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SERVING

Boca Raton's OCEANFRONT Condominiums



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A Tenant To Pay Your Mortgage

Wouldn't it be great to have a stranger pay off your mortgage and enhance your financial worth? That is something that can be accomplished and make you wealthy at the same time. Investing in another small house or condominium and renting it will increase your financial worth while the rent from this property will pay the loan.

Wealthy People Invest In Real Estate. Is it because they are wealthy that they invest in real estate or does real estate make them rich? We think owning real estate can make you rich.

After a person owns a home to live in, maybe an investment in another house would be something to think about. The benefits of having a tenant paying off a mortgage for the owner are very satisfying. It is a "no-brainer". It's so simple, if someone else is paying off your mortgage, you get the benefit! Rather than just buying a small

house as a rental property, you might think about investing in a condo or a townhouse, or more than one, if possible. The demand for these properties will be always be strong and having someone else pay for the property is a wonderful added benefit.

There are reasons for this demand for condos, townhouses and smaller houses.

Here are some of them:

1. There has been a trend for young people to stay single longer and wait to get married.
2. There is an increase in the numbers of nontraditional households (single parent, singles-not-married, married two-income, no children) that should create a demand for the rental of smaller houses, condominiums and townhouses.
3. The older, retired people, who have increased dramatically in numbers will have a major impact on the market for real estate for many decades to come. Many of

these will try to remain close to family and friends. The convenience and good locations of many of the condo developments will make them desirable to this group.

4. As the population ages, the trend is for them to move to the South and the West and to downsize to a smaller living area with less upkeep and less yardwork. These areas of the country will need more housing that will be of the type that older Americans will prefer - usually the condo, townhouse or a small home.

After the pandemic, the demand for smaller houses has remained strong, well into the next decade. The pool of households headed by young adults is increasing. This results in a demand for the small house, or condo and townhouse.

Call me to get started on your plan for increasing wealth. Now may be the best time in decades. ❖

Using An Option To Buy Real Estate

When you purchase an option to buy real estate, you acquire the right to purchase that real estate at any time within a specified period at the price specified in the option. Usually, you must pay something to acquire the option. What you pay for the option depends on the circumstances, but it will always be small compared to the price of the property. If you fail to exercise the option, you lose only the amount that you paid for it.

When you exercise the option and purchase the property, the amount that was paid for the option is added to the amount paid for the property to determine the basis. The person who had granted the option adds the amount paid for the option to the sale price and that will increase his gain or reduce his loss.

Example: John buys a one-year option to purchase a rental house from Mary for a \$300,000 purchase price. John pays Mary \$15,000 for the option. At the end of one year, John exercises the option and buys the house. His basis for the house is \$315,000. Mary's full sale price realized from the sale, in the year of the sale, is also \$315,000.

The buyer of the option controls the property for a year (and ten days). If it increases in value, he gets the profit. The seller of the option usually feels that the property is sold when the option is purchased.

When The Option Expires

When the option is not exercised, its lapse is

treated as a sale of the option on the day that it expires. The kind of loss from the forfeited amount paid for the option depends on the nature of the property that was optioned. If the property would have been a capital asset if acquired, the loss is a capital loss. The holding period of the option determines if it is long-term or short-term. When the option expires, the payment is ordinary income for the grantor of the option.

Example: In the previous example, let's say that John does not exercise the option, and at the end of the year it expires. Since the rental property would have been a capital asset if acquired, the \$15,000 forfeited is reported as a capital loss. Mary reports the \$15,000 as ordinary income in the year of the expiration.

Selling The Option

The gain or loss from the sale of the option has the same character as a gain or loss from the sale of the property. So, if the property would be a capital asset when acquired, gain or loss from the sale of the option is a capital gain or loss. The holding period depends on how long the option was held.

In any complex transaction that might result in changes in any owner's legal or tax situation, we always recommend consulting with your real estate agent, attorney and or tax advisor during the planning and closing of major real estate transactions ❖

Your Real Estate Team

Buying or selling a home is a team effort. You are the most important member of the team and the one in charge. There are many people and companies also involved with the real estate transaction. The other members of the team are usually the real estate agent/broker, the lending company, property inspectors, the escrow company and financial advisors. All of these team members have a specific job and act as advisers to you – not decision makers. It is up to you to make the important and final decisions involved in a real estate transaction. After all, it's your money that's involved.

Whether you are buying or selling a home, as a part of the team we are there to help you every step of the way.

We can handle property management for any properties you might own. Let us help in determining the value of your home, anytime you need to know.

Call this office when you need services of an expert in this community's real estate. We have the records of all properties for sale at all times. Today's interest rates, availability of loans, and any other financial information that can affect your property is as close as your phone.

Keep our newsletter as a file of useful real estate information and to remind you to call us whenever you need "Professional Service". As part of your team, we're here to help. ❖

Looking For A New Home?

Real estate experts say that the three most important things in the value of a home are, "Location, location and location". This is very true. Here are some things to keep in mind when looking for a new home.

- If new homes are being built in the area, they should be more expensive and more attractive than the existing homes. The neighborhood is being upgraded rather than downgraded.
- Streets are well lighted, clean, and are in good condition.
- Good schools. Are the schools well equipped and well staffed? How do the students rate on college aptitude tests? Are these schools close enough to the home you wish to buy?
- Easy access to shopping. Is your chosen

neighborhood close to schools, churches, recreational and entertainment facilities? What are the particular interests that you have that you want to be near?

- A neighborhood with clean streets that are lined with trees. Most of the lots have been improved, with very few vacant lots.
- What is the overall appearance of the neighborhood? There would be danger signs if there were cars, boats or trailers jacked up in the street or driveways.
- The crime rate in the area should be low.

When we show you through a neighborhood to choose a new home, you will be aware of all of these "location" characteristics. When we show a home, all of the important places that are a part of the neighborhood are also shown so that you can make an intelligent decision. ❖

Hidden Water Leaks In Your Home

Hidden water leaks in your home or condominium can be a dangerous and expensive thing. Leaking pipes within the walls can cause mold, destroy insulation, and rot wood. Dripping pipes within the walls behind appliances can be a fire hazard and leaking irrigation water systems can cause lawn and foundation damage. These elements are just the tip of the iceberg.

Fixing easily detectable leaks like dripping faucets and toilets that malfunction and 'run' can be very inexpensive and easily fixed with a trip to the hardware store. This type of common leak wastes 800 to 1100 gallons of water a day.

Home water leaks waste about 1 trillion gallons of water per year and at least 10 percent of American homes have leaks that waste 90 gallons of water a day, according to the EPA.

Uncovering hidden water leaks can not only be important to your budget, but also to your safety and for the protection of your home investment.

Be proactive and make periodic inspections around your property, on the outside

and inside. Check your irrigation system by walking around your yard looking for signs of leaks in the drip system, or leaking sprinkler heads.

Inspect around the water heater for moisture and check all connections.

Look under the sink in the bathroom and kitchen for any leaks or loose pipe connections and check the wall next to the dishwasher for moisture.

Watch your water meter bill for any unexpected spike that could indicate a problem.

An older home has older pipes and water systems that may be prone to water leaks as they age, but new homes aren't immune to problems either. Pipes and soldering can fail at any time whether the home is brand new or 100 years old.

Whether you live in a high-rise condominium or in a single residence, being aware of the hazard of water leaks can save you a lot of problems and help the environment.

There are smart home technology companies that specialize in water leak detectors. Look in the yellow pages in your area. ❖

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	0.00M	0
2070	Athena	4	0	0.0%	0	SOLD OUT	0.00M	0
2066	Ocean Reef Towers	55	0	0.0%	0	SOLD OUT	0.00M	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	0.00M	0
S/T	North Beach	106	0	0.0%	0		0.0M	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%	14	1.599M to 1.75M	1.675M	0
310	Boca Mar	38	0	0.0%	0	SOLD OUT	0.00M	0
350	Beresford	53	0	0.0%	0	SOLD OUT	0.00M	0
400	Excelsior, The	27	2	7.4%	22	5.999M to 6.495M	6.247M	0
500&550	Chalfonte, The	378	1	0.3%	25	1.24M	1.24M	1
600	Sabal Shores	125	3	2.4%	83	788K to 1.899M	1.427M	1
700	Sabal Point	67	2	3.0%	57	1.25M to 1.3M	1.275M	0
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	0.00M	0
800	Presidential Place	42	0	0.0%	0	SOLD OUT	0.00M	1
1000	One Thousand Ocean	52	2	3.8%	204	6.25M to 6.999M	6.625M	0
S/T	Boca Beach	968	12	1.2%	72		3.097M	3

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%	85	628K	628K	0
1200	Cloister Beach	128	0	0.0%	0	SOLD OUT	0.00M	1
1400&1500	Addison, The	169	2	1.2%	71	2.595M to 5.75M	4.173M	0
1800	Placide, The	54	0	0.0%	0	SOLD OUT	0.00M	0
2000	Whitehall	164	1	0.6%	55	1.295M	1.295M	0
2494	Aragon, The	41	0	0.0%	0	SOLD OUT	0.00M	0
2500	Luxuria, The	24	0	0.0%	0	SOLD OUT	0.00M	0
2600	Stratford Arms	120	0	0.0%	0	SOLD OUT	0.00M	0
2800	Ocean Towers	256	6	2.3%	76	1.175M to 2.55M	1.578M	1
3000	3000 South	80	0	0.0%	0	SOLD OUT	0.00M	0
S/T	South Beach	1132	10	0.8%	74		1.974M	2

Totals	Sept. 2022	2206	22	1.0%	73		2.587M	5
Totals	Sept. 2021	2206	28	1.3%	100		2,161M	21
Totals	Sept. 2020	2206	93	4.2%	160		1,781M	15

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 August 18, 2022. 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.