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THE BOCA BEACH REPORT

May 2017

*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.

A Lease Purchase - What Is It?

What if your house hasn’t sold and you need to be at your new job in less than one month. Should you lower the price? Rent the house? Instead, try lease purchase terms to entice a buyer!

Be sure to have your attorney give you the pros and cons.

Even though a lease purchase is often confused with a lease option, it’s entirely different. A lease purchase is a true sale, but with a delayed but predetermined closing date often six months or more in the future. It works well when a seller needs to move but the house hasn’t sold. It can also accommodate an otherwise strong buyer who needs time for their house to sell or to accumulate additional time on the job in order to qualify for a mortgage loan.

As with any sale, a purchase agreement is drafted and an earnest money deposit is taken. Should the buyer not close the purchase, any and all of the default provisions listed in the purchase agreement would apply (including loss of earnest money deposit). Since the buyer

will occupy the house prior to closing, it’s wise to obtain as much earnest money as possible. It serves as a motivator to close the sale and can help cover property repairs required prior to closing.

You need to determine how much you’d charge a buyer in monthly lease payments until closing. This can be just enough to cover your current mortgage payment, what similar properties like yours are renting for or equal to what the buyer’s new payment will be once the sale is closed (another great motivator for the buyer to close!). Often in a lease purchase the seller will allow a certain amount of the buyer’s monthly lease payment apply to lowering the sales price of the property or go to closing costs. While it’s a great incentive to attract a buyer, make sure that the buyer double checks with the lender to ensure that monthly credits can apply under the financing program he’s seeking. Viewed as buyer incentives under some loan programs, the amount allowed may be capped or disallowed entirely.

Even though you’re anxious to move, make sure that you (and



(continued)

ideally, a third party like a real estate agent) walk through the property with the buyer prior to his occupancy. Note the condition of the flooring, carpeting, and walls as well as the general condition of the home's exterior and yard. Also note any appliance or fixture that isn't working. Present a copy of your inspection notes to the buyer as well and have him concur by signing both copies. The walk-through will serve as a benchmark of the property's condition at the time you vacated and won't allow the buyer to later claim he wasn't informed about the condition of the house.

One last caution when using a lease purchase

Before you accept the contract, make sure that the buyer is pre-approved for the mortgage he needs to obtain. You'll also want the real estate agent and the lender to quote you the approximate amount of closing costs you can expect to pay at closing. Even though a lease purchase can sidestep having to rent the house, saddling yourself with a marginal buyer who can't qualify for financing could prove far worse (and more time consuming) in the long run. ❖

Make Your Best Offer In A Hot Market

Hot real estate markets are coming and are already here in many places. Prices are inching up. Inventory is thin. Buyers are frantic because they miss out on some houses because their offer is beaten by others. Real estate agents get caught in the middle as they try to negotiate purchase contracts that are acceptable to both sides of the transaction.

Along with jangled nerves, hot markets mean multiple offers will be received for just about every for-sale home. These bidding wars are great for sellers, but they add to the "frustration" factor for buyers. How can you buy the home of your dreams when several other people are also bidding on it? Here are six tips:

1. Make your best offer. Let's face it, the bottom line is the most important consideration for most sellers. They're naturally looking to sell their home for the highest possible price. If you want to win a bidding war, offering the highest price—something attractively above the asking amount—is a sure way to get the seller's attention. Most sellers who receive multiple offers only seriously consider those at the top of the price heap.

2. Cover the seller's costs. Of course, price is only part of the equation when it comes to the seller's net proceeds from the sale. An offer with a slightly lower price can triumph if the buyer agrees to incur more of the transaction costs. Pay 100 percent of the escrow fees. Purchase your own home warranty, instead of asking the seller to buy it.

3. Show you're serious. Offer to make a large earnest-money deposit and as large a down payment as you can. Putting more

money on the table up-front shows the seller you're serious about the transaction and willing to put your money behind your intentions.

4. Get pre-approved. Attach a copy of your mortgage preapproval letter to your purchase offer. A prequalification letter is helpful, but a full approval, subject only to an appraisal of the property, is even better. Sellers favor buyers who demonstrate that they're financially able to close the transaction. Agents advise getting your preapproval letter from a local mortgage broker or lender who has a good reputation among the local agents.

5. Work with a real estate agent who is successful and well-known to other agents. Your agent's professionalism - or lack of it - reflects on you. Also, if your agent will be faxing your offer instead of presenting it in person to the seller, a cover letter might be attached. The letter should be addressed to the sellers and should outline the strengths of your offer. (Making sure the paperwork is neat and legible helps too.)

6. Don't add unusual or unnecessary contingencies or requests to your offer. Sellers know extra contingencies (e.g., the approval of in-laws, the sale of another residence) can delay the transaction or create a loophole for the buyer to bow out of the agreement. Special requests (e.g., the right to purchase appliances or move in early) complicate the offer and distract both sides from more important elements. On the other hand, don't waive standard inspection and financing contingencies unless you thoroughly understand the considerable risks. ❖

Know The Equity In Your Home

It pays to have a good idea of the equity in your home. There are many reasons to keep tabs on your value. While most real estate agents are not appraisers, we do have a feel for the market in our area. We can give you a very accurate market analysis which can give you a good idea of value.

Here are a few ways that a market analysis can help you:

- Make realistic judgments in planning your estate or writing a will.
- Set the right selling price in line with other recent sales that might save thousands of dollars.
- Determine the investment soundness of a room addition or remodeling a kitchen and bathroom.
- To know if your insurance coverage is adequate. While most insurance companies try to keep up with inflation or downward changes in value, it is good to have another opinion.
- Make the decisions necessary if you are refinancing the home. Take advantage of today's low rates.

Making a fair-market analysis is an exact, detailed skill. For instance, in arriving at the value, the

calculations include the following.

1. Measuring the size of the home and the lot. Checking the age of the structure and its condition. Evaluating the number of rooms, baths, number of bedrooms and extras such as decks, spas, size of garage.
2. Examining the condition of the exterior and interior. If selling soon, I can help to determine what repairs and refurbishing can bring you the top dollar.
3. Comparing the home with similar properties in the immediate area for sale or have recently sold. This may be close to what a professional appraiser might do for you.
4. Looking at current interest rates and lender's criteria and market conditions with my experience in real estate sales and listings. Interest rates that buyers will pay affects value of homes.

I can help you to know the value of your home today. Only a careful inspection and calculation can establish its unique position in the real estate marketing arena. Call me for an early inspection of the home. ❖

Some Tips For Completing A Seller's Disclosure

The seller's disclosure is one of the most important documents that a buyer closely looks at prior to going into a contract.

Here some important things to keep in mind when completing the disclosure form.

You must answer each question to the best of your knowledge. If you leave any questions unanswered, this could delay a sale or prevent a buyer from going ahead with the sale.

Here are some tips to get that sale completed with ease:

1. Be Accurate. If you had a home inspection when you bought the house, that could tell you the key things such as the age and condition of the roof, plumbing, furnace, A/C system, water heater and electrical. If you replaced any of these things after you bought the house, then you need to disclose what was replaced and, if you know, when they were replaced.

2. Do Your Research. List the make, model and age of the washer, dryer, range, dishwasher, and refrigerator (if any of these items are to remain with the house and are included in the sale).

3. Be Honest. Answer every question to the best of you knowledge. If something happened such as a roof leak, a flooded washing machine or dishwasher, or any other kind of water damage, provide as much information that you can. If an insurance claim was made, be sure to include that also. List each event, when it occurred and state the outcome, such as when it was repaired. If this is not disclosed, the claim could turn up when the buyer obtains insurance. It is better for the buyer to learn about this from the disclosure first. Surprise is never a good thing.

4. Be Very Clear With Your Answers. Don't leave a buyer with unanswered questions. Avoid vague answers as this raises questions and makes the buyer unsure. If you don't know the answer or it is not applicable to your property, say so.

Be very through and provide as much information to the buyer that you can about this house, to give them confidence in their decision to go ahead with the sale. There is never too much information about the home that they are about to invest their hard earned money in. ❖

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	1	1.8%	3	1.297M	1.297M	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	N/A	0
S/T	North Beach	106	1	1.8%	3		N/A	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	2	1.3%	111	950K to 979K	963K	0
310	Boca Mar	38	1	2.6%	86	525K	525K	1
350	Beresford	53	1	1.9%	419	2.0M	2.0M	0
400	Excelsior, The	27	2	7.4%	448	2.95M to 5.495M	4.223M	0
500&550	Chalfonte, The	378	4	1.1%	81	829K to 1.05M	948K	2
600	Sabal Shores	125	12	9.6%	192	525K to 1.05M	731K	1
700	Sabal Point	67	2	3.0%	27	975K to 1.15M	1.063M	0
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	N/A	1
800	Presidential Place	42	5	11.9%	196	3.999M to 5.75M	4.920M	1
1000	One Thousand Ocean	52	5	10.0%	111	3.999M to 7.9M	6.194M	0
S/T	Boca Beach	968	34	3.5%	172		2.416M	6

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%	226	409K to 699K	516K	1
1200	Cloister Beach	128	8	6.3%	135	488K to 529K	511K	1
1400&1500	Addison, The	169	8	4.7%	236	1.285M to 2.05M	1.466M	0
1800	Placide, The	54	1	1.9%	246	975K	975K	0
2000	Whitehall	164	6	3.7%	120	699K to 1.025M	859K	3
2494	Aragon, The	41	2	4.9%	240	2.75M to 4.95M	3.85M	0
2500	Luxuria, The	24	3	12.5%	156	5.95M to 7.45M	6.592M	0
2600	Stratford Arms	120	2	1.7%	214	1.05M to 1.099M	1.075M	2
2800	Ocean Towers	256	10	3.9%	102	735K to 2.9M	1.342M	0
3000	3000 South	80	2	2.5%	15	649K to 695K	672K	0
S/T	South Beach	1132	45	4.0%	156		1.508M	7

Totals	May 2017	2206	80	3.6%	161		1.892M	13
Totals	May 2016	2206	61	2.8%	132		2.051M	21
Totals	May 2015	2206	53	2.4%	135		1.896M	22

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 April 20, 2017. 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.