



Be hands-on in holiday heaven



With theme parks, golf courses, bargain shopping and sunshine, Central Florida is still one of the hottest spots for the Brits – but holiday home-buyers must be prepared to work for rental income, say Orlando-based property brokers

Lesley Dolby and Steve Schaffer

Why is your part of Florida so appealing to British buyers?

It's an obvious answer, but it's our **many** theme parks, which are considered the **best in the world**. They have created a mega-resort atmosphere, which has brought development of **housing, golf courses – there are more than 50 in central Florida – and abundant shopping**. As a world-class resort centred on **tourism, the hospitality in central Florida is second to none** and most tourists get **white-glove treatment**. It's also a retail capital, where many Brits can be found stuffing their suitcases with **bargains**. Its location is ideal, too: either coast is accessible in just over an hour's drive, and it's sheltered from hurricanes approaching the coasts.

Are there advantages – and disadvantages – in having a

house built, rather than buying one new off the shelf or re-sale?

Advantages include **being able to choose plot location, floor plan, colours, features and optional upgrades**. However, the disadvantage is that it could take up to **two years from signing the contract to completion**. With a new house already completed, you don't have that long to wait, and sometimes the buyer gets **choices as to carpets, tiles and paint colour**. Another factor is that because it can take time for the true market value of **new home neighbourhoods to be established, builders occasionally offer discounts or incentives if they need to complete a project**, which means that when buying off-plan you could be paying **more than a neighbour who purchases the same type of house a year or so later**.

When buying resale, plot sizes

are generally bigger, there's more space around the houses, neighbourhoods and landscapes are more established and any problems have already surfaced and have been dealt with. True market values are generally more stabilised in more established neighbourhoods, meaning less risk. Also, it is simply not true that homes ten years and older are inferior. Many older houses were actually built better than some new houses today.

For buyers looking for rental income, what's the minimum size of house they'll need – and how much should they expect to pay?

This is a matter of personal preference, but most buyers opt for a three- or four-bedroom villa with a pool, or else a two- or three-bedroom condo. Prices for a three-bedroom villa with a pool average around the mid to high \$200,000s, while condos average from the high \$100,000s to the mid \$200,000s. There is also a good market for larger five- to seven-bedroom homes, which can be used for two or more families holidaying together. These are usually priced in the high \$300,000s to \$400,000s.

How complicated – or straightforward – is the buying and selling process in Florida?

With the exception of private sales by owners (commonly known as PSBO) and builders selling properties on their own developments, all real estate sales must be handled by a person who is licensed by the state and regulated by the Florida Real Estate Commission. Sales transactions carry many potential challenges, but when handled by a properly qualified and experienced professional, they should be fairly smooth.

Transactions are generally conducted using standard contracts and the closing – completion – is usually handled by a title company, known as a closing agent, who takes care of all the paperwork for both parties. Occasionally, a party may feel the need to involve a real

estate lawyer, but this generally happens only if there are issues such as inheritance, tax complications, corporate ownership etc. If a mortgage is involved, the average time for completion is between six to eight weeks, but it can be considerably quicker if no loan is involved.

What are the pitfalls buyers should be aware of?

Buyers need to know exactly who is looking after their interests. For example, when buying a new home directly from a builder, they need to know that no matter how friendly or helpful the builder's sales representatives may be, he or she works for the vendor and has his or her interests at heart. Most builder's contracts have clauses which are heavily in favour of the seller, and while these contracts are not usually negotiable, a buyer would be well advised to enlist the services of a licensed real estate company throughout the entire process.

In Florida, sales contracts are binding from day one and very time sensitive, so it is important that buyers be taken through the process with the help of a professional who's fully experienced in the specifics of this particular market. There are several differences between transactions involving local buyers and sellers in a residential market and those of foreign nationals in the short-term rental property market. For this reason, only those specialising in this market are qualified to handle such transactions.

Should buyers hire a management agency to handle rentals – or should they do it themselves?

It depends on how actively involved they want to be in the marketing of their property. There are three ways to manage bookings: first, have a management company handle them all, which in today's competitive market is not recommended; secondly, handle all bookings yourself, which the most successful people do very well; and thirdly, do a mix of both. It doesn't usually have to be an



either-or situation, because an owner can usually fall back on a management company or rental agency to supplement some bookings. Agency bookings will generally incur commissions and be at a lower rate than owner bookings. Those relying totally on management company bookings are almost always the most disappointed.

One of the most important aspects of success in the competitive holiday rental market is active involvement by the owners in marketing the property and making sure it's maintained to the standards guests expect. Buyers should look at it as a small business, and if they're not interested in becoming involved, then they should think twice before buying that type of property.

Are there any new US immigration and passport rules that British buyers need to know about?

There were rumours early in 2005 that many UK travellers would have problems because their passports might not be acceptable. However, it turns out that as long as passports are machine-readable, with a digital photo integrated into the passport (as opposed to being

Above right & below

Homes for sale in the Orlando area





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glued or laminated on), as most UK passports already are, then this is not a problem. Other than that, there are really no new issues and most UK citizens are finding no differences upon entry.

Are there any new attractions planned that might entice British buyers in 2006?

Disney World is adding 'Expedition Everest' this spring. All of the parks continually add new attractions as part of their plans to keep tourists coming back.

Are most of your clients buying for holiday homes – or do you have people looking to settle in the States?

The vast majority of UK buyers invest in vacation/second homes, or short-term rental properties in the Disney area. There are some who buy an investment property and rent out long-term if they do not want to use the property personally. With this option, the tenant, usually on a 12-month lease, will be paying all of the bills. There are many who would like to retire or live

permanently in Florida, but unfortunately this is not quite as straightforward as some of the media make out. The source of information on this aspect would be a US immigration lawyer.

It's said that the US and UK are two nations divided by a common tongue – not to mention common law! Do your British clients mix socially with their American neighbours?

Absolutely yes! There's been a good relationship between the UK and the US for a long time, and most UK buyers find themselves very much at home here. Apart from the odd word or phrase which differs between the two countries, there is no language barrier, which makes things much more comfortable for the British. Many Americans are fascinated by the British accent and will easily strike up a conversation just to hear it. Americans are generally friendly and have an admiration and sincere liking for the British. 

* Dolby Properties Inc specialises in sales – mostly to UK buyers – of investment properties for short or long term rental, villas, vacation homes and second homes in Orlando, Kissimmee, Davenport, the Disney area, Lakeland, Auburndale and the Gulf coast. Tel: 001 407 352 3664 E-mail: lesley.dolby@dolbyproperties.com www.dolbyproperties.com