PEAK TRUST REALTY | FREE RESOURCE

The Complete Florida Home Buyer's Guide

Everything you need to know about buying a home in Florida — from pre-approval to picking up your keys.

WHAT'S INSIDE:

✓ Step-by-step Florida buying process

✓ First-time buyer programs & grants

✓ New construction buyer tips & warnings

✓ Florida closing costs explained

✓ Homestead exemption & insurance guide

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This guide was prepared by Peak Trust Realty LLC, a licensed Florida real estate brokerage. The information herein is for general educational purposes only and does not constitute legal, financial, or tax advice. Always consult licensed professionals for decisions specific to your situation.

1 Your Home Buying Team

The right team makes everything smoother, faster, and less stressful. Here's who you need — and what each person does.

Buyer's Agent

Represents you exclusively throughout the transaction — helping you find homes, make offers, negotiate, and navigate the process. In most Florida transactions, the seller pays your agent's commission, so representation is free to you.

Mortgage Lender

Pre-approves you, determines your loan options and rate, and funds the purchase. Get pre-approved before you start your search.

Home Inspector

Evaluates the property's condition before you commit. Critical in Florida — always get an inspection, even on new construction.

Title Company / Attorney

Conducts the title search and handles the closing. Florida is a title-state — closings are handled by title companies or real estate attorneys.

Insurance Agent

Provides homeowner's insurance quotes. Get quotes early in the process — Florida insurance costs can significantly affect your monthly budget.

> **Tip:** At Peak Trust Realty, we represent buyers exclusively — never sellers. That means our only focus is protecting your interests and getting you the best deal possible.

> **Important:** In a new construction community, the sales agent in the model home works for the builder — not you. Always bring your own buyer's agent. It costs you nothing and gives you an independent advocate.

2 Know Your Budget — Before You Fall in Love

Before you fall in love with a home, get clear on what you can actually afford — not just what a lender is willing to give you.

The 28/43 Rule

Lenders use two key ratios to qualify buyers:

- **Front-end ratio (28%):** Your total monthly housing payment (mortgage P&I;, taxes, insurance, HOA) should not exceed 28% of your gross monthly income.
- **Back-end ratio (43%):** All monthly debt payments combined (housing + car loans + student loans + credit cards) should not exceed 43% of gross income.

Florida-Specific Costs to Budget For

Florida has no state income tax — but there are housing costs that buyers from other states often underestimate:

Cost	Typical Range	Notes
Property Taxes	0.8% – 2% of value/yr	Varies by county. Hillsborough ~1.9%, Collier ~0.9%
Homeowner's Insurance	$2,000 – $8,000+/yr	FL is among the most expensive states for insurance
Flood Insurance	$500 – $3,000+/yr	Required in flood zones. Check FEMA map before buying
HOA Fees	$50 – $1,000+/mo	Common in FL communities. Always get HOA docs before closing
Wind Mitigation	One-time inspection ~$150	Can significantly reduce your insurance premium

Getting Pre-Approved

Pre-approval is a full loan commitment — not an estimate. You'll need:

- Last 2 years of tax returns (W-2s and/or 1099s)
- Last 2-3 months of bank statements
- Last 30 days of pay stubs
- Government-issued ID

Tip: Tell your lender you're buying in Florida. Ask specifically about FL Housing programs, Hometown Heroes, FHA, VA, and USDA options before assuming you need to use a conventional loan.

3 Florida First-Time Buyer Programs

Florida has some of the best buyer assistance programs in the country. Many first-time buyers qualify for thousands of dollars in grants and down payment help — and don't know it.

FL Housing Finance Corporation (FL Housing)

The state's primary housing agency offers below-market 30-year fixed rates through approved lenders, paired with down payment assistance programs.

FL Assist — Up to $10,000

0% interest, deferred second mortgage. No monthly payment — repaid only when you sell or refinance. Can cover your entire down payment on an FHA loan for homes under $200K.

FL Housing 3%, 4%, 5% Grants

True grants (never repaid) equal to 3-5% of your loan amount. Slightly higher interest rate to offset the grant — run the numbers with your lender.

Hometown Heroes — Up to $35,000

For teachers, nurses, law enforcement, firefighters, EMTs, military, and other community professionals. Up to 5% of loan amount, 0% interest, deferred. Funding goes fast — apply early.

FHA Loans (3.5% Down)

Available through any approved lender. Low down payment, flexible credit requirements. Pairs with most FL assistance programs.

VA Loans (0% Down)

For active-duty military, veterans, and surviving spouses. Zero down payment, no mortgage insurance, competitive rates. The best loan option for those who qualify.

USDA Rural Development (0% Down)

Zero down for homes in eligible rural and suburban areas. Many Florida suburbs qualify — check the USDA map. Income limits apply.

> **Tip:** Most FL Housing programs require a HUD-approved homebuyer education course. It's usually available online in 4-6 hours and is worth doing even if not required — it covers everything in this guide and more.

County Programs

Many Florida counties offer their own buyer assistance on top of state programs. Orange, Hillsborough, Miami-Dade, Broward, and Palm Beach counties all have dedicated programs. Ask your buyer's agent or lender what's available in the county where you're buying.

4 New Construction: What Buyers Need to Know

New construction is one of the most exciting — and most misunderstood — ways to buy in Florida. Here's what experienced buyers know.

5 Things to Know Before You Sign

1. The contract is written for the builder.

Builder contracts are drafted by builder's attorneys. Every clause protects the builder. Have your buyer's agent — and ideally a real estate attorney — review it before you sign.

2. Your deposit may be non-refundable.

Builder deposits are often larger (3-10%) with limited refund protections. Understand exactly when and how your deposit is protected before handing it over.

3. The completion date is an estimate.

Florida builders routinely experience delays of 3-12+ months. Never give notice on your apartment or sell your home the month the builder says you'll close.

4. Get independent inspections.

New homes fail inspections regularly. Get a pre-drywall inspection — it's the only chance to catch wiring, plumbing, and insulation problems before they're buried in the walls.

5. Upgrades add up fast.

The model home is full of upgrades. Set a firm budget before your design center appointment. Prioritize options that are hard to change later (structural, plumbing locations) over cosmetic finishes.

> **Important:** Always register your buyer's agent on your FIRST visit to a new construction community. If you visit without an agent and sign the visitor log, the builder may treat you as an unrepresented buyer — making it difficult or impossible to add agent representation later.

Builder's Agent vs. Your Agent

	Builder's Sales Agent	Your Buyer's Agent (Peak Trust)
Who they work for	The Builder	**You**
Their goal	Maximize builder's profit	**Protect your interests & budget**
Contract review	Explains builder's terms	**Identifies risks & negotiates**

Upgrade advice	Sell more upgrades	**Prioritize what's worth it**
Inspections	Builder's inspectors only	**Independent inspections at every stage**
Cost to you	None	**None — builder pays**

5 The Home Search

With your pre-approval and buyer's agent in place, you're ready to search. Here's how to do it smart.

What to Look for Beyond the Photos

- Roof age: Florida insurers may require replacement after 15-20 years. Ask upfront.
- HVAC age: Units over 10-12 years old may need replacement soon. Budget accordingly.
- Flood zone status: Check FEMA's flood map at msc.fema.gov before falling in love with a home.
- HOA: Request the HOA documents, rules, financials, and pending special assessments before making an offer.
- Insurance: Get a quote before going under contract — not after. Florida insurance surprises have killed many deals.
- Orientation: South-facing homes get more sun year-round; west-facing = hot afternoon sun. Ask which way the lanai faces.
- Hurricane shutters or impact windows: Required or strongly recommended in many Florida areas.

New Construction vs. Resale: Quick Decision Guide

Choose New Construction If...	Choose Resale If...
You want modern design and low short-term maintenance	Location and proximity to amenities is your top priority
You can handle a flexible 8-18 month timeline	You need to move within 30-60 days
You want builder warranty coverage	You want mature landscaping and established neighborhood feel
You enjoy customizing finishes and layouts	You want more negotiating room on price

6 Making an Offer

When you find the right home, your buyer's agent will prepare a Florida AS IS Residential Contract for Sale and Purchase (or the builder's contract for new construction). Here's what matters.

Key Contract Components

Purchase Price

The agreed amount. Your agent will help you determine a fair offer based on comparable sales.

Earnest Money Deposit

Typically 1-3% of purchase price. Held in escrow. Shows the seller you're serious.

Inspection Period

Usually 10-15 days. Your window to inspect and walk away for any reason. Do NOT skip this.

Closing Date

Typically 30-45 days from contract. Can be negotiated.

Financing Contingency

Protects you if your loan falls through. Keep this in place.

Appraisal Contingency

Protects you if the home appraises below the purchase price.

> **Tip:** In a competitive market, sellers may request you waive contingencies. Understand the risk of each before agreeing. Your buyer's agent can explain when waiving is reasonable and when it isn't.

7 Inspections & Due Diligence in Florida

Florida's climate creates unique inspection priorities. Here's what to order — and why.

General Home Inspection

Always required. Covers structural, HVAC, plumbing, electrical, roof, and overall condition.

Wind Mitigation Inspection

Evaluates your home's hurricane resistance (roof shape, roof covering, openings protection). Can reduce your insurance premium by 20-50%.

4-Point Inspection

Focuses on the four systems insurers care most about: roof, HVAC, plumbing, electrical. Required by most insurers for homes over 20-25 years old.

WDO (Wood-Destroying Organism / Termite)

Essential in Florida's subtropical climate. Identifies active infestations and prior damage.

Pool Inspection

If the home has a pool or spa, inspect the equipment, plumbing, and deck condition.

Mold Inspection

Florida's humidity makes mold a real concern. Order if you see water stains, smell musty odors, or the inspection reveals moisture issues.

Sewer Scope

For older homes — a camera inspection of the sewer line to check for root intrusion, cracks, or blockages.

Pre-Drywall Inspection (New Construction Only)

The most critical inspection for new builds. Done before insulation and drywall are installed to check framing, wiring, plumbing, and HVAC rough-in.

> **Important:** Never waive your inspection in Florida. The savings from catching a roof issue, HVAC failure, or foundation problem before closing far outweigh the cost of any inspection package.

8 Closing Day — What to Expect

Closing is the final step — where you sign the documents, pay your costs, and get the keys. Here's what to expect.

Typical Florida Buyer Closing Costs

Item	Estimated Cost
Doc Stamps on Mortgage ($0.35/$100)	~$1,225 on a $350K loan
Intangible Tax on Mortgage ($0.002/$1)	~$700 on a $350K loan
Owner's Title Insurance (FL regulated)	~$1,575 on a $350K home
Lender's Title (simultaneous issue)	~$150-$300
Loan Origination / Underwriting	~$2,000-$4,000 (1% of loan)
Appraisal	~$500-$600
Home Inspections	~$400-$700
Prepaids & Escrow Setup	~$2,000-$4,000
Recording Fees	~$75
TOTAL (estimate)	**~2.5-4% of purchase price**

What to Bring to Closing

- Government-issued photo ID (driver's license or passport)
- Cashier's check or wire transfer for your closing costs and down payment
- **Wire fraud warning:** Always verify wire instructions by calling the title company directly at a number you find independently — not from any email you received.

> **Tip:** Review your Closing Disclosure (CD) carefully at least 3 days before closing. Compare it to your Loan Estimate. If any fees increased significantly, ask your lender to explain before signing anything.

9 Florida-Specific Homeowner Tips

Owning a home in Florida comes with some unique responsibilities and benefits. Here are the most important things to know as a new Florida homeowner.

File for Your Homestead Exemption

If this is your primary residence, file for the Florida Homestead Exemption by March 1 of the year after your purchase. This provides:

- Up to $50,000 reduction in your assessed value for property tax purposes
- Save Our Homes cap — limits annual increases in assessed value to 3% or CPI (whichever is lower), protecting you from rapid tax increases as home values rise
- Additional exemptions for veterans, seniors, and disabled individuals

File at your county property appraiser's office. It's free and takes about 10 minutes.

Florida Insurance — What You Need

Homeowner's Insurance (HO3/HO6)

Required by your lender. Florida has some of the highest homeowner's insurance costs in the nation — especially for older homes and coastal properties. Get quotes from multiple carriers early.

Flood Insurance

NOT covered by standard homeowner's insurance. Required if your home is in a FEMA-designated flood zone (zones A, AE, V, VE). Highly recommended in many other areas of Florida even if not required.

Wind Mitigation Discount

After your wind mitigation inspection, submit the report to your insurance company. This can reduce your wind/hurricane premium by 20-50%.

HOA — Know Before You Buy

Most Florida communities have HOAs. Before closing, you're entitled to receive:

- HOA bylaws, rules, and covenants (CC&Rs;)
- Financial statements and reserve fund status
- Meeting minutes from the past year
- Pending special assessments (a major one can mean thousands in unexpected costs)

Tip: Florida law gives you 3 days to cancel the contract after receiving HOA documents if you don't like what you see. Use this right — especially for condo associations where the financials matter enormously.

10 Your Next Step

You now have the knowledge. Here's how Peak Trust Realty can put it to work for you.

What We Do

Peak Trust Realty is a licensed Florida real estate brokerage specializing exclusively in buyer representation. We work with:

- New construction buyers across all of Florida — 50+ builders, all communities
- First-time home buyers — we know the programs, the process, and how to protect you
- Buyers relocating to Florida — local expertise, statewide reach

Our Representation Costs You Nothing

In virtually all Florida transactions — both new construction and resale — the seller or builder pays our commission. You get full professional representation at zero cost.

Ready to Start Your Home Search?

Book a free consultation — we'll discuss your goals, answer every question in this guide, and map out your next steps.

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