Properties of Florida
a Florida Real Estate Brokerage

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10 Things Every Florida Buyer Must Know in 2025

Introduction: Welcome to the Sunshine State Market

Congratulations on taking the first step toward buying a home in Florida! The Florida market is unique—it is driven by high-tech job growth (Space Coast, Orlando Tech), tourism, and a constant influx of new residents. This guide, brought to you by **APB Properties of Florida**, provides the crucial knowledge you need to navigate the market efficiently and securely.

Our advantage is our **Property Management expertise**, which gives us insight into a home's long-term cost of ownership, helping you buy smarter, whether it's your family home or a rental investment.

Part 1: Financial & Strategy Preparation

1. The Pre-Approval is Your Price Tag, Not the Pre-Qualification

In Florida's competitive market, a generic **pre-qualification letter** is often ignored by sellers. You need a **Full Pre-Approval** (or a strong underwriting letter). This means the lender has already reviewed your income, credit, and assets. A strong pre-approval tells the seller that your offer is secure and won't fall apart due to financing issues.

2. Prepare for Insurance Shocks (The Florida-Specific Cost)

Your PITI (Principal, Interest, Taxes, and Insurance) calculation will be heavily influenced by insurance, which is often higher than in many other states. You must factor in:

- **Property Insurance:** Prices have risen due to increased storm risk and reinsurance costs. Secure an insurance quote *before* making an offer to avoid budget surprises.
- **Flood Insurance (FEMA):** If the home is in a designated flood zone (especially near the coast or major rivers), this coverage is mandatory. Flood zones are fluid, so verify the home's status and its associated annual cost (known as Risk Rating 2.0).

3. Understand Property Taxes (Portability)

Florida homeowners benefit from **Homestead Exemption** and **Portability**.

- **Homestead Exemption:** Reduces the taxable value of your primary residence, lowering your tax bill.

- **Save Our Homes (SOH) Cap:** Limits increases in the taxable value of homesteaded property to 3% annually. *However, when you buy a home, the taxable value is reset to the current market rate.* Factor in this **tax reset** when calculating future mortgage payments.

Part 2: Inspection and Due Diligence

4. The 4-Point Inspection and Wind Mitigation

When buying in Florida, lenders and insurers will almost always require these two specific inspections:

- **4-Point Inspection:** Checks the condition of the four main systems: Roof, HVAC, Electrical, and Plumbing. If any system is nearing the end of its life, insurance may deny coverage.
- **Wind Mitigation Inspection:** This checks the home's ability to withstand high winds. Features like hurricane straps, reinforced garages, and impact-resistant windows qualify you for significant insurance discounts. **Always request this!**

5. Termite Inspection is Mandatory

In Florida's climate, wood-destroying organisms are a major risk. A Wood-Destroying Organism (WDO) report, commonly known as a termite inspection, is **highly recommended** and often a condition of the contract.

6. HOA/Condo Document Review (The Unwritten Rules)

If you are buying a condo or a home in a community with a Homeowners Association (HOA), you must review the **Declaration of Covenants, Conditions, and Restrictions (CC&Rs)**.

- **Condo Reserve Study:** For condos, review the reserve funds and mandatory reserve study, particularly following the tragic Surfside collapse. Low reserves mean large, unforeseen assessments could be coming.
- **Rental Restrictions:** If you plan to rent the property (even short-term), ensure the HOA documents explicitly allow it. APB agents specialize in checking these clauses.

Part 3: Navigating the Purchase

7. Time is of the Essence (Contingency Periods)

Florida real estate contracts (FAR/BAR) operate on tight deadlines. Missing a deadline for your **inspection period**, **financing contingency**, or **closing date** can result in losing your escrow deposit. Your APB agent will manage this timeline closely.

8. The Investor Advantage: Focus on CapEx and Cash Flow

If you are an investor, look past the aesthetic. Use our property management insight to evaluate:

- **Rental Rate (Cap Rate):** What is the potential income relative to the purchase price?
- **Capital Expenditure (CapEx) Risk:** Is the roof, AC, or water heater more than 10 years old? Budget for these large expenses immediately, as they will reduce your cash flow.

9. The Title and Escrow Process

In Florida, real estate attorneys or title companies handle the escrow and closing, not just agents.

- **Title Search:** This is performed to ensure the seller has the legal right to sell and that there are no hidden liens (e.g., unpaid taxes or contractor bills) against the property.
- **Owner's Title Insurance:** This insurance is typically purchased by the buyer at closing and is necessary to protect your ownership against future claims.

10. Choose a Local Expert Over a Generalist

The Florida market is highly localized. A Palm Bay specialist knows nothing about the luxury condo market in West Palm Beach. **Choose an agent** who lives and breathes your target neighborhood (Space Coast, Orlando, or Tampa) and who understands both real estate and property management—like the team at **APB Properties of Florida**.

Ready to Start Your Florida Search?

Ready to put this knowledge to work? Connect with a local APB specialist today.

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