2019
ORLANDO
VACATION HOME
BUYER'S GUIDE
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REAL ESTATE TEAM

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INTRODUCTION

When you think of buying a vacation home in the Orlando, Florida area, what comes to mind? Perhaps you imagine having your very own retreat for family reunions. Maybe it's just a way to reward yourself for all the hard work you have put in over the years.

Whatever the reason, once you have decided to purchase a vacation home, it's time to begin your planning and research. This guide endeavors to provide you with the information and steps necessary to make a well thought out purchase of an Orlando vacation home that will provide you and your family years of enjoyment and a lifetime of memories.

ORLANDO, FLORIDA

Orlando is one of the most popular family vacation destinations in the world. With over 72 million people visiting Orlando annually, Central Florida's growth and property values are on the rise.

"Orlando's record-setting visitation affirms the city as a leader in the U.S. travel industry," said U.S. Travel Association President and CEO Roger Dow.

Since 2017, the Orlando International Airport has jumped from the 11th to the 9th busiest airport in the nation. Orlando's growth as the premier vacation destination in the world is not slowing down, in fact it is increasing!

"We begin 2019 with a prestigious new standing for Orlando International in the aviation industry. For the first time ever, we are a top 10 American airport," said Greater Orlando Aviation Authority CEO Phil Brown.

People are drawn from all over the world to Orlando and Central Florida because there is something special for each member of the family.

Most come to enjoy the warm weather, the world famous theme parks like Disney World, SeaWorld, Universal Studios, without realizing how much more Central Florida has to offer. Other attractions include: conventions, sporting events, live concerts, Port Canaveral Cruise Terminal, pristine nature parks, and International Drive.

"In 2017, Orlando saw record convention attendance: The Orange County Convention Center welcomed an unprecedented 1.53 million attendees (+5.0 percent)."

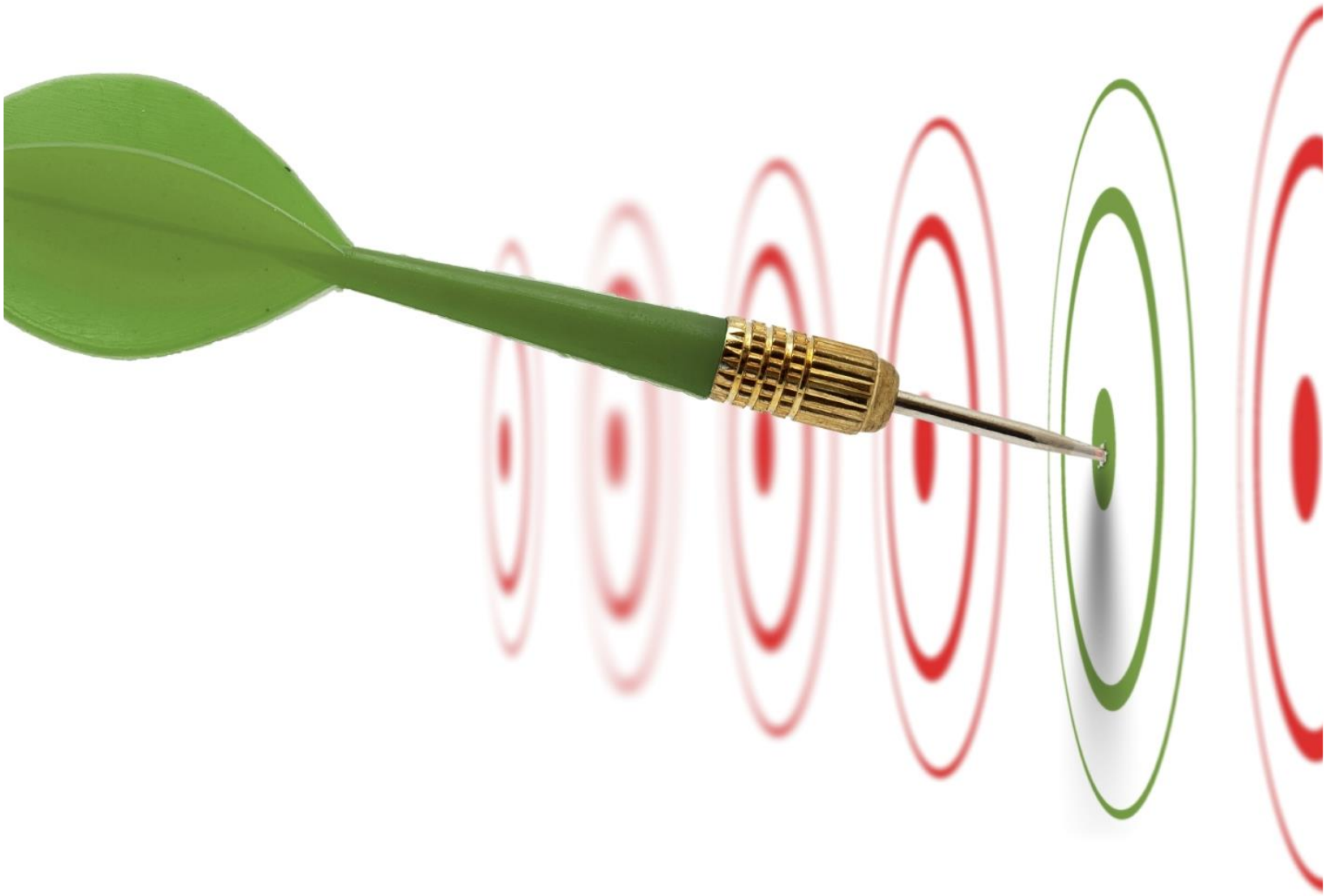
PART ONE:

PLANNING PHASE

TIP NUMBER #1 - Establishing Your Goals and Dreams

Deciding how your family plans to enjoy your vacation home will help guide you in the proper selection of communities and properties that are right for you. Here are some basic questions to consider:

- What type of property interests you most: house, condo, townhome?
- Are you looking for a new or resale property?
- How many people will be staying in the home?
- How often will you and your family be using the home?
- Will you consider leasing the property out to others when not in use?
- What is your budget?



TIP NUMBER #2 - Picking Your Property Type & New vs. Resale

Now that you have some goals in mind, let's take a look at some of your options. What type of property style will best satisfy your vacation home desires. Do you want a condo that is in a community, loaded with amenities, a single family detached home that provides more privacy and has its own pool and outdoor space, or a townhouse which may provide the best of both worlds? Let's look into your choices in a little more detail:

Type of Property

Condos

Condominiums are a great way to get involved in the vacation home market. With a condo you get the benefits of homeownership without all of the responsibilities of maintaining the property, when you return to your primary home. Since condo associations typically handle the exterior maintenance of the property, your ownership experience is less stressful.

In addition, most communities have resort style amenities like pools, gyms, tennis courts, and a clubhouse. These features in the community give you a good sense of belonging, with many people using the clubhouse as a gathering point to meet and chat with new friends.

Condos are a great ownership style for people who want a more trouble free, all inclusive experience.

- **Pros of condo ownership:** Less maintenance worries for owners, since the exterior of the building and its upkeep is the responsibility of the homeowners' association (HOA).
- **Cons of condo ownership:** Higher HOA fees.

Townhomes

Like condos, townhomes offer fewer responsibilities than traditional single family homeownership. What makes townhomes unique is they can offer many of the features typically found in single family homes, like a pool, garage, private driveway, etc, while still providing a more trouble free ownership than a single family property.

Townhome communities feature similar amenities to condo associations, giving you the same sense of belonging, when you want it. Although sometimes it is nice to have the added privacy that townhomes offer, for the occasions that you want to escape the clubhouse.

- **Pros of townhome ownership:** Less exterior maintenance than a single family home. More private features than a condo, such as private pools and garages.
- **Cons of townhome ownership:** Community fees are higher than single family home communities.

Single Family Homes

Single family homes are exactly what the name states. They are stand alone properties designed for one family. A single family home, that is zoned for short term rental, can start as small as 2 bedrooms, and be as large as 12 bedrooms. Larger homes are ideal for family gatherings and reunions as well as multiple families vacationing together and staying in one property.

Many single family vacation homes have game rooms built in to the garages which offers another feature to guests . Some are also equipped with private screened swimming pools and large driveways. These types of properties are the most commonly found and can offer the greatest rental occupancy and return should you decide to rent out your property when you are not using it.

- **Pros of single family home ownership:** Lower association fees than townhomes and condos. More privacy, and private features like swimming pools, garages, and game rooms.
- **Cons of single family home ownership:** More maintenance required than condos and townhomes.

New -vs- Resale

Let's agree, if all else is equal, most people would prefer to buy a new home verses a resale home. But all is not equal. Most vacation home buyers prefer to be close to Walt Disney World and other attractions. Since much of the land close to Disney World was built out years ago, new home builders are looking further out to find buildable lots. This is where you may need to make a choice. What is more important to you, being very close to Disney, or having a brand new home?

- **Pros to New Homes:** They offer current styling, modern amenities, little wear and tear, greater energy efficiency, builders warranties, and lower initial maintenance.
- **Pros to Resale Homes:** They offer shorter distances to the attractions, more established neighborhoods, larger lot sizes, established homeowners' associations, no construction activities and noise, and no wait for occupancy.

NEW VS RESALE

TIP NUMBER #3 - Picking Your Community Type

When picking a community you should decide which features and amenities are most important to you? Then it's time to focus on the communities that offer what you are looking for. Let's take a look at some of the popular community types:

Resort Communities

Resort style communities have features above and beyond what you would find in a normal community. These additional features may include a clubhouse, large swimming pools, water slides, splash parks for children, hot tubs, tiki bars, basketball courts, tennis courts, volleyball courts, movie theatres, outdoor fire pits and grills, and more. These communities are becoming more popular, and are well suited for vacation homes.

Owning a vacation home in a resort style community can make your vacation even more special, however the amenities will add cost to your ownership.

- **Pros of resort communities:** Resort style features to enjoy. May provide more rental income.
- **Cons of resort communities:** Higher community fees.

Golf Communities

Florida is home to over 1,500 golf courses, and provides one of the best climates in the world to get out and play a round of golf in a picturesque setting. Even if you're not a golf fan, there is no denying the peaceful feeling you will get from sitting on your own private pool deck, looking out over the lush green fairways and manicured greens.

When you own property on a golf course, it doesn't always mean you can use the course for free. If your home happens to be alongside one of the many private golf courses in Central Florida, to play you are often required to become a club member. If this is the case, you will likely be required to pay a membership fee. Typically the more prestigious the club the higher the fee. In some cases it is possible to find a home along a public course, which is open to the general public. While public courses don't offer the exclusivity of a private course, it is typically easier to access and play the course, and far less costly.

- **Pros of golf communities:** Being able to enjoy the beautiful scenery and pristine landscaping.
- **Cons of golf communities:** A potential for high membership fees

Find out more about ***Orlando and Central Florida Golf Communities.***

Gated Communities

The benefit of purchasing a vacation home in a gated community is the peace of mind you will have when you are away from the property. With security officers checking in all visitors, and watching over the community, you will know that the security of your family, guests, and home is in good hands.

This means the HOA must plan for the additional cost of security, as well as any potential road repair and upgrades.

- **Pros to Gated Communities:** They offer more security for your family, guests, and home; peace of mind when you are away from the home.
- **Cons to Gated Communities:** They have higher fees, and the potential for delays when checking in at the gate.

TIP NUMBER #4 - Renting Out Your Home When Vacant, or Not

By now, you may have decided to rent out your vacation home when you are not using it. If not, you will want to consider the following:

Leaving Your Home Vacant

Depending on how much you and your family plan to use the house each year, you may decide to keep it vacant. Doing so will ensure that the house is exactly the way you left it. This can be a nice option if you have expensive furnishings and other valuables. In addition, not renting your home to others will allow you to keep personal possessions in the home, so you can travel light when visiting.

Your Management Company Renting Your Home

Most management companies will offer some form of a rental program, and they may even customize a program to suit your needs. Different management companies will offer different payment schedules, rates, commissions, and rules for owner use and guests, so it is important to discuss your specific needs with them.

Renting Your Own Home

Many homeowners like to be more involved in the rental process for their home, and look at their vacation home as their own small business. If this is your goal, there are many popular websites that can help you succeed. Companies like AirBnB, HomeAway, VRBO, and Booking.com have streamlined the process. These online rental companies allow you access to important items like reservation calendars and rate calculators, and will even process payments for you, ensuring your success while removing any stress from the process.

A Combination of Methods

Choosing one of the three options above is what many vacation homeowners do. You can also choose a combination of these options, if doing so better suits your needs. Keep in mind, if you are using a property manager, they may have some restrictions to when and if you can rent out the property. The main concern of the property manager will likely be double bookings, and conflicting rates.

TIP NUMBER #5 - Cash or Credit

Now that you have decided on the type of home you are looking for, it's time to consider how you will pay for it.

In the case of your primary home, you may have financed the purchase using a mortgage loan, with a down payment as low as 3%. When purchasing a vacation, or secondary home, your options will be more limited than the conventional purchase of your primary home. More than likely you will need to use one of these options:

Cash

If your situation permits, paying with cash is the most desirable way to purchase your vacation home. It will put you in the strongest negotiating position, and can save you thousands of dollars. Cash purchases allow for a smooth closing of escrow (transfer of ownership), with fewer contingencies, and the potential for a fast closing.

Leverage Your Equity

A popular strategy for funding the purchase of a vacation home is to leverage existing assets. By far the most common way of doing this is to take out a Home Equity Line of Credit (HELOC) on your existing home. Securing a HELOC before you start making offers establishes you in a strong position as a cash buyer. Leveraging stocks, bonds, or other assets can also serve the same purpose as a HELOC, positioning you as a strong cash buyer.

Obtain a Mortgage

Although obtaining a mortgage loan may be the normal way to purchase your primary residence, mortgage loans on vacation homes can offer some challenges. Since vacation homes are considered a luxury purchase, the lending guidelines are more stringent. If you plan to use a mortgage loan for your purchase, make sure you choose a lender that has significant experience in vacation properties.

Choosing a Lender

When choosing a lender, you should find someone with vast experience in the vacation home market. A good way to start your search is by asking your real estate agent for lenders they know of, who have a proven history of successful vacation home closings.

Here are some qualifying questions you should ask when selecting a lender.

- What experience do you have in the vacation home market?
- How much income do I need for this loan approval?
- What does my credit score need to be?
- How much of a down-payment will I need?
- What documents will I need to provide?
- What are the loan related costs?
- What are discount points, and can I buy down my interest rate?
- What is the difference between the interest rate and APR?
- When can I close, and how long is the approval process?
- I am not a US citizen, does that change anything?

Owner Financing

In rare situations, some property sellers may offer owner financing. If you do find a property that offers owner financing, expect to pay more for the property and the loan. You will also have fewer properties to choose from, since most sellers want the proceeds from the sale of their property at the closing of escrow. Owner financing is extremely limiting and should be avoided if at all possible.

Whether you pay cash, leverage the equity in your primary home or stocks, it is a best practice and highly recommended to have your money in place first. Doing so will allow you to focus on finding your dream home, knowing that your funds are ready and waiting.

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PART TWO:
SELECTION PHASE

TIP NUMBER #6 - Plan Your Visit

Now that your goals are set and your money is in place, it's time to visit Orlando and do your physical research. During your stay in Orlando, you will confirm your online plans and ideas.

Typical 7 day research visit to Orlando:

- **Day 1:** Arrive in the Orlando area and relax for the evening. The Orlando International Airport (MCO) will be the closest airport.
- **Day 2**: (9:00am to 6:00pm) Meet with your real estate agent to visit your potential communities. Plan to view one or two properties in each community to determine if it meets your goals.
- **Day 3:** This is a rest day for you. Use this time to reflect on what you have seen. Your agent will use this time to make your appointments for the next day.
- **Day 4:** (9:00am to 6:00pm) Meet with your real estate agent to visit available properties in your short list of communities. If you identify a property of interest, your agent will be prepared to help you secure the property by preparing a purchase offer.
- **Day 5:** (12:00pm to 6:00pm) If needed, meet with your real estate agent to view backup properties.
- **Day 6:** (12:00pm to 6:00pm) If needed, meet with your real estate agent to view backup properties.
- **Day 7:** Depart from the Orlando area, and your new home away from home.

As you can see from the schedule above, the more planning that is put into your trip, the more successful it will be. If your planned visit to Orlando is longer or shorter than 7 days, your agent can adjust accordingly.

TIP NUMBER #7 - Select Communities

During your visit to Orlando, your first objective should be to select the top communities from your targeted list, which was made prior to your arrival. This will be accomplished by visiting one or two properties in each community, and viewing all of the amenities that each subdivision has to offer. Make sure you take notes, listing the pros and cons of each community that interests you. If you don't like the community at all, let your agent know right away so no time is wasted. Keep in mind, the goal at this point is to find the right community, not necessarily the actual property you will purchase. Once you identify a community or communities you like, it's time to look at the available listings.

TIP NUMBER #8 - Choosing Properties

Now that you have your top communities selected, it's time to visit all of the available properties for sale within them. After viewing the available properties, decide which home suits you most by considering the following:

Bedrooms

The number of bedrooms is an important factor when considering the purchase of your vacation home. For everyday life, maybe a 3 bedroom home is fine. But what if two families will be using your vacation home at the same time, maybe for a family reunion, you may need 5 bedrooms. The main thing to remember here is to think about how you will be using the property. The number of bedrooms available in short term rental homes is now larger than ever, with homes ranging in size from 2 to 12 bedrooms. Larger homes are more often used by large families, multiple families, and sometimes even sports teams visiting Orlando.

Bathrooms

The number of bathrooms in a home can vary greatly, and it is important to remember how this will affect the privacy of guests using your home. Ideally the number of bathrooms should be close to the number of bedrooms, so you don't have a large number of people sharing a bathroom. It is also nice to have at least one bathroom accessible from the common areas, so guests can use a bathroom without entering through a bedroom. This will enhance privacy and cut down on the time it takes the family to get ready for a day of fun.

Swimming pool

Having a private swimming pool will add to your vacation experience. The pool will be a gathering place for the whole family, and is the perfect place for grilling or just enjoying an ice cold beverage. Many of the single family homes zoned for short term rental have a private screened swimming pool. In fact, some builders in resort style communities include private pools with every home as a standard.

Furniture

Many vacation homes will be sold fully furnished, including all of the bedding, dishes, and even a coffee maker. If the home you choose is not furnished, a turnkey furniture package will likely be the best option for you. The advantage of buying a furniture package is the companies selling them have become established over many years, and consider everything your home will need for your family's stay and prospective renters, if earning rental income is part of your plan. These furniture companies provide all that you need, right down to the minor details like spare bedding, enough towels for the maximum number of guests, plastic tableware for use on your pool deck, artwork for the walls, even an iron and ironing board. Some key features in the best looking homes are flat screen televisions, game systems, pool tables, quality outdoor seating and sun loungers, and plush pillow top mattresses. The quality and condition of your furniture will add to your family's enjoyment and leave a lasting impression on anyone that visits. If you're considering renting your home when not in use, these positive impressions will lead to repeat reservations, referrals, and a sustainable rental income.

PART THREE:
PURCHASE PHASE

TIP NUMBER #9 - Making a Purchase Offer

Now that you have picked your community, viewed all of the available homes there, considered what each property has to offer, and selected your favorite home, you are ready to make your purchase offer. In order to make an informed purchase decision, consider these steps when preparing your offer:

Gather Pre-Purchase Offer Information

In most cases, your real estate estate agent will prepare your purchase offer for you, and they will also help you gather the information necessary to make an informed decision. Your agent will have a list of the important items that are normally collected in the pre-purchase offer phase. Some of the main items that will be collected and prepared are:

- **Seller's Disclosure:** This form is completed by the seller informing you about the property and other things that may have an impact on the value of the property.
- **Homeowners' Association Disclosure:** This form is completed by the seller and informs you about the community's amenities and cost assessed to each property owner for those amenities.
- **Comparative Market Analysis (CMA):** A CMA is a report showing the price comparison of similar properties nearby that have recently sold, are under contract, or currently listed. This will help you to better understand the market value of the home, and determine a reasonable offer price.

Having these items will provide you with the information necessary to submit an informed purchase offer. Don't worry about getting all of your answers before you submit your offer. Your offer will include an inspection period of up to 15 days, which allows you to cancel the contract without penalty, if you find a problem that is unacceptable to you.

Submitting Your Purchase Offer

Once you have discussed the pre-offer information with your agent, and agree on a good offer price, your agent will prepare and submit the purchase offer to the seller. You should expect to wait anywhere from 3 hours to 3 days for a response. The seller's response will be either an acceptance, rejection, or a counteroffer. Unless you have submitted a full price cash purchase offer, you will likely receive a counteroffer from the seller, this is part of the negotiation.

Whether you reach an agreement on your first purchase offer, or you have to submit several offers on different properties to reach an agreement, you will eventually secure an executed contract.

TIP NUMBER #10 - Inspections and Due Diligence

Now that you have reached an agreement with the seller and your offer has been accepted, it's time for your inspections and due diligence. In most cases, your inspector will recommend having two types of inspections, a General Home Inspection, and a Wood Destroying Organisms (WDO) inspection.

Home Inspections

General Home Inspection

A certified general home inspection is a crucial part of any real estate purchase. This inspection provides you with a full report and record of the home's condition at the time of purchase. The report will be performed by an independent contractor of your choice, which will give you an unbiased opinion of the property's condition. Your inspector will check all of the major components of the home including the roof, air conditioning, electrical and plumbing systems. If your home has a swimming pool or spa, make sure you have those items included when your inspection request is made, since these may not be a part of their normal inspection.

Once the inspections are complete you will receive an electronic copy of the full report including comments with photographs showing any areas of concern. Your inspector will likely find many small issues that can be found in almost every home. It is a good practice to focus on any major problems, if any exist.

Wood Destroying Organisms (WDO) Inspections

The Wood Destroying Organisms (WDO) inspection is another very important inspection to have performed on your prospective home. This inspection looks for evidence of termites, and other wood destroying organisms in the home's wooden structure. Even homes constructed of concrete block have wood used in the roof trusses, lintels, and wall studs, so don't forget to ask for a WDO inspection when ordering your inspection.

Other Inspections

There are a number of other inspections that you might want to consider. These include, mold, radon, air quality, etc. You should consult your home inspection company for their recommendations.

Assuming that your inspections results were satisfactory, it's time to move on to the closing of escrow where you will take actual title ownership of your new home. If major problems were found during the inspection, you may decide to cancel the contract. This can be done without penalty within the inspection due diligence period following the terms agreed to in the contract.

TIP NUMBER #11 - Closing of Escrow and Title Options

Closing of Escrow

The closing of escrow (the closing) is when you take actual title ownership of your new home. At the closing, you will sign various documents, including the deed to the property. The deed is the document that officially transfers the ownership from the seller to you, the new owner. At this same time you will also pay for the property, which is an exchange for the deed, or ownership to the property. Your payment will normally be made with a wire transfer of funds, or with a new mortgage on the property.

Although most people will choose to be in Orlando for the closing on their new home, it's not a problem if you can't be present. Most title companies can arrange a remote closing for you, so you can close from another state in the U.S, or almost any place in the world. Make sure to let your real estate and title agents know at least 10 to 14 days in advance so courier services and other arrangements can be made.

Title Options

When taking title of your property, you can hold title in various ways. Each way of holding title has its own benefits and possible drawbacks. The most common ways to hold title for residential real property are Sole Ownership, Tenants in Common, Joint Tenancy. You should consult with your tax professional and real estate attorney to determine which option is best for you.

Questions for your real estate attorney & tax professional

When consulting with your tax professional and real estate attorney, here are some questions you might want to ask them about the closing:

- What is the best way to hold title?
- Should I form a corporation or an LLC?
- How do I handle my rental income?
- Will forming a corporation or an LLC lower my taxes?

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PART FOUR:
OWNING AND
MAINTENANCE

TIP NUMBER #12 - Utilities

As with most of the homes you have owned or rented, you will need to have the utilities turned on in your name. Although some of the utilities may be covered as a part of the homeowners association dues, you will likely have to pay for your electric, water and sewer. Many vacation home communities include cable television and internet in their homeowners' association dues. You should verify what is included in your dues during your inspection due diligence period.

Ask your real estate agent for a list of the utility companies that supply the services to your new home. You can also find utility company information on some of the county property appraiser's websites. You can also check with the major utility providers in the area. Here is a list of the major utility providers in the area:

Electric

Duke Energy
407-629-1010
duke-energy.com

Kissimmee Utility Authority (KUA)
407-933-9800
kua.com

Orlando Utility Commission (OUC)
407-957-7373
ouc.com

Water & Sewer

Toho Water Authority
407-944-5000
tohowater.com

Polk County Utilities
863-298-4100
polk-county.net/utilities

TIP NUMBER #13 - Maintenance & Repairs

Before you have found and purchased your vacation home, it is important to plan ahead as to how you will maintain and safeguard your investment.You should know how each area of your home will be cared for, and who will be responsible for it, if not you. In many cases, all the needed services will be provided to you as a package deal from your property manager. You just need to verify that everything needed is addressed.

Here are some important maintenance items:

- Weekly pool service
- Weekly landscaping and lawn service
- Regular lawn fertilization and weed killing
- Regular interior pest and insect control

TIP NUMBER #14 - Home Warranties

Whether you purchase a new or a used vacation home, things are going to break down and wear out. Knowing this inevitability, it is wise to prepare in advance to better control your costs. One way of controlling repair costs is by purchasing a home warranty. A home warranty is normally purchased for one year periods and covers the repair or replacement of appliances and other components that break down over time. Having a home warranty in place can protect you from the unexpected repair and replacement cost of major items.

To ensure that you have adequate coverage, without duplicate coverage, consider the following:

- Are you purchasing a new home? If so, what is covered under the new home warranty?
- Will anything be covered in your property management agreement?
- Will anything be covered in your homeowner's insurance policy?

These items will break down over time, and should be covered:

- Appliances
- Air conditioner
- Plumbing leaks & backups
- Water heater
- Pool pump & heater
- Roof

Consider purchasing a home warranty that covers most of the items in the house, including the items above.

TIP NUMBER #15 - Homeowners Insurance

When shopping for homeowners insurance, consider getting three estimates. Compare agents by asking each insurance agent for their advice on what coverages they recommend. To ensure that you are getting a balanced comparison, along with your own questions, consider asking about these things too:

- If you plan to rent out the property for income, ask about liability coverage for guests.
- Ask how much your deductibles are, and do they vary based on claim type.
- Check to see if flood insurance is required.
- If purchasing a condominium, the building exterior may have coverage through the HOA's insurance policy. Ask your insurance agent about the proposed policy to ensure that you are covered, without paying for duplicate coverages.
- If you have a pool or hot tub ask if it is covered.

You should also ensure that your policy has adequate coverage with reasonable deductibles for all areas of the house and property, including:

- Liability insurance for guests
- Roof
- Flood
- Leaks and water intrusion of any kind
- Fire
- Hurricane

TIP NUMBER #16 - Property Taxes

Your property taxes are normally assessed by the county government in which the property is located. It is the county's official property appraiser who assess the value of your property, and determines what your property tax bill will be. Most listings found on real estate websites will show previous year's tax information for each property. If you find a property that you are interested in, and need a more precise tax estimate based on your proposed purchase price, you can call the county's property appraiser's office. They are there to help people just like you and me.

TIP NUMBER #17 - Management Companies

While this may not seem like a big decision compared to choosing the right home, finding and selecting the right management company will make your vacation home ownership so much more enjoyable. This decision is essential because they will be looking after your property, rental income and longevity of your home. Your management company will be responsible for the everyday operation of the home, as well as being your guest's point of contact for everyday questions, and the point of contact for emergencies. While each management company's fees will vary, typical fees will look something like this:

Typical Management Fees

- ***Monthly Management Fee: $100***
  - Covers management of the property account and bookkeeping.
  - State and County sales tax filing.
  - Utility bill payment.
  - Guest pre-arrival home inspection.
  - Guest contact.
  - Emergency contact.
- ***Property Rental Commission (management company reservations only): 20%***
- ***Lawn Care Service Fee: $85***
- ***Pool Care Service Fee: $85***
- ***Pest Control Service Fee: $25***
- ***Guest Checkout Cleaning Fee:***
  - 3 Bedroom: $75
  - 4 Bedroom: $85
  - 5 Bedroom: $100
  - 6 Bedroom: $125
  - 7 Bedroom: $150

There will also be costs associated with any items that are repaired or replaced, and any maintenance that is performed. Ask how these costs are handled and authorized.

Finding Your Management Company

When looking for a reliable property manager, you should consider the following sources:

Your Real Estate Agent:

Your real estate agent will be an essential resource for all matters related to your vacation home, including giving you a list of trusted resources, which will include property managers.

Previous Property Owner:

During the purchase of your home, you should collect a list of resources from the previous owners. If the past owner had a good property manager, why not continue on with that success.

Before considering the past owner's property manager, you might want to consider your impression of the property when you first saw it. Your first impression of the property was a result of the current management company. Was it a good first impression, or bad?

Online Groups and Forums:

Social media can be a great source for all things related to your target community, including which property managers are producing the best results and taking the best care of other owners properties.

TIP NUMBER #18 - Income & Sales Taxes

As with most things, there will be taxes associated with the purchase and ownership of your property. You should consult with a Certified Public Accountant (CPA) to ensure you are in compliance with local, state, and federal tax regulations. Your CPA will ensure that you are paying what is required, while ensuring that you are receiving all eligible deductions, exemptions, and other discounts.

Income Taxes

Good news, if you are not going to rent out your vacation home for income when you're not using it, you will not have to pay income tax, because there will not be any income to report. However, if you are like most people who decide to rent out your home for income, as you would expect, you will be required to pay income tax on your earnings.

Federal Tax

You will be required to pay federal income taxes on your retained earnings. To pay your taxes and have them credited to your account properly, make sure that your Social Security Number (SSN) is included with your payment. If you are not a U.S. citizen, you will need to apply for a Federal Tax I.D. Number (TIN). Like a SSN, your TIN uniquely identifies you with the Internal Revenue Service (IRS), and allows them to keep track of the taxes you owe and the taxes you have paid.

State Tax

In Florida, there is no state income tax so you will not be taxed on your earnings income at the state level.

Sales Tax

When renting your home to people visiting the area for short periods of time, you are in essence using your home as a hotel, and as such are required to pay taxes like one. There are state and county sales taxes due on all short term rental income. On a monthly basis, the taxes collected must be paid to the State of Florida, and the county where your home is located.

Typically your property management company will help you track and pay these taxes on your behalf. Consult a Certified Public Accountant (CPA) for details.

TIP NUMBER #19 - Establishing Your Team

Unless you live in the Orlando area, having a team of local professionals is essential to successful vacation home ownership. Your team should include these professionals, starting with your real estate agent:

Real Estate Agent

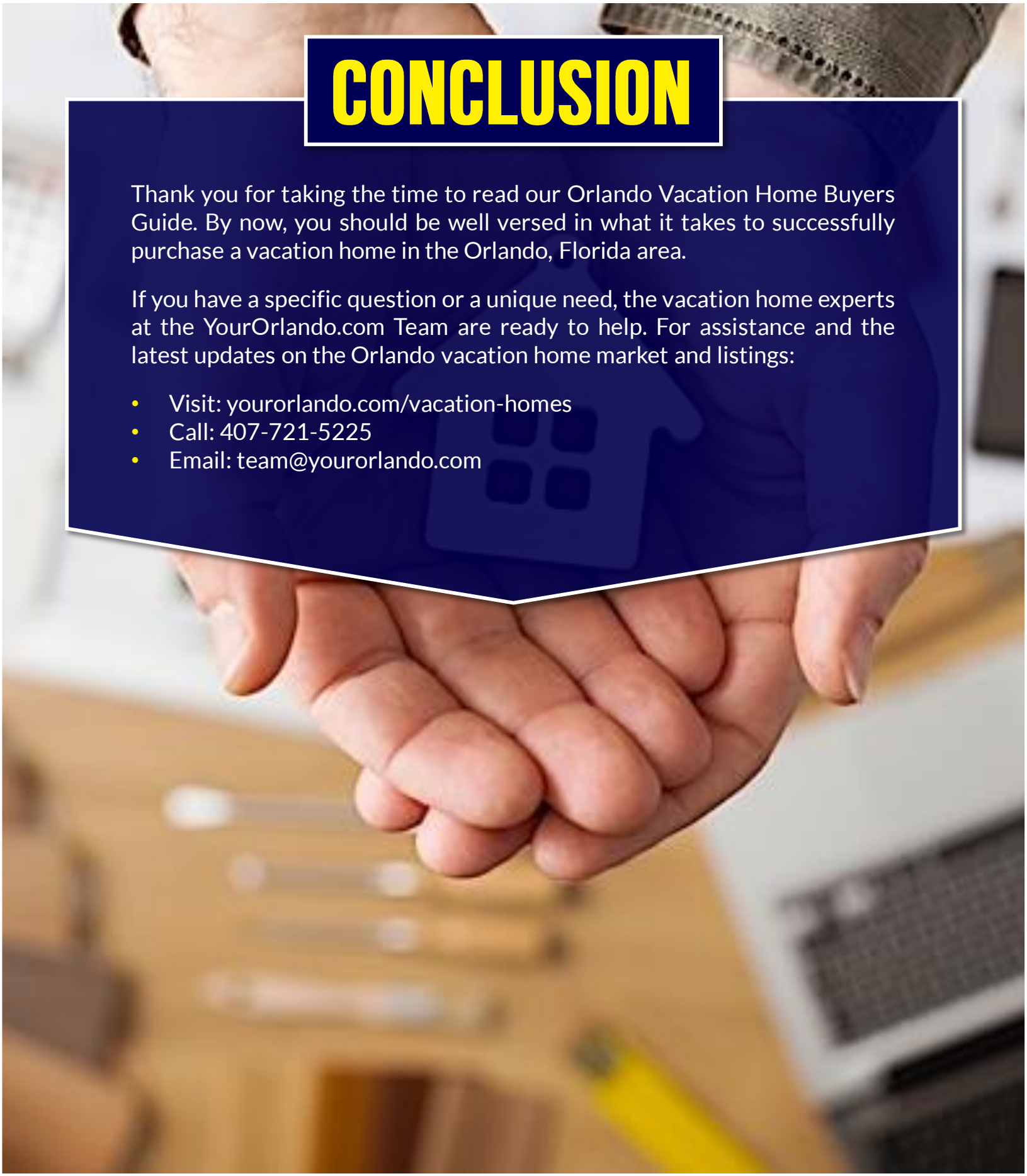
In the state of Florida, and in the United States in general, it is customary for a home buyer to have a real estate agent represent them in the purchase of a home or property. This relationship benefits both the buyer and the seller, and the real estate agent will help to facilitate a smooth transaction. As the buyer, the fee paid to your real estate agent is typically paid by the seller, making your real estate agent representation free to you. This is a tremendous benefit to the buyer that should not be missed. Just like any business transaction, the real estate world is a two way street, with relationships built on honesty, trust, and loyalty. Consider the real estate agent's expertise in your area of interest.

Consider using the YourOrlando.com Team as your real estate agent.

Since 2003 our team has been working in the Orlando Vacation Home Market. We have established relationships with all of the vendors you will need. Ask us for a list of trusted professionals to complete your team:

The Rest of Your Team

- Home Inspector
- Home Warranty Company
- Insurance Agent
- Property Manager
- Handyman Service



CONCLUSION

Thank you for taking the time to read our Orlando Vacation Home Buyers Guide. By now, you should be well versed in what it takes to successfully purchase a vacation home in the Orlando, Florida area.

If you have a specific question or a unique need, the vacation home experts at the YourOrlando.com Team are ready to help. For assistance and the latest updates on the Orlando vacation home market and listings:

- Visit: yourorlando.com/vacation-homes
- Call: 407-721-5225
- Email: team@yourorlando.com