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10 Things You Should Know About Buying a Home in Florida

Whether you're looking for a home to be your primary residence, a part-time or full-time rental property, or for a place to nest for the winter, there are some things about buying a home in Florida that you should know before you contact that agent. Real estate laws are different in every state and you can trip and fall over the difference, or not realize that you're missing something very important. Below are just a few of the things you need to know about buying a home in Florida.

1. Florida is a “homestead state”

This is a special law that protects your property as long as it is the permanent residence of yourself or a dependent, with no maximum value limitation. Your condo, co-op, farm, mobile home, single family home, and even a multifamily home can be a homestead as long as you or your dependents make it your permanent residence. This property law has significant tax breaks, and in all but four instances is exempt from levy and execution to satisfy a judgement.

2. Florida does not have a personal income tax, and property taxes are also low

There is a sales tax with exemptions levied at 6 percent onto which municipalities can append another 1.5 percent. As with many states, if you purchase a taxable item online and do not pay sales tax at the time of the transaction, you must file this transaction with your state taxes.

3. Rental income is taxable

There are also additional taxes levied by the individual county. This applies

to vacation homes rented out when the owner is not in residence, to people listing properties with Air BnB or other rental services, and to multifamily properties with exemptions. You're going to need a good property management firm to handle all the ins and outs.

4. Sellers must disclose condition of the property

By state law, sellers must disclose any conditions about their property that cannot be readily observed by the buyer and can impact the value or safety of the property. This includes disclosing the property taxes, and other conditions of the property such as flood risk, fire hazards, radon gas, homeowner's associations, lead paint, asbestos, infestations, easements and deed restrictions, known neighborhood issues, registered sex offenders, structural defects or modifications to the property, and other conditions.

5. Flood Insurance may be a requirement

In most cases, mortgage lenders mandate that homes be covered by flood insurance, and this type of insurance is not covered on your homeowner's policy. Insurance in Florida can be a complex thing to figure out, so meeting with an agent before you make an offer on a home is a vital item in your home-buying timeline. You also need to take into account windstorm damage, sinkholes, and other conditions that may not exist where you live now.

6. Work with a licensed Real Estate agent

In Florida, real estate agents must be licensed, and act as transaction brokers – essentially an agent for both sides. 475.278(1)(b) reads:

“ P r e s u m p t i o n o f transaction brokerage.—It shall be presumed that all licensees are operating

as transaction brokers unless a single agent or no brokerage relationship is established, in writing, with a customer.”

The law requires that the agent deal fairly with both sides, account for all funds, and adhere to all requirements for transaction brokers under state law. You do not have a single agent relationship with your agent unless it is specified in writing in your contract with that agent.

7. Title insurance is a must

Yes, you need it. You may have a lender who has title insurance premiums bundled into your mortgage. This is a lender's policy, and insures the lender's interest in your home. Having a title insurance policy on your home means that you are insured against specific hazards that could jeopardize your claim to your home.

8. Check that your Real Estate agent is in good standing

As mentioned previously, real estate agents must be licensed by the state of Florida, but you should always undertake to make sure that your agent is an agent in good standing with a current valid license. Disciplinary records are also available online, detailing infractions and the penalties imposed by the Florida Real Estate Commission.

9. Know your closing costs

You ought to know your estimated closing costs, which can be thousands

of dollars. While Florida law does not require an attorney handle the closing, it is strongly recommended that you retain one. Closing is a complicated procedure regulated under federal, state, and local laws.

10. You are going to love living in Florida. Welcome, neighbor!

If you have any insurance related question to ask us at any point in your home-buying process, give us a call at (305) 541-1002 and we'll be happy to work with you to nail down those issues and get you the answers you need to move forward. You're going to love living in Florida.

Welcome to the neighborhood!