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THE BOCA BEACH REPORT

August 2019

*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.

Call On The Experts In Real Estate

Experience only comes from working in an occupation or profession for a long period of time. Every one of hundreds of transactions in real estate is different. This means the “experienced” practitioner in real estate has learned many things about property and people that are not taught in books.

When you make the decision to buy or sell a home or other real estate, you want the quickest, trouble-free transaction at the most favorable price. Your search starts in earnest when an expert real estate professional represents you exclusively. Here is why I can do the best job for you.

- My recommendation for a selling price will be “on the money” to save time in the sale. Often a seller will realize more on the sale than he/she would have without professional representation. For a buyer, I also can advise on the reasonable price for each home available on the market.
- In addition to values of properties, I can answer any question about taxes, costs and services

that can affect your transaction.

- My experience with many buyers and sellers can help a buyer determine how much home can be purchased with existing resources and can show some financing methods that might be unique.
- When I represent you, your precious time is saved. Instead of spending hours or days doing research, ask me. I will have instant answers to many of your questions, plus know where the answers are to any others.
- I’ll soak up the stress that comes with a purchase or sale. Instead of you being overwhelmed with details, I’ll take care of them.
- When you are a seller, I’ll show the home to its best advantage. Prospects will be advised of all aspects of the property, protecting you from any later objections.
- For a buyer, I’ll show a variety of homes suited to your needs, and can suggest simple changes that could make a certain home a good choice.
- I know and cooperate closely with all of the other real estate professionals in our market area. These contacts with friends “in the business” can often produce a buyer or seller for us in record time. ❖

Building A New Home – Hire A Professional Inspector

Have you ever bought a new home directly from the builder? You may have thought there could be no more of a problem-free situation than owning a new home with all new appliances, new windows and crack-free walls. You may think that hiring a professional home inspector is a waste of money, you may be surprised.

Unfortunately, no new home is perfect, no matter the price. The general contractor hires sub-contractors to do much of the work. Different crews are in and out, doing their part of the work. Deliberate cutting corners are rare, but mistakes are inevitable, some small, and some large.

What does the City or County Building Inspector do in the periodic inspections while a house is being built? Their job is to make sure that the house being built conforms to county minimum building codes. They do not pay any attention to the quality.

Building A Home? Hire An Inspector Early

The inspector who might be hired to inspect a home being built can be hired to do inspections several times during construction of

that new custom home. This inspector can be involved from the start. The first time he/she can look over the home before the walls are closed in, inspecting the framing, wiring, and all things inside of the walls.

In the negotiations with the builder for the contract for the construction, bring up the subject of the inspector and his/her role in the project. The inspector will assist both the owner and the contractor during the construction. If the builder balks at having an inspector around periodically, you may want to do business with another builder.

The inspector will add \$1,000 or more to the price of the construction, depending on where the home is located, but the completed home should be as perfect and worry free as possible.

If you buy a spec house after it is completed, you might want to add a home inspection contingency to your sales contract.

If you do not know a home inspector in your area try www.ashi.org, which is the web site of the American Society of Home Inspectors. ♦

Just A Few Energy Saving Tips

Conserving energy is important to everyone. Not only does energy conservation save consumers money, it saves precious resources for future use. By making a few energy-saving improvements you can lower your utility bills, help the economy, and promote a cleaner environment for everyone.

Saving energy is much easier than many people think. Insulating a home, changing to double pane windows, lowering or raising the setting on the thermostat by just a few degrees has a significant impact on energy usage.

On hot days avoid using the oven for cooking, instead use only the cook-top, microwave oven or grill on the BBQ outside.

Clear the area around where your air conditioner vents to the outside to ensure the best possible ventilation. Make sure the outside part of your air conditioner can easily ventilate by clearing any debris or other items from the outside area. Clean the intake vent louvers inside and change the filter every few months.

Use ceiling fans instead of the air conditioner to circulate the air if possible. Closing off rooms and

closing vents in rooms not used or occupied will save money and energy.

Taking the stairs, not the elevator in a multi-story building saves energy and gives some much needed exercise.

Replacing incandescent light bulbs with fluorescent lighting can save 30-40% of lighting costs.

Seal cracks and major air leaks around windows and doors.

Check for water leaks in the kitchen and bathroom, take a shower instead of a bath. On average a bath uses twice as much energy as a five minute shower.

Turn off bathroom and kitchen ventilation fans about 10 minutes after their job is done to keep them from pushing cooled air out of your house.

Turn off lights in rooms that aren't in use. Consider a summer tradition of candlelit dinners or dimly lit game nights. During the day, rely on natural light alone.

Check with your local utility company, they will often conduct energy inspections free of charge and suggest ways to reduce your utility bills. ♦

The Tax On The Sale Of A Home

Since the 1997 tax law reporting the tax on the sale of a home is easy. If you are married, you can exclude up to \$500,000 of the profit from the sale. If you are single, you can exclude up to \$250,000. If the gain on the sale is less than \$250,000, say \$200,000, you can only exclude up to that amount.

Rules are simple: besides selling your house for a profit, you must have owned and lived in the house for two years before the sale. This is not a one-time exclusion either: you can use this exclusion every time you sell a house, as long as you haven't sold another house in the last two years. If you're married, you have to meet additional requirements to take the \$500,000 exclusion:

- You must file a joint return.
- You or your spouse, or both of you must own the house.
- You and your spouse must have lived in the house.

Even if you don't meet the ownership requirements, there are exceptions where you may be able to take the exclusion. You may be able to take a partial exclusion even if you can't take the whole exclusion. Consult your CPA about any exceptions to the IRS rule.

- When you marry someone who has used the exclusion within the last two years, you are

limited to a maximum exclusion of \$250,000. But after two years have passed since either of you claimed the exclusion, you can exclude \$500,000 of gain on your joint return the next time you sell a house if both of you meet the ownership and use requirements.

This exclusion applies only to your principal residence, which is the home where you spend most of your time. Your vacation home used only seasonally does not qualify. While the residence can be a variety of types, a mobile home, trailer, houseboat, condominium, or stock you hold in a cooperative apartment. An investment in a retirement home does not qualify if you do not receive a legal interest in the property.

To qualify for the capital gains exclusion, you have to pass three "tests":

The Ownership Test: You must have owned the home for at least 2 years.

The Use Test: You must have lived in the home for at least 2 full years.

The "Other Home" Test: You did not exclude your profit from the sale of another home during the 2-year period ending on the date of sale of this home. In other words, you can only exclude 1 home sale every 2 years.

Be sure and check with your tax advisor before reporting exclusions or taxes on a capital gain on the sale of a home. ♦

Carry-back Financing

The seller can assist the buyer by acting as the lender, financing all or part of the sale. The term given to such seller financing is carry-back financing. Literally, the seller is carrying back part or all of the financing on the property instead of the buyer financing with a bank or savings and loan.

Under this kind of arrangement, a seller will usually require that a homebuyer sign a promissory note with all of the details regarding the loan. This will include the schedule for making payments, the interest rate and all other terms.

When the property is free and clear of loans, seller financing is no problem. If there is a small institutional loan still on the property, it must be

assumable and allow additional financing. The real estate agent must ascertain this when the property is listed.

Seller financing is a vital part of any successful sales program. If the seller is aware of all of the benefits, it can cut the sales time of a property by expanding the market. Many more buyers would be able to purchase the property.

Many sellers of real estate do not need all of the money that will come from a sale. Often the seller must go out and look for a place to invest the proceeds, to get the best possible return.

Your real estate broker can advise you on how to use seller financing. ♦

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	0
2000	Brighton	39	1	2.6%	91	1.295M	1.295M	0
S/T	North Beach	106	1	0.9%	91		1.295M	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	6	3.9%	203	910K to 2.2M	1.295M	1
310	Boca Mar	38	2	5.3%	92	575K to 695K	635K	0
350	Beresford	53	1	1.9%	44	2.250M	2.25M	0
400	Excelsior, The	27	1	3.7%	64	2.845M	2.845M	1
500&550	Chalfonte, The	378	6	1.6%	142	750K to 1.850M	1.044M	4
600	Sabal Shores	125	2	1.6%	95	495K to 699K	597K	0
700	Sabal Point	67	1	1.5%	41	699K	699K	0
750	Sabal Ridge	31	2	6.5%	235	2.5M to 3.4M	2,95M	1
800	Presidential Place	42	3	7.1%	180	3.4M to 5.9M	4,432M	0
1000	One Thousand Ocean	52	8	15.4%	365	3.295M to 13.5M	5,567M	0
S/T	Boca Beach	968	32	3.3%	204		2.688M	7

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%	163	499K to 649K	575K	1
1200	Cloister Beach	128	0	0.0%	0	SOLD OUT	N/A	0
1400&1500	Addison, The	169	7	4.1%	85	1.493M to 3.995M	2.168M	1
1800	Placide, The	54	0	0.0%	0	SOLD OUT	N/A	0
2000	Whitehall	164	10	6.1%	131	575K to 1.325M	808K	1
2494	Aragon, The	41	3	7.3%	209	2.75M to 3.995M	3.332M	0
2500	Luxuria, The	24	0	0.0%	0	SOLD OUT	N/A	0
2600	Stratford Arms	120	3	2.5%	49	1.245M to 1.395M	1.310M	0
2800	Ocean Towers	256	6	2.3%	270	799K to 2.5M	1.590M	0
3000	3000 South	80	3	3.8%	109	749K to 1.699M	1.071M	0
S/T	South Beach	1132	35	3.1%	146		1.476M	3

Totals	Aug. 2019	2206	68	3.1%	172		2,044M	10
Totals	Aug. 2018	2206	61	2.8%	194		2,273M	14

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 July 12, 2019. This representation is based in whole or in part on data supplied by FlexMLS.