



So, you've counted your pennies and found the Florida home of your dreams: now what? **Lesley Dolby** and **Steve Schaffer** talk through what you need to do between choosing a property and picking up the keys



Photo: Alamy/Comstock Images



the market and all of the options available to you, based on your criteria and goals. Some UK-based companies work on behalf of certain developers, offering only a limited choice. However, most brokers based in Florida will be able to cover a much wider choice of location and property type, and may be more familiar with the Florida property market and the buying process, in terms of the special needs of foreign nationals.

You will be best prepared if you start up a dialogue, mainly via email, with your agent before you go to Florida to view any properties. During this communication, a good agent will want to get to know you and build up a relationship, which helps them to be better able to find you the most suitable property. It is important that during this stage you both maintain an open, regular line of communication; without this, your agent can't help you as well as they should. If you have any questions, you should expect quick, informative responses from your agent.

Emails may include photos, documents and, if you are working with a realtor, MLS property links. If you don't have a computer, try to get access to one perhaps through a family member or a friend. And even if you don't have a good command of the computer, your agent should!

Now that you've decided to invest in a holiday rental property in one of the world's most popular tourist destinations, you will be facing some tough competition from other villa owners and from the many hotels and resorts. This is why you need the advice of a properly qualified local agent, who knows the market well. The right professional advice can mean the difference between success and failure, and it all starts with the initial chat with your chosen agent.

STEP 1: YOUR AGENT

You will be working with your chosen agent for a long time, so it is important to establish a good relationship with them from the very beginning. Your agent should be able to adequately inform you, without bias, about

STEP 2: MORTGAGES & MONEY TRANSFER

An important part of the initial dialogue is the subject of financing. A good agent will ask you up front about your funds. You should be forthright and honest with the information you provide to your agent, as they can only guide you based on what they know.

Top Like all investments, new builds have pros and cons: your agent can help advise which is best for you Right Email is an invaluable resource when communicating with your Florida agent – and it's cheaper than phone calls!

Financing should be handled by a mortgage broker who understands the holiday letting property market, because getting a mortgage for a buy-to-let property requires special handling. Your agent should be able to refer you to their preferred mortgage broker. You don't have to use the suggested broker, but it is important that you work with one who understands the needs of a foreign national.

A good local agent should also help you with the other side of the financial picture, which includes informing you of the requirements for opening a US bank account, and advising you on money transfer. Again, you should be able to rely on the agent's advice on the banks and currency exchange companies who have specific knowledge of this market.

After 9/11, the American Patriot Act put into place certain criteria concerning the tracking of funds from start to finish, so good financial advice is crucial for a smooth transaction.

STEP 3: NEW BUILDS vs RESALES

If you decide to buy a new build, it could take up to two years before the property is actually finished, so the contract stage is generally much longer. For a resale (pre-owned) property, the wait time is reduced to an average of six to eight weeks.

The initial deposit will also be more on a new build: generally 10 per cent of the purchase price, as opposed to the customary \$1,000 to \$5,000 (£560-£2,800) on a resale. Closing costs on new builds are generally higher, because the builders pass onto the buyer some of the costs normally paid by the seller. This can amount to several thousand dollars.

When dealing with a new home purchase, you need to be aware that builder/developer representatives do not have to be state-licensed professionals, and no matter how pleasant and helpful they are, they have their employer's interests at heart and not always yours. Therefore, your interests can best be represented by a Florida licensed real estate professional, whose services should have no effect on the sale price.

When buying a new home, you will most likely be asked to use the builder's unique sales contract. Read it carefully; you may be surprised to see a clause in some contracts stating that the builder can raise the price you must pay for the property, due to rising their material and labour costs, before the actual building of the property begins. This clause won't be open to negotiation; you will either have to pay the new price or withdraw from the sale.

STEP 4: OPTIONAL EXTRAS

While we're on the subject of new builds, when you've paid the deposit the builder's salesperson will most likely bring up the topic of optional extras. An experienced agent should be able to advise you which upgrades will provide value and which may be unnecessary for your needs.



Above If you're buying a new build, check the contract carefully for hidden clauses
Right Make sure that any optional extras you choose, such as a screened pool, will add value to your investment





The most important improvements are those that offer low maintenance and replacement costs; for example, selecting tile flooring rather than carpet in high-traffic areas. Improvements to the pool area, such as a covered lanai, a spa attached to a heated pool, or an extended pool deck are also sought-after features. Cosmetic items, such as crown mouldings, bay windows and exterior façade coverings are nice, but may offer little, if any, value increase in the long term. Many new homes include furniture packages in the price; if not, these can be purchased as extras.

If you purchase a resale property, you may need to replace tired furnishings in the future. One option is to shop around in different furniture stores, then arrange for delivery and setup. A good option for those with limited time and energy is to use one of the specialised full-service furniture package companies, who'll do it all for you – right down to the hanging of the pictures, folding the towels and even placing the cutlery in the kitchen drawers.

“ All dates and times must be strictly adhered to, or there'll be financial penalties ”

STEP 5: THE LEGAL STUFF

In Florida, real estate contracts are binding from day one and are very time sensitive. All dates and times must be strictly adhered to, or there'll be financial penalties. With a resale purchase, a standard Florida real estate contract is normally used and the completion process is usually handled by a title company (closing agent) who performs the same duties as an attorney.

Title companies handle the closing of real estate transactions all day every day, and their charges are extremely reasonable. Therefore, employing an attorney in a normal transaction is not usually necessary. However, if you have special concerns, such as inheritance issues, trusts or corporate purchases, you may wish to seek the advice of a specialist attorney.

Most transactions for UK residents buying properties in Florida are conducted via snail mail and email, so you don't actually need to be in Florida for the closing of the deal. The title company will courier a package of closing documents, complete with instructions and a return envelope, for you to courier back to them. Certain documents within the package will need to be notarised by a UK notary, with whom you'll have been instructed to make an appointment in advance.

STEP 6: PROPERTY MANAGEMENT

For those with the intention of letting out the property on a weekly basis, the important task of choosing a property management company can be

Advice You don't need to be in the state to complete the deal on your Florida property. Finish the deal by courier to buy your slice of sunshine



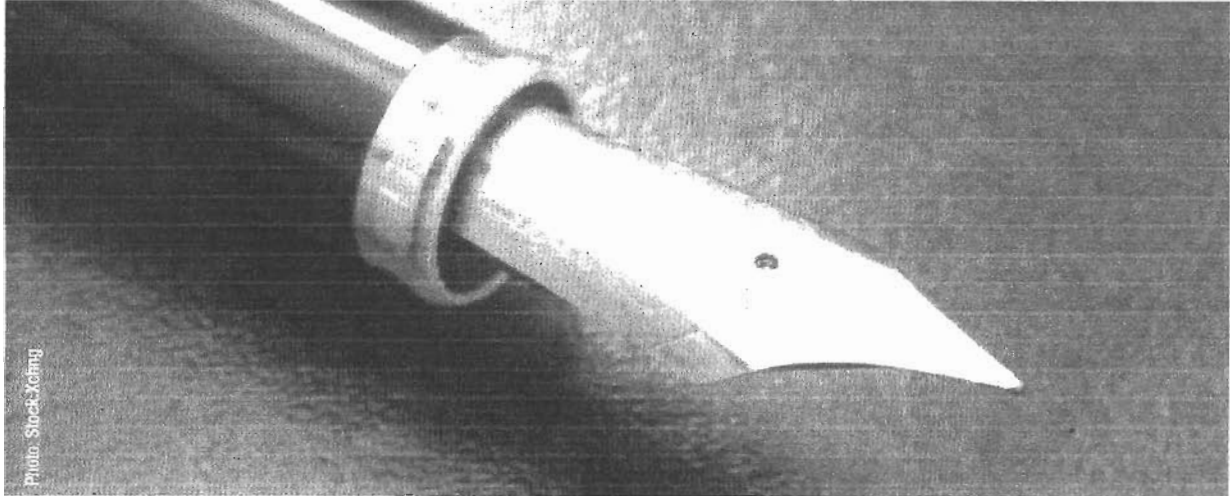


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quite daunting. The sellers may be able to help by letting you know if they are happy with their current management company and if they are, then chances are you will be also, so stick with them. This will make the transition smoother. If not, then your agent will probably be able to recommend one that is most suitable for your particular property. For this reason, it is usually best to wait until after a contract is written, before looking for a management company. ☀

Orlando-based Lesley Dolby (CIPS, CCIM) and Steve Schaffer (CIPS) are partners and licensed realtors at Dolby Properties, which specialises in the sale of investment homes in the Disney area around Orlando.

Tel: 001 407 352 3664, www.dolbyproperties.com



Photo: Topshell/Stock.Xchng

7 rules for closing the deal

- 1 Start communicating with your chosen agent prior to your trip to Florida. Maintain regular contact with them and be open and honest about your financial situation and your personal criteria.
- 2 If financing the property, make sure you choose a mortgage broker who not only specialises in working with foreign nationals, but also has knowledge and experience with the market and type of property you are buying.
- 3 Whether financing or paying cash, make sure that your funds are in place and can be properly tracked and documented well before you need them; preferably at least two or three months before closing the deal.
- 4 Decide on your timeframe for obtaining a property. Are you able to wait the time required for a new home to be built, or would a resale property better meet your goals?
- 5 If buying a new home, which optional extras do you really need?
- 6 Understand that Florida real estate contracts are binding from the day you sign, so if you are not serious about buying, don't enter into a contract. Once you have signed, be prepared to go through with it and stick to the timelines.
- 7 Wait until you have a contract on your Florida property before choosing your property management company.

Above left Sign on the dotted line: ensure you book your appointment with a UK notary in advance Above Work out your budget and let your agent know as soon as possible Left A licensed agent will be invaluable in your search for a suitable Florida home