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THE BOCA BEACH REPORT

February 2021

*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.

Short Cut Appraisal – A Good Place To Start

If you are going to make a real estate transaction, you want it to be as quick and smooth as possible. A big help is to get familiar with the value of your home if you are a seller and the values of the homes in your target area if you are buying.

Some banks have an electronic page on their web site for an estimate of value. The more information they add about sale prices in the computers, the more accurate their appraisal. Enter the address – get an instant estimate. It is usually very close. Close enough, in some cases, for the bank to use it for equity loans without a formal appraisal. Try it – it is a good place to start.

No buyer wants to pay more than a property is worth. A seller must list a property near its market value in order to sell in a reasonable time. If it is far overpriced, no one will look at it and agents will be unlikely to show it.

Here is the definition of market value, to be used by loan examiners, according to the statement by federal regulators:

- *The most probable cash sale price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably,*

and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated (i.e., motivated by self-interest).*
- *Both parties are well-informed or well-advised and acting in what they consider their own self interest.*
- *A reasonable time is allowed for exposure in the open market.*
- *Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto.*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.*

One of the reasons that buyers and sellers should have an experienced agent representing them is that a good agent can help them with prices and values. Using the guidelines that are commonly used in real estate, the experienced agent can show by comparable sales of similar properties what market values should be.

The exact value is important. ❖

Your Best Investment In 2021

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?

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 build 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 they now own.

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.
- **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. A run-down home in a good or improving neighborhood can 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. ❖

Make Your Home More Secure

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 doorframe 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. ❖

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	1	12.5%	186	2.69M	2.69M	1
2070	Athena	4	1	25.0%	354	3.349M	3.349M	0
2066	Ocean Reef Towers	55	0	0.0%	0	SOLD OUT	0.00M	1
2000	Brighton	39	1	2.6%	232	1.645M	1.645M	2
S/T	North Beach	106	3	2.8%	257		2.561M	4

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	11	7.1%	143	899K to 1.799M	1.32M	0
310	Boca Mar	38	1	2.6%	63	550K	550K	0
350	Beresford	53	1	1.9%	82	1.55M	1.55M	0
400	Excelsior, The	27	1	3.7%	320	4.2M	4.2M	1
500&550	Chalfonte, The	378	6	1.6%	60	650K to 2.4M	1.288M	5
600	Sabal Shores	125	4	3.2%	119	700K to 939K	784K	2
700	Sabal Point	67	3	4.5%	105	749K to 1.295M	931K	0
750	Sabal Ridge	31	3	9.7%	328	1.75M to 3.4M	2.417M	0
800	Presidential Place	42	1	2.4%	21	3.995M	3.995M	0
1000	One Thousand Ocean	52	4	7.7%	325	2.995M to 13.5M	8,373M	0
S/T	Boca Beach	968	35	3.6%	157		2.263M	8

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	4	4.2%	61	599K to 1.195M	912K	4
1200	Cloister Beach	128	3	2.3%	25	499K to 669K	606K	0
1400&1500	Addison, The	169	6	3.6%	231	2.29M to 5.495M	3.164M	0
1800	Placide, The	54	3	5.5%	108	899K to 1.249M	1.114M	2
2000	Whitehall	164	11	6.7%	126	650K to 1.45M	941K	4
2494	Aragon, The	41	3	7.3%	82	2.995M to 3.995M	3.628M	0
2500	Luxuria, The	24	1	4.0%	308	6.25M	6.25M	0
2600	Stratford Arms	120	3	2.5%	338	1.125M to 1.495M	1.288M	0
2800	Ocean Towers	256	10	3.9%	136	799K to 1.975M	1.245M	2
3000	3000 South	80	7	8.8%	77	699K to 1.55M	1.048M	1
S/T	South Beach	1132	51	4.5%	135		1.548M	13

Totals	Feb. 2021	2206	89	4.0%	148		1.863M	25
Totals	Feb. 2020	2206	94	4.3%	129		1,879M	19
Totals	Feb. 2019	2206	84	3.5%	127		2,039M	7

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 18, 2021. 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.