

At Home In Coral Bay

A Mortgage & Real Estate Newsletter By Eddie Velie Real Estate Svcs

CDD EDITORIAL —

Happy Holidays and Happy New Year to everyone in Coral Bay! Enjoy Life Liberty & the Pursuit of Happiness!

Absentee ballots excluded, as they did not change the outcome, the November 7th voting was:

Seat 3	Ron Gallucci	320
	Fred Bourdin	187
Seat 4	John Hall	353
	Lewis Horn	153
Seat 5	Dan Dean	233 (Winner)
	Cristina Bravo	259 (Withdrawn)

At the first post November 7th election CDD Board meeting, it was smiles all around. A new landscaping company was hired. We heard 4 presentations before the obvious choice was made. The CDD Board voted unanimously and the audience agreed.

The Coral Bay management company contract was put out for bid at the direction of the Board. Because of timing issues the decision on which proposal to accept will be done in January. If we don't show up in force at January's meeting, we may be stuck with "Wilma's temporary tax increase" permanently (although I believe this Board is aware). The current management company, New Community Strategies, is still in the running for winning the bidding. I was at the meeting last year **when the Wilma assessment was first proposed. The current CDD manager BLURTED, "Let's make it permanent," as if it was an automatic response to a suggested tax increase.**

New Community took over in 2003 and has more than doubled our taxes (See chart on this page). Alliance Property Systems was our last management company. Look at their numbers from 1999 to 2002. It's crystal clear.

The trio of three, that we voted out, ousted Alliance citing the lack of reserves for infrastructure. Four years later (this spring) our taxes have doubled. We're missing a wall on South Bay drive, (& other sections of wall), the toddler playground is closed, peninsula Park is closed, the main entrance lights are gone along with our association entrance lights, the gates have been up for two years, annual flowers are sporadic at best, etc.

I remember when I was proud to drive into *our Coral Bay* — end

Unfiltered Coral Bay News

Get this newsletter in full color
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VelieRealEstate.com

PAY IT DOWN

If a prospective homebuyer takes out a 40-year mortgage, he may be able to afford the house of his dreams. But then he balks at the term of the loan, preferring a tried-and-true 30-year FRM. No problem, says Dr. Don with Bankrate.com. Simply suggest he take out a 40-year FRM and pay it off as if it's a 30-year, adding principal to each monthly mortgage payment, or saving money and paying the equivalent amount once per year. Bankrate.com has a calculator (www.bankrate.com) that can determine monthly payments broken down by principal and interest.

For example, a \$200,000, 40-year loan at 7 percent comes out to \$1,242.86 per month. That same loan and interest paid off over 30 years comes to \$1,330.60. One caveat to this free 40-year to 30-year conversion system, however: When taking out the initial 40-year mortgage, make sure it doesn't contain prepayment penalties. Also, check the math periodically to make sure the lender is actually applying the extra principal payments to the principal.

Source: Bankrate.com
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TAX YEAR	CDD In-crease %	CDD In-crease \$
1997	-	\$583
1998	0.0%	\$583
1999	10.5%	\$644
2000	6.7%	\$687
2001	-0.7%	\$682
2002	0.0%	\$682
2003	25.2%	\$854
2004	17.3%	\$1,002
2005	18.8%	\$1,190
2006	25.6%	\$1,495
<i>Four years of New Comm. Strategies</i>	119.2% Increase	\$813

ARMs A-OKAY FOR SOME

Adjustable rate mortgages (ARMs) are getting a lot of bad press these days, but Merrill Lynch economist Sheryl King says they can still be a very smart choice. King says Merrill economists predict that the economy will soon weaken and the Federal Reserve will start cutting interest rates early next year. By the end of 2007, ARMs will be significantly cheaper. She believes that the Fed will reduce the federal funds rate, now at 5.25 percent, by 1.25 percentage points by the end of 2007. If she were buying a home, she would choose an adjustable rate and ride it down, she says.

Source: The San Francisco Chronicle, Kathleen Pender (11/7/2006) © Copyright 2006 INFORMATION, INC Bethesda, MD

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Ten tips to reduce your insurance bill

Debbie Roth Arthur was fuming when she got her State Farm renewal notice. Her annual premium tripled to nearly \$5,800 from \$1,900. After the initial shock wore off, Arthur worked with her agent to reduce the premium to about \$3,500. Among the ways was raising her windstorm deductible from 2 percent to 5 percent and her property/casualty deductible from \$1,000 to \$5,000. She already had credits for shutters and fire alarms for her 1998 home in Kendall.

"Now the premium has just doubled, rather than tripled," says Arthur.

In recent weeks, South Florida insurance agents have been fielding desperate pleas from clients like Arthur who can't afford the huge bills arriving in their mailboxes.

There are steps homeowners can take to reduce their annual premiums, possibly by \$2,000 to \$3,000 if they qualify for all the credits offered by an insurer. Savings will vary greatly depending on the insurance company, policy type and insured value.

Besides raising deductibles, shedding riders for jewelry, fancy stereo equipment or detached structures such as fences and sheds can save substantial bucks. You could even part with replacement-cost coverage.

However, there is a price: Reduced coverage and much higher out-of-pocket expenses if your home is damaged in a catastrophe.

"Insurance is an individual thing. What's important to me may not be important to you. That's why you need to sit with your agent and review your policy," says Manny Miranda, a State Farm Florida agent in West Kendall.

Miranda adds homeowners should be sure they have access to savings or a home equity line of credit to cover such expenses.

"Basically, what we're doing is stripping away all the extra coverages from a policy," says Gaby Dominguez, an agent with Avante Insurance in West Miami-Dade. "We got used to all these bells and whistles when premiums were low."

If you are willing to take the risk by cutting back your protection, here are 10 ways to trim your insurance bill:

1. Hike deductibles: This can be painful, but it provides big savings. Move the windstorm deductible from 2 percent to 5 percent or even 10 percent. And on the property/casualty portion of a homeowners policy, deductibles can range from \$500 to \$2,500 or even \$5,000 on

GET A CLUE

(Get Claims Report On Home Before You Buy?)

You can avoid nasty surprises by encouraging your homebuyers to review a home's CLUE report, an acronym for ChoicePoint Asset Co.'s Comprehensive Loss Underwriting Exchange history. Based on claims information submitted by insurers to the CLUE database, the report includes dates, types of claims and the amount paid for each claim submitted on behalf of a specific home. If the report shows no losses, a homebuyer can feel confident that no one has filed a fire, flood, windstorm or other claim against an insurer. However, if a claim has been filed, the buyer will know to take an extra-hard look at the area that was damaged. Also, if the report shows that someone has filed a water-based insurance claim for mold, that might be reason enough to move on. A mold claim often makes it difficult for subsequent owners to obtain homeowners insurance; and if they can obtain insurance, it might be extremely expensive. Only the homeowner can obtain these reports, so the buyer will have to ask the seller to purchase one. The report costs \$19.50 and can be obtained from the ChoicePoint Web site. Source: United Feature Syndicate, Lew Sichelman © Copyright 2006 Information, Inc. Bethesda, MD

TIPS FOR GETTING INTO FORECLOSURE MARKET

Is now the time to snap up a foreclosure? Investors Andy Heller and Scott Frank, who wrote the book "Buy Even Lower: The Regular People's Guide to Real Estate Riches," say "yes." As fair-weather investors look for easier pickings, competition in the foreclosed property market is diminishing, the authors say. The shorter the time you intend to hold a property, the greater the "minimum investor discount" you require, Heller and Frank advise. They recommend trying to buy homes for 20 percent to 30 percent off market value if you plan to flip the property; 10 percent to 20 percent off if you'll rent it out with the option to buy; and 5 percent to 10 percent if you intend to rent it out indefinitely. Sources for REOs include multiple listings services, the Web sites of federal agencies and government-chartered corporations or their affiliates, such as HUD.gov, Ocwen.com (for VA-owned homes), FannieMae.com and FreddieMac.com; national online listing services, such as Realtytrac.com and Foreclosure.com, available by subscription; or property wholesalers, such as Homevestors.com (the "We buy ugly houses" people).

Source: Kiplinger's Personal Finance Magazine, Patricia Mertz Esswein © Copyright 2006 INFORMATION, INC. Bethesda, MD

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Eddie Velie, Realtor & Licensed Mortgage Broker in now offering a **FREE RE-FINANCE ANALYSIS!** Pay off those cars, credit cards, 2nd mortgages, or get cash out for the much needed vacation — All while lowering your monthly payments. If the analysis shows you should not refinance due to certain circumstances, I will continue to work with you and explain in detail how to improve your financial & credit situation. — **I COME TO YOU!**

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NEW REAL ESTATE SITE LISTS HEADY PRICES

You might have heard this piece of wisdom: A man with one clock always knows what time it is. A man with two clocks is never sure. The old saw applies to the rapidly expanding number of sites that estimate your home's value. First came Zillow (www.zillow.com) and its "Zestimates," which launched with a splash earlier this year. Realtors and consumer advocates gripe that Zillow's estimates are inaccurate and confusing. Now comes CyberHomes (www.cyberhomes.com), the Zillow-like site just launched by title insurance giant Fidelity National Information Services. Both sites make it nearly effortless to look up home values. So, The Palm Beach Post ran some homes currently listed for sale and compared the prices to the valuations offered by Zillow, CyberHomes and county property appraisers' sites. The results? The numbers are all over the place, with CyberHomes offering especially optimistic values. CyberHomes was above the asking price for four homes looked at. The lesson? Don't take these tools too seriously. Copyright © 2006 The Palm Beach Post, Fla. Distributed by McClatchy-Tribune Business News.

DID YOU KNOW?

Florida regulations do not require a licensed mortgage broker to have a high school diploma?
 Why would you trust a high school drop out with a decision costing over \$100,000?
 Eddie Velie, MA Human Resource Management, BS Business Administration, Realtor, Licensed Real Estate Broker, Licensed Mortgage Broker. Call now for a FREE no obligation consultation.

TEN INSURANCE TIPS—CONT'D.

big homes. Increase it by \$1,000 or even more. Potential savings: \$500 or more on your premium.

2. **Opt for actual cost rather than replacement coverage on contents.** That means if furniture and clothing are damaged, you'll receive what they're worth after depreciation. Most policies offer 50 percent to 75 percent of insured value for contents. For the structure, most insurers require coverage for the full rebuilding cost.

3. **Avoid being overinsured.** Insurance should cover the cost to rebuild your home. That's the amount of insurance you should buy, regardless of the market value or the price you paid for the house. Many insurers apply "inflation guards," which adjusts the insured value of a policy upward each year to keep up with higher construction and labor costs. Some insurance companies might be willing to drop inflation increases.

4. **Drop coverage for fences, gazebos, garden sheds and screened enclosures.** After Hurricane Wilma wiped out many of these structures, insurers dramatically increased the cost of this coverage anyway. Mold protection may be another one to cut: If mold is caused by a hurricane, removing it is covered by your windstorm policy.

5. **Rack up those hurricane mitigation credits on your windstorm coverage.** A "hip" roof, where all sides slope upward, is good and can mean an instant credit. A "gabled" roof is bad because its two gabled ends -- two vertical sides -- mean more wind resistance and thus no credit. Straps or clips that attach roof trusses to walls mean another credit. A full set of windstorm shutters or shatterproof windows can mean premium savings. With a hip roof: 23 percent to 32 percent; without a hip roof: 7 percent to 19 percent for homes built before 2002; more on new homes. Bottom line: These savings could trim \$1,000 or more depending on the insurer.

6. **Get your alarm discounts.** Burglar and fire alarms: 5 percent off the property/casualty premium, more when combined with a sprinkler system.

7. **Score on new or updated homes.** Homes under 10 years old can qualify for discounts up to 20 percent.

Some insurers are adding surcharges on

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TEN INSURANCE TIPS—CONT'D

older homes. An inspection by an engineer, building inspector or architect might be needed to verify that an older home has a new roof, along with plumbing, electrical and heating/cooling systems that meet current building codes. Inspections cost \$150 to \$200.

8. **Be claims free.** Discounts for non-wind coverage can range from 5 percent off after two years with no claims to up to 20 percent if there are no claims after nine years. The flip-side: Many insurers impose a surcharge when non-hurricane claims are filed.

9. **Group your home, auto, even boat policies with the same insurer.** State Farm, for instance, offers a 2 percent discount on a homeowners policy and 15 percent off on auto insurance.

10. **Harden your home for the future.** Apply for the state's new free inspection program at www.mysafefloridahome.com or call 1-800-342-2762 and learn about your home's construction and what mitigation credits you can get. You may also be eligible for matching grants to strengthen your home against future storms.

Source: BY BEATRICE E. GARCIA, bgarcia@miamiherald.com

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Coral Bay Continues to go up in value, even while demand (closed sales) demand is down 20.8% from 2005. We are fortunate that our community was undervalued relative to the surrounding city's communities.

This analysis is from MLS data only. It does not include homes sold privately. Recent studies have shown that homes sold by a Realtor sell for more.

Coral Bay Sales from Jan. 1st thru Nov. 30th of 2005 & 2006

	AVG List Price	AVG Sale Price	SF Living Area	# Homes Sold	Median Sales Price
Indicators:	↑	↑	↑	↓	↑
2006 Averages YTD:	350,785	345,563	1,660	57	355,000
2005 Averages YTD:	311,296	307,447	1,556	72	327,500
% Change from Last Year:	12.7%	12.4%	6.7%	-20.8%	8.4%



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- Professionalism
- Honesty
- Fairness
- Accountability
- Skill
- Care
- Diligence and
- Confidentiality!

Articles and opinions here in do not necessarily reflect the opinions of EXIT Realty, its franchises, or any of my professional, personal, or public affiliations and associations.

Thank you for reading this back issue of "At Home In Coral Bay." I do this for the enjoyment and because you like getting news about your neighborhood that affects your (and mine) net worth. All I ask is that you send me referrals and/or call me whenever you need assistance with any of your real estate or mortgage needs.

Thank you and sincerely,

Eddie Velie, Consultant
 Realtor, Mortgage Broker, Community Association Manager
[Webmaster](#)