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SERVING

Boca Raton's OCEANFRONT Condominiums



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The Romance of A 100 Year Old Home

Before you fall head-over-heels for a 100 plus year old home here are some things to think about.

There can be something quite romantic about buying an older home. Decades of history and stories are reflected in the small imperfections and quirks. The unexpected nooks and crannies, the ornate woodwork and beautiful built-in shelves beside the old brick fireplace can be hard to resist. The satisfaction of redoing the woodwork and making the house your own or simply the thought of an affordable fixer-upper at a great price in a great location.

Is love at first sight a good thing when you're shopping for a new home or are you just living a dream with potential pit-falls?

When buying an older home here are just a few issues that

you should be aware of before signing on the bottom line:

Energy Efficiency

Charm may not be the only thing that is seeping from those beautiful 19th century windows or that charming steam radiator in the hallway. Because of the inefficiency of the single pane glass windows and the winter air leaking around the window frames, there are probably drafts throughout the house that will cause the use of more electricity to heat the place.

How about all of the old faucets and plumbing fixtures throughout the house. Are they in good working order? How about the pipes inside of the walls?

That beautiful old brick fireplace with the original cement grout between the bricks could be leaking cold air, replacing valuable heat. You could be feeling cold all winter long but also be facing some very high electric

bills both summer and winter. If possible, ask about the previous owners gas and electric bills to get a sense of what to expect in your monthly utilities.

Is there a way to check the electric wiring? Is it the same age as the house or has it been upgraded to today's standard for use with modern electronics?

Toxic Lead Paint

Most of the homes built before 1940 contain lead based paint which is known to cause a variety of health issues, especially in young children. Even if it has been newly repainted, is it possible that the old lead based paint is hidden beneath the fresh paint layers?

Structural Soundness

Look carefully at the foundation for moisture, cracking or other possible signs of problems. Is the house dry



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underneath around the foundation with no standing water? Test out the windows to see if they open and close smoothly. Do the doors that don't close or stick mean foundation problems? Any of these things could be a sign of costly repairs later on.

Buying an older home can be a very rewarding experience or a total disaster.

Before you commit to the purchase of this beautiful old home, you might want to talk to your realtor about hiring a professional house inspector that will give you a complete evaluation on the condition of the house. This will give you a good sense of satisfaction to know all about the home that you have fallen in love with. ❖

The Definition Of Value In A Home

Home owners asked about the definition of value in a home. They became confused with terms like "fair market value," "listing price," "actual sales price," and "assessed value."

There are several definitions of "value" in a home or other kinds of real estate. The concept of value only takes on meaning when defined by another word such as "assessed." Here are some of the definitions:

Fair market value is the price at which a change of ownership between a "willing and able" seller and a "willing and able" buyer occurs. The sales price may not be an indicator of fair market value if the transaction occurred between relatives, for example, or if one of the parties was a poor negotiator.

In some situations, such as tax appeal and refinancing the property, fair market value must be determined even when a transaction will not occur. However, fair market value is ultimately determined by comparison to actual sales in properties compared to the home being evaluated.

Listing price refers to the amount the seller lists the home for with an agent. The main significance is a legal one: If the agent comes up with a ready, willing and able buyer, the seller may owe the agent a commission even if he or she decides not to sell the home after all. Listing price may not have relation to actual value of a property, but only what a potential seller may want to get in a sale.

The asking price is the figure that the buyer first encounters from the agent, seller or advertisement. The listing price and asking price need not be the same, but usually will be, particularly if the information is from an agent.

Assessed value does not necessarily have any direct relation to fair market value. In some states, the assessment is based on

a percentage of fair market value—50 or 30 percent is not uncommon—although the rules may be more complex than this. Thus the assessed value of a home with a fair market value of \$100,000 might be \$30,000, \$50,000 or \$100,000 depending on the system used.

This is the way that assessments for taxes work in many states, and since some of you own property in two or more states, you may want to check with the specific place that your second home, etc., may be located.

In a few states, like California, the assessment process has been changed by legislation. In California, the assessment for taxation is based only partially on the value, since the assessment is based in the fair market value at the time the home was purchased, plus a small percentage per year, rather than the value during the year when it is assessed for taxes.

When Do You Need A Professional Appraisal?

The owner or a prospective buyer can order an appraisal at any time, but there are times when it is always required. Here are some of the recommended times to get an appraisal:

- **To determine whether a proposed purchase or sale is at a fair price.** The value fixed by the appraiser may strongly affect the final price, but the financing and tax aspects of the overall transaction may be such that a buyer could be willing to take less for the property.
- **Appraisals of each of the properties** in a planned exchange should be made. A good estimate of value on each will assist everyone involved to establish equities in the exchange.
- **Always when a new institutional loan is required** for a new buyer. Often, the lender will appraise the property conservatively. This is always understandable when the buyer may be prepared to put up only 10% of the value, and

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the lender is being asked to put up all or most of the balance of the purchase price.

- **Before entering into a long-term lease**, both the lessor and lessee each may need an accurate idea of the value. This might be a basis for negotiation by either, to determine if the proposed lease is for a fair rental amount.

- **If a renovation or modernization** of an older building is being planned, the appraisal may be requested to be made on the basis of the property, as it will be when the renovation is completed. The purpose of the appraisal would be to determine if the additional income would be sufficient to amortize the capital investment and also return a profit to the owner.

- **For insurance purposes.** It may be important to establish replacement costs, less the physical depreciation, to determine how much fire and casualty insurance should be purchased to adequately cover the property. An appraisal may also be needed to establish proof of loss or to establish the basis for settlement in cases of partial or total loss under insurance contracts.

- **For condemnation purposes.** To estimate damages that are adequate, but not in excess of fair compensation, when negotiating a condemnation award, or seeking the determination of fair compensation for a condemned property in court.

- **For local tax purposes.** To make a proper assessment for local real estate taxes, or to review and contest an assessment to reduce real estate taxes.

- **Income tax liability.** It may be necessary to appraise a property to determine the liability for

income taxes in a taxable exchange, or in a liquidation of a corporation owning real estate.

- **For estate tax purposes.** To determine inheritance and estate tax liability when real estate was owned by a decedent at the time of his or her death.

- **For gift tax purposes.** To determine the tax liability when real estate is the taxable gift.

As a basis for offering investors an interest in real estate through syndication or participation in a corporation or real estate investment trust.

Market Value Vs. Market Price

While value does not need a transaction to exist (you can value something too much to sell it), price does.

Price is the amount of money paid for something.

Most of us have heard the old expression, "You can name the price on your property, if I can name the terms". There is a world of difference between an all-cash sale and a "no money down and carry-back loan with low interest".

Market price is simply the amount paid or contracted for in a particular transaction. As such, it may or may not be governed by prudent acts of the parties, unique financing agreements, or open market conditions. Using some of the creative financing ideas of recent years has demonstrated the truism that the terms and conditions of a transaction determine the price. Sophisticated market appraisals should include these factors on properties used as a recent comparable sale as surely as they do the differences in location, size, or quality of the improvements. ❖

The Best Investment Is Still Real Estate

If you don't want or need to move into a newer home, this might be the time to make money in real estate investments.

Other kinds of investments, like stocks, have no comparison to real estate.

Leverage: Most improved real estate can be purchased with a small down payment. The purchase of a \$250,000 property might be made with just 10% (\$25,000) down. If the property increased in value by just 10%, you would have an increase in your equity of 100%. Where else can you get that kind of profit with a 10% increase?

Control of the Investment: With the real estate investment, you make the decisions that might enhance the value. You can improve or remodel the property or change the usage. With an investment in a stock, all of the management decisions that might affect the value are out of your control.

Choices For Investors

There are some investors that move quickly in and out of houses or small income properties, rehabilitating the neglected ones that will increase in value after a fix up.

Please give us a call. We are here to help you ❖

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	1	1.8%	25	\$1.95M	1.95M	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	0.00M	0
S/T	North Beach	106	1	0.9%	25		1.95M	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	0	0.0%	0	SOLD OUT	0.00M	0
310	Boca Mar	38	0	0.0%	0	SOLD OUT	0.00M	1
350	Beresford	53	1	1.9%	35	2.499M	2.499M	0
400	Excelsior, The	27	1	3.7%	344	6.675M	6.675M	1
500&550	Chalfonte, The	378	11	2.9%	62	1.675M to 4.495M	2.202M	0
600	Sabal Shores	125	1	0.8%	101	1.495M	1.495M	2
700	Sabal Point	67	0	0.0%	0	SOLD OUT	0.00M	0
750	Sabal Ridge	31	0	0.0%	0	SOLD OUT	0.00M	0
800	Presidential Place	42	1	2.4%	90	7.995M	7.995M	1
1000	One Thousand Ocean	52	2	3.8%	15	3.55M 14.65M	9.1M	1
S/T	Boca Beach	968	17	1.8%	75		3.593M	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	6	6.3%	84	599K to 2.3M	1.105M	0
1200	Cloister Beach	128	1	0.8%	5	799K	799K	2
1400&1500	Addison, The	169	1	0.5%	335	2.895M	2.895M	0
1800	Placide, The	54	1	1.9%	17	1.795M	1.795M	1
2000	Whitehall	164	0	0.0%	0	SOLD OUT	0.00M	2
2494	Aragon, The	41	0	0.0%	0	SOLD OUT	0.00M	0
2500	Luxuria, The	24	1	4.2%	64	6.3M	6.3M	0
2600	Stratford Arms	120	2	1.7%	17	1.9M to 2.4M	2.15M	0
2800	Ocean Towers	256	1	0.4%	55	3.194M	3.194M	1
3000	3000 South	80	0	0.0%	0	SOLD OUT	0.00M	0
S/T	South Beach	1132	13	1.2%	52		1.993M	6

Totals	Sept. 2023	2206	31	1.4%	64		2.869M	12
Totals	Sept. 2022	2206	22	1.0%	73		2.587M	5
Totals	Sept. 2021	2206	28	1.3%	100		2,161M	21

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 17, 2023. 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.