



SOUTH FLORIDA

Home Buyer's Guide

A practical reference and working guide for every South Florida buyer — first-time, move-up, investor, and international.

PREPARED FOR

AGENT

DATE

PHONE

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SECTION 01

Are You Ready to Buy?

Answer these questions honestly before you start searching. They will save you time and protect you from costly mistakes.

■ **Have you been employed consistently for at least 2 years?**

Lenders want a 2-year employment history. Self-employed buyers need 2 years of tax returns showing consistent income. Gaps are explainable but must be documented.

■ **Do you know your credit score and what is on your credit report?**

FHA loans require a minimum 580 score for 3.5% down. Conventional loans typically need 624+. The best rates start at 740+. Pull your free report at AnnualCreditReport.com before you apply anywhere.

■ **Have you saved for down payment AND closing costs?**

Many buyers budget for the down payment but forget closing costs. In Florida, budget 2 to 5% of the purchase price in closing costs on top of your down payment. On a \$450,000 home that is \$9,000 to \$22,500 additional cash needed at the table.

■ **Do you understand your full monthly housing cost — not just the mortgage?**

Mortgage principal + interest is only part of it. Add property taxes (roughly 1 to 2% of value per year in Miami-Dade), homeowner's insurance (higher in South Florida due to hurricane exposure), HOA fees (can range from \$150 to \$2,500+/month in condos), and PMI if your down payment is under 20%.

■ **Are you planning to stay for at least 3 to 5 years?**

Transaction costs of buying and selling run 8 to 10% combined. If you sell in under 3 years, you are likely to lose money even in a rising market. If your timeline is uncertain, talk to us about renting vs. buying before you commit.

■ **Have you been pre-approved — not just pre-qualified?**

Pre-qualification is a 5 minute phone call. Pre-approval is a full credit and income verification. Only pre-approval gives you real buying power in South Florida's competitive market. Sellers in Doral and Coral Gables will not even review an offer without it.

SECTION 02

Your Buying Timeline

A typical financed purchase in South Florida takes 45 to 60 days from accepted offer to keys. Cash purchases can close in 14 to 21 days. Use this timeline to plan ahead.

Weeks 1 to 2**Get Pre-Approved**

You: Pull credit, submit income docs, receive pre-approval letter.

InvesTeam Realty: Connect you with trusted local lenders who know South Florida condos and HOA requirements.

Weeks 2 to 4**Property Search**

You: Refine your wishlist, attend showings, compare neighborhoods.

InvesTeam Realty: Search full MLS + off market network. Flag HOA issues, flood zones, and building financials before you tour.

Day 1**Offer Accepted**

You: Sign the AS-IS FAR/BAR contract. Wire earnest money within 3 days (typically 1 to 3% of price).

InvesTeam Realty: Negotiate price, terms, inclusions, and closing date. Guide you on earnest money amount for this specific market.

Days 1 to 15**Inspection Period**

You: Schedule and attend home inspection. Review all reports.

InvesTeam Realty: Recommend trusted inspectors. Review results with you and negotiate credits or repairs if needed.

Days 1 to 21**HOA Approval (condos)**

You: Submit HOA application, pay application fee (\$100 to \$500).

InvesTeam Realty: Review HOA financials, reserve funds, meeting minutes, and pending special assessments before you apply.

Days 1 to 30**Mortgage Processing**

You: Respond to lender requests quickly — missing docs kill timelines.

InvesTeam Realty: Stay in daily contact with your lender to keep the file moving. Escalate delays immediately.

Days 30 to 40**Appraisal**

You: Property is appraised by lender appointed appraiser.

InvesTeam Realty: If appraisal comes in low, we negotiate with seller or challenge the appraisal with comparable sales data.

Days 40 to 45**Clear to Close**

You: Receive Closing Disclosure. Review every line — you have 3 business days before closing.

InvesTeam Realty: Review CD with you. Flag any fees that should not be there. Confirm wire instructions with title company directly.

Closing Day**Keys in Hand**

You: Final walkthrough. Bring government ID and certified funds if needed.

InvesTeam Realty: Attend closing with you. Ensure everything matches the contract before you sign.

SECTION 03

What Can You Afford?

Complete this worksheet before you start searching. Use it as a starting point — your lender will give you exact numbers after pre-approval.

STEP 1 — YOUR MONTHLY GROSS INCOME

Base salary / wages (monthly gross)	\$ _____
Self-employment income (monthly avg, 2-year average)	\$ _____
Rental income (if any)	\$ _____
Other regular income	\$ _____
TOTAL MONTHLY GROSS INCOME	\$ _____

STEP 2 — YOUR MONTHLY DEBT OBLIGATIONS

Car payment(s)	\$ _____
Student loan payments	\$ _____
Credit card minimum payments	\$ _____
Other loan payments	\$ _____
Child support / alimony	\$ _____
TOTAL MONTHLY DEBT	\$ _____

STEP 3 — YOUR ESTIMATED BUYING POWER

Most lenders allow a maximum Debt to Income ratio of 43 to 45% (including the new mortgage). A rough estimate: your total monthly housing cost should not exceed 28 to 31% of your gross monthly income.

Monthly gross income (from Step 1)	\$ _____
Multiply by 0.28 (28% front end DTI limit)	x 0.28
Maximum monthly housing payment estimate	\$ _____
Maximum housing payment (above)	\$ _____

Subtract: property taxes (est. 1.5% of value / 12) - \$ _____

Subtract: homeowner's insurance (est. \$200 to \$400/mo) - \$ _____

Subtract: HOA fees (if applicable) - \$ _____

ESTIMATED MAX MORTGAGE PAYMENT \$ _____

Rule of thumb: every \$1,000/month in mortgage payment = roughly \$180,000 to \$200,000 in loan amount at current rates. This estimate changes with interest rates — your lender will give you exact numbers.

SECTION 04

The 8 Steps — In Depth

What happens at each stage, what you are responsible for, what InvesTeam Realty does, and what can go wrong without representation.

01

Free Buyer Consultation

You: Bring your financial picture, wishlist, and timeline. Be honest about your budget ceiling.

InvesTeam Realty: Assess your full situation, match you with the right agent, explain the current market in your target area.

■ **Watch for:** Starting the search without knowing your real budget. Wasting weeks touring homes you cannot qualify for.

02

Mortgage Pre-Approval

You: Gather 2 years tax returns, W2s, 2 months pay stubs, 3 months bank statements, and photo ID.

InvesTeam Realty: Connect you with lenders who know South Florida's condo requirements. Flag HOA issues that affect financing early.

■ **Watch for:** Getting pre-qualified instead of pre-approved. Many lenders pre-qualify in 5 minutes — that is not enough for a competitive offer.

03

Property Search

You: Refine your criteria after each showing. Tell your agent what did and did not work.

InvesTeam Realty: Search full MLS plus our off market network. Screen buildings for HOA financial health before you tour.

■ **Watch for:** Falling in love with a building that has pending litigation, underfunded reserves, or a rental restriction that kills your financing.

04

Home Tours & Analysis

You: Take notes. Ask about the age of the roof, HVAC, water heater, and any past insurance claims.

InvesTeam Realty: Walk the property as an expert. Flag deferred maintenance, water intrusion signs, and anything the listing photos hid.

■ **Watch for:** Buying with emotion. A beautiful staging job can hide a 20 year old roof and a \$15,000 assessment coming next year.

05

Making an Offer

You: Decide on your walk-away price before you make the offer, not during negotiations.

InvesTeam Realty: Analyze comparable sales and active competition. Structure the offer to win without overpaying. Include the right contingencies.

■ **Watch for:** Waiving contingencies under pressure in a competitive market. In South Florida's AS-IS contracts, your inspection period is your protection.

06

Inspection Period (Days 1 to 15)

You: Hire a licensed Florida inspector. Attend the inspection in person.

InvesTeam Realty: Recommend trusted inspectors. Review results and help you decide what to negotiate, what to accept, and when to walk.

■ **Watch for:** Skipping the inspection on a condo to "speed things up." Building structure, plumbing, and electrical issues are not visible from a showing.

07

Financing & Appraisal

You: Respond to every lender request within 24 hours. Do not make any large purchases or apply for new credit.

InvesTeam Realty: Monitor the appraisal and challenge a low value with our comparable sales data. Keep the file moving.

■ **Watch for:** Opening a new credit card or buying a car during the transaction. This kills loan approvals the week before closing every year.

08

Closing Day

You: Do a final walkthrough within 24 hours of closing. Bring government issued photo ID.

InvesTeam Realty: Review the Closing Disclosure with you line by line. Confirm wire instructions directly with the title company.

■ **Watch for:** Wiring funds without verbally confirming the account number by phone. Wire fraud targeting real estate closings is a real and growing crime in Florida.

SECTION 05

Florida-Specific Things Every Buyer Must Know

These are the issues that trip up buyers who have purchased in other states or countries. None of them are optional knowledge.

The AS-IS FAR/BAR Contract

Florida uses the AS-IS Residential Contract for Sale and Purchase as its standard agreement. "AS-IS" does NOT mean you accept whatever condition the property is in — it means you have an inspection period (typically 10 to 15 days) during which you can cancel for any reason and get your deposit back. This is actually strong buyer protection. What it means: the seller is not obligated to make any repairs, but you can walk away with your deposit if you do not like what the inspection finds. Always use the full inspection period.

Florida Homestead Exemption

If this is your primary residence, you must apply for the Homestead Exemption by March 1 of the year following your purchase. It reduces your assessed value by up to \$50,000, saving you roughly \$750 to \$1,000/year in property taxes. It also activates the Save Our Homes cap, which limits annual increases in your assessed value to 3% — protecting you from runaway tax increases as property values rise. This is one of the most valuable benefits of owning in Florida and many first-time buyers miss the deadline.

Flood Zones and Insurance

South Florida has significant flood zone exposure. Before you make an offer, check the FEMA flood map (msc.fema.gov) for the property's flood zone designation. Properties in Zone AE require federally mandated flood insurance — this is a separate policy from homeowner's insurance and can cost \$1,500 to \$8,000+/year depending on the property. Always ask for the current flood insurance policy and elevation certificate if one exists. In South Florida, hurricane wind insurance is equally important — and in many areas must be purchased separately.

HOA and Condo Association Health

In Florida, you have the right to review HOA and condo association documents during your inspection period. Request and actually read: the last 12 months of meeting minutes, the most recent reserve study, the current budget, and any pending or threatened litigation. Red flags: reserve funding below 50%, special assessments in progress or recently completed, and pending litigation against the association. After the Surfside collapse in 2021, Florida passed laws requiring milestone inspections for condos over 3 stories — ask about compliance status for any building over 3 stories built before 1990.

Documentary Stamp Taxes

Florida charges a documentary stamp tax on both the deed (\$0.70 per \$100 of purchase price in Miami-Dade) and on the mortgage (\$0.35 per \$100 of loan amount). On a \$500,000 purchase with a \$400,000 mortgage, this adds up to \$3,500 on the deed plus \$1,400 on the mortgage = \$4,900 in state taxes alone. This is part of your closing costs and is non negotiable.

FIRPTA — For International Buyers

If the seller is a foreign national or foreign entity, FIRPTA (Foreign Investment in Real Property Tax Act) requires the buyer to withhold 15% of the gross sales price from the seller's proceeds and remit it to the IRS — unless an exemption applies. This is the buyer's legal obligation, not the seller's. Failure to comply can result in the buyer being held liable for the tax. InvesTeam Realty works with tax attorneys who handle FIRPTA correctly every time.

Special Assessments

A special assessment is an additional charge levied by an HOA or condo association for a specific expense not covered by reserves — typically a major repair like a new roof, seawall, elevator, or parking structure. They can range from a few hundred dollars to tens of thousands per unit. Before you close, confirm in writing whether any special assessment has been approved, is pending, or is being discussed. Get the estoppel letter from the association — it legally discloses all current and pending assessments.

SECTION 06

Your Property Wishlist

Fill this out before you start searching and update it after every showing. Being specific saves weeks of wasted time.

LOCATION & LIFESTYLE

FIRST CHOICE NEIGHBORHOOD(S)

SECOND CHOICE NEIGHBORHOOD(S)

MAXIMUM COMMUTE TO WORK (MINUTES)

SCHOOL DISTRICT REQUIREMENTS

WALK TO / PROXIMITY REQUIREMENTS
(RESTAURANTS, GYM, BEACH, ETC.)

PROPERTY REQUIREMENTS

MINIMUM
BEDROOMS

POOL (MUST / NICE
TO HAVE / NO)

MINIMUM
BATHROOMS

HOA OK? MAX HOA

MINIMUM SQ FT

MINIMUM LOT SIZE

MAXIMUM SQ FT

MAX FLOORS (FOR
CONDO)

GARAGE (YES / NO /
SIZE)

YEAR BUILT
PREFERENCE

BUDGET

ABSOLUTE MAXIMUM PURCHASE PRICE

COMFORTABLE PURCHASE PRICE

DOWN PAYMENT AVAILABLE (CASH)

ESTIMATED CLOSING COST BUDGET

CASH RESERVES AFTER CLOSING

MUST HAVES vs. DEAL BREAKERS

MUST HAVES	DEAL BREAKERS
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

SECTION 07

Questions to Ask at Every Showing

Bring this page to every tour. The answers reveal what the listing photos do not. Check each box as you get an answer.

ABOUT THE PROPERTY

■ How old is the roof? Has it been replaced? What type?

In South Florida, roofs over 15 years old are difficult to insure. FHA/VA loans often require replacement.

■ How old is the HVAC system? When was it last serviced?

HVAC systems last 10 to 15 years in South Florida's heat and humidity. Replacement costs \$5,000 to \$15,000.

■ Has there ever been any water intrusion, flooding, or mold?

Sellers must disclose known issues in Florida. This question puts them on the record.

■ Are there any open permits?

Unpermitted work becomes the buyer's problem at closing. Open permits can delay or kill transactions.

■ What is the current insurance premium? Carrier?

Getting a quote before closing saves surprises. Carrier matters — some insurers are exiting Florida.

■ Has the property ever been used as a rental? Short-term?

Some HOAs prohibit short-term rentals. Prior STR use can affect HOA standing and insurance.

ABOUT THE BUILDING / HOA (condos)

■ What are the HOA fees and what do they cover?

Know exactly what is included — water, cable, amenities, building insurance, reserves.

■ Is the building FHA or VA approved?

Non warrantable buildings limit your financing options and buyer pool when you sell.

■ Are there any pending special assessments?

Must be disclosed in the estoppel letter. Ask now to avoid surprises at closing.

■ Has the building had its milestone inspection?

Required for buildings 30+ years old under Florida's 2022 Condo Safety Act.

■ What is the reserve fund balance? What percentage is funded?

Below 50% funded = risk of future special assessments. Surfside collapse changed everything.

■ Are there any rental restrictions? Minimum lease term?

Some buildings prohibit leasing in year 1 or 2. This affects your exit strategy.

ABOUT THE SELLER / MARKET

■ Why is the seller moving?

Motivation affects negotiation. Relocation for a job or divorce = more flexibility.

■ How long has the property been on the market?

You should already know this. Anything over 45 days in South Florida suggests an issue.

■ Have there been any price reductions?

Price history reveals seller flexibility. More reductions = more room to negotiate.

■ Are there other offers?

You are entitled to ask. The answer (honest or not) affects your strategy.

SECTION 08

Making an Offer — The Numbers

How to price your offer, what contingencies to include, and how earnest money works in South Florida.

HOW TO CALCULATE YOUR OFFER PRICE

Your InvesTeam Realty agent will prepare a Comparative Market Analysis (CMA) showing recent sales of similar properties. Here is how to interpret it and set your offer price:

- **Look at closed sales from the last 90 days — not longer.**

South Florida prices can move significantly in 6 months. Older comps are misleading.

- **Adjust for differences: square footage, condition, floor (condos), view, updates.**

A renovated unit on floor 20 with ocean view is not the same comp as a dated unit on floor 3.

- **Check list price to sale price ratio.**

If comps are selling at 98% of list price, your opening offer of 90% will be ignored. If at 94%, there is room.

- **Consider days on market.**

A fresh listing in a hot neighborhood needs a strong offer fast. A listing sitting 60+ days has negotiating room.

- **Set your walk-away price before you submit — not during the negotiation.**

Emotion escalates bids. Decide your ceiling in advance and commit to it.

WHAT A STRONG OFFER LOOKS LIKE IN SOUTH FLORIDA

- **Pre-approval letter attached**

Never submit an offer without it. In Miami-Dade and Broward, sellers reject unaccompanied offers before even reading the price.

- **Earnest money at or above market norms**

Low earnest money signals an uncommitted buyer. In a competitive situation, a higher deposit tells the seller you are serious and financially ready.

- **Clean inspection period language**

Using the standard AS-IS contract with a clearly stated inspection period protects you without alarming the seller. Avoid unusual contingency language that slows negotiation.

■ **Flexible closing date when possible**

Many sellers need time to find their next home. Offering flexibility on the closing date can win a deal at the same price as a competing offer.

■ **Personal letter — with caution**

Buyer letters can help humanize your offer in some situations. However, Florida real estate professionals must follow Fair Housing guidelines. Your agent will advise when and how to use one appropriately.

■ **Escalation clause in multiple offer situations**

An escalation clause automatically increases your offer by a set increment above competing offers up to your ceiling. Your InvesTeam Realty agent will advise when this strategy makes sense for your situation.

OFFER WORKSHEET

List price	\$ _____
Your offer price	\$ _____
Earnest money deposit (typically 1 to 3% of price)	\$ _____
Down payment	\$ _____
Inspection period requested (days — standard is 10 to 15)	_____ days
Financing contingency (days to secure full approval)	_____ days
Requested closing date	_____
Inclusions (appliances, furniture, etc.)	_____ _____
Your walk-away price (write this and commit to it)	\$ _____

SECTION 09

Your InvesTeam Realty Team

When you work with InvesTeam Realty, you have a full team behind you — not one agent trying to handle everything alone.

Your Buyer Specialist

Your primary point of contact. Schedules showings, writes offers, negotiates on your behalf, guides you through every decision. Specializes in your target neighborhoods.

Broker Owner — Reinaldo Gonzalez

24+ years in South Florida real estate. 16 NAR designations. Available to consult on complex situations, negotiations, and international transactions. English and Español.

Transaction Coordinator

Manages every deadline, document, and detail from contract to closing. Ensures nothing falls through the cracks between offer acceptance and the closing table.

Support Team

Handles communication, scheduling, document collection, and follow-up. You will never wonder what is happening with your transaction.

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