



Richard L. Dusik
President - Broker

RLD@FloridaBeachRealty.com



Grace E. Corbino
REALTOR - Associate

Grace@FloridaBeachRealty.com



John M. Caluwaert
Associate Broker

John@FloridaBeachRealty.com



FLORIDA BEACH REALTY
and Financial Services, Inc.

1515 N Federal Hwy, Suite 300, Boca Raton, FL 33432-1994 (USA)

Website: www.FloridaBeachRealty.com and www.OceanfrontInBoca.com

SERVING Boca Raton's OCEANFRONT Condominiums

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When Buying or Selling Who Pays for What?

When a purchase contract is written, the selling price is the first thing on which both buyer and seller look at. This is always the way, but the price isn't the only factor that determines the net bottom line for both the buyer and the seller. Who does the contract say pays for all of the transaction costs? What if the buyer is offering to pay near to the asking price, but is asking for all of the furniture to be included?

Here are some other bottom-line points that can change the transaction:

1. As we mentioned above, how much are the estimated transaction costs and who will pay for what?

The transaction costs can amount to thousands of

dollars. It may be customary for the buyer to pay for certain items but all of them are negotiable. Here are some:

- The broker's commission.
- The home inspection.
- Escrow or attorney's fees.
- A termite inspection.
- Transfer taxes and recording fees.
- An owner's title Insurance policy and a title search.

2. How much money is the buyer putting up as a deposit? When? Who has the money?

The deposit that is paid when the offer is signed can be as little as \$100.00 or the full down payment of thousands. This is an indication of whether the buyer is serious

about completing the transaction. The seller wants the largest amount of money and wants it placed in an escrow account. Beware of a promissory note instead of money – it is just paper, not money.

3. Is the buyer financing with a new mortgage? What are the terms?

Few buyers pay all cash. Most need financing and a mortgage escape clause is a must for them. Buyers must have this contingency, as they can be legally obligated to purchase the home even if they can't obtain financing. Usually this contingency says the buyer will obtain a loan "at a certain rate of interest" within a specified time period. The seller's broker can advise the seller



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if these terms are reasonable in the current market conditions.

4. A comprehensive list of items to stay as part of the sale

In most places, anything that's permanently affixed to or installed in the home is real property. Anything else is the seller's personal property. There is room for confusion here. Built-in appliances are usually real property but can be a problem if the seller removes them right before closing. It is best if the buyer carefully lists anything that is expected to stay. An expensive chandelier or window coverings are typical. Be specific – seller might substitute a cheaper version of the item and remove the expensive one. The seller can counter-offer and remove something from the list that was not intended to be included.

5. What happens if buyer or seller breaches the contract?

When both the buyer and seller have agreed to the terms, it is a binding legal document. Unless an unmet contingency automatically kills the contract, a buyer who fails to perform can lose the deposit money. A seller who backs out can be sued for "specific performance," which can force the sale of the home to the buyer. Some contracts specify that disputes can be settled in small-claims court or presented for arbitration or mediation.

When we represent you as buyer or seller in a transaction, we will go over the small print in the standard contract, and all the written terms, so that you'll know what to expect and be prepared to negotiate all the possible variations to get you the best terms. ❖

Is This A Buyer's Market Or Seller's Market?

The home buying and selling market will always be swinging toward one of two directions, either a buyer's market or a seller's market, or sometimes, a little of both. Seller's markets force prices up because owners can ask whatever they want (within reason). Buyer's markets may force prices down, as there are more sellers than buyers.

Real estate professionals feel that a typical market is one in which homes take an average of a few weeks to a few months to sell. Agents keep track of this number by recording the days on the market of every home listed and sold. This means that in the Multiple Listing Service, there may be at least six months worth of inventory (homes) on hand to sell for the number of buyers in the market. If the number rises above six months inventory on hand, then the market is swinging into a buyer's market. If it falls below, it is becoming a seller's market.

The typical buyer's market is one in which there are too many homes on the market for the number of buyers. Homes take longer to sell and prices may fall as sellers become anxious.

Seasons

Some owners think that wintertime is a buyer's market. It is true that there are fewer buyers, but there may be fewer homes on the market as

well. Homes listed for sale during slower times of the year must be aggressively marketed.

Come the spring season, more homes come on the market. Buyer activity picks up as families with children buy homes so they can move during summer vacation. A buyer's market can easily exist in the spring, if conditions dictate that there are more homes than buyers, and longer days on the market.

Unusual conditions might cause a buyer's market to last for a long time. The closing of one of the major employers from a community or a natural disaster such as a flood or earthquake can affect home values in an area for years.

Local conditions or seasonal, any time there are more than six months' inventory on hand, there is a glut of homes on the market. If there is a surplus of homes, and prices begin to drop, sellers will work harder to attract buyers, including adding incentives such as owner-financing.

As sales of homes become more competitive, buyers realize that their interest is at a premium and they will increase their demands on sellers. The nice furniture and appliances that normally would not be included in the purchase price of the home, now become bargaining chips for the buyer. The buyer may ask the seller to provide a

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home warranty at the seller's expense, or for the seller to pay more of the closing costs than usual out of the settlement proceeds, or any number of other contingencies.

Owners who have occupied their homes for many years may be able to sell their homes at a profit in a buyer's market because they have built equity, but they may find that if they have completed little or no improvements the home will compare poorly with the number of homes on the market and it will not get the best price.

There are always sellers who are in a must-sell position and may take little or no profit from the

sale of their homes, or may even take a loss. The homeowners who are most hurt by a buyer's market are those with little or no equity built into the home. When they are forced to sell, they may have to come to the closing table with cash to pay their mortgage off or allow the home to be repossessed by the lender.

Historically, the one thing that can always be counted upon is that one side of the market will never stay on top forever. In fact, it can turn in a moment. The same area that remains depressed for a period of time can make a complete comeback. ❖

Basic Rules For The Best Price And Terms

When you decide to sell the home, time is of the utmost importance. Every day that the home is on the market, unsold, it costs money – a lot of money. If it sits for an extra month, you are obligated for another monthly payment, one-twelfth of the annual taxes, the utilities and any other costs for gardening, etc. Sellers often do not think of this when they set the price “a little high to test the market”.

If you want to sell as soon as possible and at the best price and terms, you have to follow some basic rules in marketing real estate. Following these rules can make the transaction easy on you, as long as you do not cut corners on any of them.

- Choose your real estate office and agent carefully - an active professional office and a full time agent. The agents in this office may already be working with some buyers who might purchase your home quickly. The professional office agents will show your home and expose it to the market in many ways. At sale time, the experienced professional will assist you in the negotiations. Since you are working with an enormous amount of money in most cases, you do not want to trust this to someone who does not have an office and may be working out of a car.
- Count on your agent to furnish you with all market data to help you set the correct asking price (it must be neither too high nor too low). This will include information on comparable homes in the area that have sold and others that are on the market. “Testing the market”

with a higher price might cost you that extra two or three months of costs.

- Demand an “exclusive right to sell” listing agreement. This gives your home the broadest exposure in the marketplace. It can be placed on the Multiple Listing Service (MLS) and gives all other member agents in the area the opportunity for the sale. Make the listing period as long as possible to give your agent the time to market the home effectively.
 - Understand that the brokerage fee is well spent in getting the top price in the shortest time. Attempting to sell without the broker usually results in wasted time and if an offer is finally received, the buyer will ordinarily discount the price by the amount of a normal selling fee. (Remember those monthly costs.)
 - Work on the home and landscaping to make it as appealing as possible compared to other houses in the area. A little paint can be a quick and profitable improvement.
 - Allow the agent or agents to show the home. They have interviewed and qualified the buyers. Be absent when the house is shown in order to keep the buyer at ease and concentrating on the property and the purchase.
 - When an offer is received, negotiate in good faith. When the price is good, be willing to give a little on small things, such as date of possession, furniture and window coverings, a special chandelier, etc. Accommodate the buyers in any way possible. Make money and save money! ❖
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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	1	25.0%	39	5.5M	5.5M	0
2066	Ocean Reef Towers	55	4	7.3%	99	1.45M to 1.8M	1.600M	0
2000	Brighton	39	0	0.0%	0	SOLD OUT	0.00M	0
S/T	North Beach	106	5	4.7%	87		2.380M	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	1	0.6%	189	2.199M	2.199M	1
310	Boca Mar	38	0	0.0%	0	SOLD OUT	0.00M	0
350	Beresford	53	4	7.5%	53	2.325M to 4.65M	3.092M	0
400	Excelsior, The	27	4	1.5%	22	5.5M to 14.0M	8.563M	0
500&550	Chalfonte, The	378	11	2.9%	84	1.399M to 3.899M	2.037M	5
600	Sabal Shores	125	4	3.2%	107	799K to 1.795M	1.369M	1
700	Sabal Point	67	3	4.5%	22	1.295M to 1.399M	1.356M	0
750	750 Ocean	31	0	0.0%	0	SOLD OUT	0.00M	0
800	Presidential Place	42	1	2.4%	27	7.395M	7.395M	1
1000	One Thousand Ocean	52	3	5.8%	44	5.9M 11.245M	9.215M	1
S/T	Boca Beach	968	31	3.2%	66		3.736M	9

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	5	5.2%	153	599K to 1.25M	932K	0
1200	Cloister Beach	128	5	3.9%	106	629K to 1.295M	854K	1
1400&1500	Addison, The	169	4	2.4%	94	2.25M to 3.495M	3.066M	1
1800	Placide, The	54	3	5.6%	87	1.695M to 2.25M	1.915M	0
2000	Whitehall	164	3	1.8%	97	1.05M to 1.349M	1.243M	2
2494	Aragon, The	41	2	4.9%	92	3.999M to 6.395M	5.197M	0
2500	Luxuria, The	24	2	8.3%	71	6.75M to 9.2M	7.975M	0
2600	Oceans Edge	120	2	1.7%	32	1.95M to 2.35M	2.150M	1
2800	Ocean Towers	256	5	2.0%	45	1.995M to 2.75M	2.336M	1
3000	3000 South	80	1	1.3%	161	1.995M	1.995M	1
S/T	South Beach	1132	32	2.8%	94		2.340M	7

Totals	April 2024	2206	68	3.1%	81		2.979M	16
Totals	April 2023	2206	43	1.9%	81		2.226M	21
Totals	April 2022	2206	7	0.3%	66		2.350M	31

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 March 19, 2024. 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.