26	2.7%	578		2.116M	2

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	6	6.3%	101	475K to 724K	539K	0
1200	Cloister Beach	128	6	4.7%	118	469K to 634K	527K	0
1400&1500	Addison, The	169	8	4.7%	127	1.39M to 3.15M	1.992M	1
1800	Placide, The	54	3	5.6%	97	1.05 to 1.25M	1.15M	0
2000	Whitehall	164	5	3.1%	138	579K to 1.29M	1.002M	2
2494	Aragon, The	41	3	7.3%	136	2.65M to 4.95M	3.532M	0
2500	Luxuria, The	24	2	8.3%	33	6.45M to 6.75M	6.6M	1
2600	Stratford Arms	120	2	1.7%	115	1.05M to 1.4M	1.225M	0
2800	Ocean Towers	256	9	3.5%	87	698K to 1.75M	1.045M	0
3000	3000 South	80	1	1.3%	415	657K	657K	0
S/T	South Beach	1132	45	4.0%	116		1.491M	4

Totals	Dec. 2016	2206	72	3.3%	139		1.715M	8
Totals	Dec. 2015	2206	64	2.9%	100		1.751M	9
Totals	Dec. 2014	2206	58	2.6%	113		1.470M	17

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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 BeachesMLS on November 14, 2016. 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.