HOME BUYING GUIDE

Michael Saunders & Company®
LICENSED REAL ESTATE BROKER

A message from Michael and Drayton

During the past few years, more people than ever have discovered why Florida's Suncoast is a fabulous place to live, work and play. Whether you're looking for a primary residence, vacation retreat, newly built home, or investment property, an array of options in all price ranges can be found across our thriving tri-county region. From golf course and boating communities to beachside neighborhoods, master-planned communities, and carefree condominiums, you will find a home that suits your lifestyle.

Today we have some new required industry changes that continue to preserve the choices consumers have regarding real estate services. Historically, commissions paid by the seller covered compensation to both the selling and listing agents for services rendered. Industry changes now necessitate having a Buyer Broker Agreement. This agreement outlines the services that will be provided to you by the agent during the homebuying process. It benefits both parties by clearly defining expectations and obligations, including the agent's duties and the buyer's responsibilities, establishing compensation and transparency from the outset.

Michael Saunders & Company has consistently provided local knowledge, expertise and professional guidance to customers at every stage of their real estate journey for nearly 50 years. We offer you comprehensive in-house support services, global connections, and steadfast values. We hope you will appreciate the experience of working with our family-owned company.

We are delighted you have discovered our corner of the world and look forward to the opportunity to assist you with your real estate needs and guide you to a new home on our picturesque Suncoast and the phenomenal lifestyle it offers.

Michael Saunders

Michael Saunders
Founder & CEO

Drayton Saunders
President

10 Benefits

of owning property in Florida

01
NO STATE INCOME TAX

Florida does not have a state income tax, which can result in significant savings.

02
HOMESTEAD EXEMPTION

If you own a primary residence in Florida and have lived there for at least six months, you may qualify for a homestead exemption which can reduce your home's taxable value by up to $50,000, resulting in substantial property tax savings.

03
MORTGAGE INTEREST DEDUCTION

You can deduct the interest paid on your mortgage, reducing your taxable income.

04
PROPERTY TAX DEDUCTION

You can deduct state and local property taxes on your federal tax return.

05
SAVE OUR HOMES CAP

A tax benefit that limits the annual increase in your property's assessed value for tax purposes. This helps prevent property taxes from rising too quickly, even when property values in your area are increasing.

06
NO ESTATE TAX

Florida does not have an estate tax, which means that your heirs may not have to pay state estate taxes on any property or assets you leave to them.

07
PROPERTY VALUE APPRECIATION

A steady increase in property values offers potential for long-term investment growth.

08
CAPITAL GAINS EXCLUSION

When selling your primary residence, you may exclude up to $250,000 of the gain ($500,000 for married couples) from your taxable income.

09
RENTAL INCOME OPPORTUNITIES

High demand for rental properties due to tourism and seasonal residents can generate substantial rental income.

10
GREAT WEATHER!

Known as the Sunshine State, Florida's favorable climate offers year-round enjoyment, ideal for outdoor activities, exploring our beautiful beaches, and savoring breathtaking sunsets. These benefits can make homeownership in Florida financially advantageous.




There are plenty of reasons to be thankful as a homeowner on Florida's Suncoast: the stunning beaches, the vibrant cultural scene, exceptional dining and shopping, and a plethora of outdoor activities to enjoy, such as golfing, boating, tennis/pickleball, biking and hiking. Even in the area of taxes, residents benefit as Florida is ranked the third most tax-friendly state in the country.



At your service

Market experts

Michael Saunders & Company agents are local real estate experts who are dedicated to their customers and the community. In an ever-changing real estate market, you can count on our more than 600 agents across Sarasota, Manatee and Charlotte counties to use their local expertise, knowledge and industry-leading resources to provide exceptional service.

Dedicated to your needs

We are committed to providing an unsurpassed real estate experience through every step of the homebuying process. When you work with our agents, you also gain access to experienced professionals in our mortgage, title and insurance divisions, ensuring you receive a seamless full homeownership experience from start to finish. All fees are negotiable and outlined in the Buyer Broker Agreement. Our philosophy has always been to be full service, offering comprehensive support and personalized guidance throughout the entire buying process.

Connected to the world

Our connections with outstanding U.S. and international affiliates create an extended family of other top leading independently-owned brokerages from as near as Tampa and as far as Australia, enabling us to be a national and global force for our customers and sales associates.

OUR NETWORK

#1
Luxury real estate firm for properties $2M+

48
Years established in the area

$3.2B
2023 total sales volume

16
Offices across the Suncoast

600+
Agents

70+
Countries where listings syndicate across our extensive affiliate broker network

900+
Websites where listings syndicate across our global affiliations

The buying process

INTRODUCTION

Buyer representation

IMPORTANCE OF BUYER REPRESENTATION

Purchasing a home is one of life's most rewarding experiences, as well as a significant financial investment, which is why having an experienced and knowledgeable agent by your side is crucial. In your buying consulatation, your MSC agent will review the required Buyer Broker Agreement with you. This document highlights the services that will be provided to you, establishing compensation and transparency from the onset. The expertise and value a real estate agent brings to your transaction, as well as the numerous complex and intricate tasks they perform, are reflected in the fee for their services. When you work with a Michael Saunders & Company agent, you get a committed partner who will guide you through the homebuying experience, keeping your best interests at the forefront.

Advantages of using a REALTOR®

Here are some of the many benefits an MSC real estate agent provides:

01 **In-depth knowledge**
Your MSC agent has comprehensive knowledge of the local neighborhoods, property values, and current market dynamics.

02 **Buying strategy**
An experienced MSC agent can help you formulate a purchasing strategy to ensure you secure your desired property at the best possible price.

03 **Assist with obtaining financing**
MSC agents can connect you with a trusted mortgage lender at MSC Mortgage who will guide you through the process of securing financing for your new home.

04 **Access to extensive network**
MSC agents have access to a broad network of other agents and professionals who can help streamline the transaction process and make you aware of opportunities you may not otherwise discover.

05 **Access to non-MLS listing**
Your MSC agent has access to listings not advertised online, such as off-market, coming soon, and new construction, giving you exclusive access to properties that may not be available to the general public.

06 **Property tours**
Your MSC agent schedules and accompanies you on property tours, offering valuable insight into each property's features, potential, and suitability for your needs.

07 **Pros and cons of homes viewed**
Your MSC agent will highlight the advantages and disadvantages of each property you view based on your preferences and needs, helping you make informed decisions throughout your home search.

08 Behind-the-scenes operations

When not accompanying you on showings, your MSC agent is hard at work researching properties, conferring with other agents, and reviewing paperwork so you get timely service and access to the most desirable home options available.

09 Understanding disclosure, reports & contracts

Real estate transactions entail substantial legal paperwork. Your MSC agent can easily navigate through the particulars of complicated paperwork, minimizing the risk of costly errors.

10 Expert negotiation skills

Our agents have sharp negotiation skills honed over time via numerous transactions to ensure your goals are achieved.

11 Risk mitigation

Mistakes, misunderstandings, and missed deadlines in real estate can be costly. Your MSC agent has the experience and know-how to help safeguard your investment.

12 Vendor recommendations

Your agent can provide you with a list of trusted professionals for home inspections and other contingencies.

13 Problem resolution

For any of the numerous and unique challenges that arise during a real estate transaction, an experienced agent has likely already dealt with them, ensuring an expedient and effective solution.

14 Emotionally neutral advice

Emotions can run high when buying a home. Having a dedicated MSC agent by your side ensures emotions don't interfere when making important decisions, offering unbiased guidance so you make the best choice for your future.

15 Continuing education

Our agents prioritize ongoing education and training to stay informed on changing real estate regulations and cutting-edge technology to deliver the best service to you.

16 Post-closing assistance

Our agents are with you every step of the way, including after the closing. From ensuring a smooth move-in to recommending a list of professional vendors and neighborhood hot spots, we are committed to providing ongoing support.

Your MSC agent serves as your dedicated guide, coordinating every step of the homebuying process. From pre-qualification with a trusted lender to scheduling showings and inspections, they handle everything from start to finish, ensuring a smooth and stress-free experience.

Agent commitment

Your MSC agent will:

- Be your primary point of contact and trusted advisor
- Perform research and provide in-depth information on properties via:
    - Multiple Listing Service (MLS)
    - Tax assessor's database
    - Public records
    - Online real estate platforms
    - Trendgraphix – market data and analytics program
    - Agent networking
    - Local knowledge
    - Other sources
- Provide personalized property recommendations
- Conduct market research to ensure you make informed decisions
- Manage all paperwork and negotiate on your behalf
- Offer assistance with risk mitigation and protecting your interests
- Offer guidance throughout the buying process
- Adhere to all federal, state, and local regulations
- Negotiate the transaction to a successful conclusion

1 Initial consultation & alignment

- Connect with a licensed Michael Saunders & Company real estate agent who is knowledgeable about the areas and markets you are considering.
- Together, you and your MSC agent will clarify your desired features and amenities, any specific must-haves or deal-breakers, unique circumstances or considerations, and your timeline for buying a home.
- Your agent will review the homebuying process with you.
- An exclusive Buyer Broker Agreement will be put in place, which outlines the buyer-agent relationship and specifies the agent's services as your dedicated representative who is committed to advocating your best interests with the highest level of professionalism, integrity, and diligence to ensure a smooth homebuying experience.

WHAT IS A BUYER BROKER AGREEMENT?

A Buyer Broker Agreement is a contract between a buyer and a real estate agent (who is serving as an authorized representative of the brokerage) that specifies the terms of the relationship between the buyer and the brokerage and establishes the compensation for the buyer's agent.

2 Determine your budget & get pre-approved

GETTING PRE-QUALIFIED

How much can I afford?

Before beginning your home search, it's imperative to know how much you can afford to spend. Although sometimes used interchangeably, getting pre-qualified for a loan and being pre-approved for a mortgage are not the same. While a loan pre-qualification can be useful as an estimate of how much you can afford to borrow, it is an informal process involving self-reported financial information. Getting pre-approved for a mortgage helps you shop for homes within your means and shows you are a serious buyer.

Smart Strategies

- Your Michael Saunders & Company agent can connect you with a professional mortgage consultant at MSC Mortgage to discuss the various financing options available to you.
- Even if you obtain your pre-approval from a different lender, our in-house mortgage team at MSC Mortgage can review your offer to ensure you're getting the best financing option available.

SCAN QR code for more info from MSC Mortgage

GETTING PRE-APPROVED FOR A MORTGAGE

Step-by-step guide

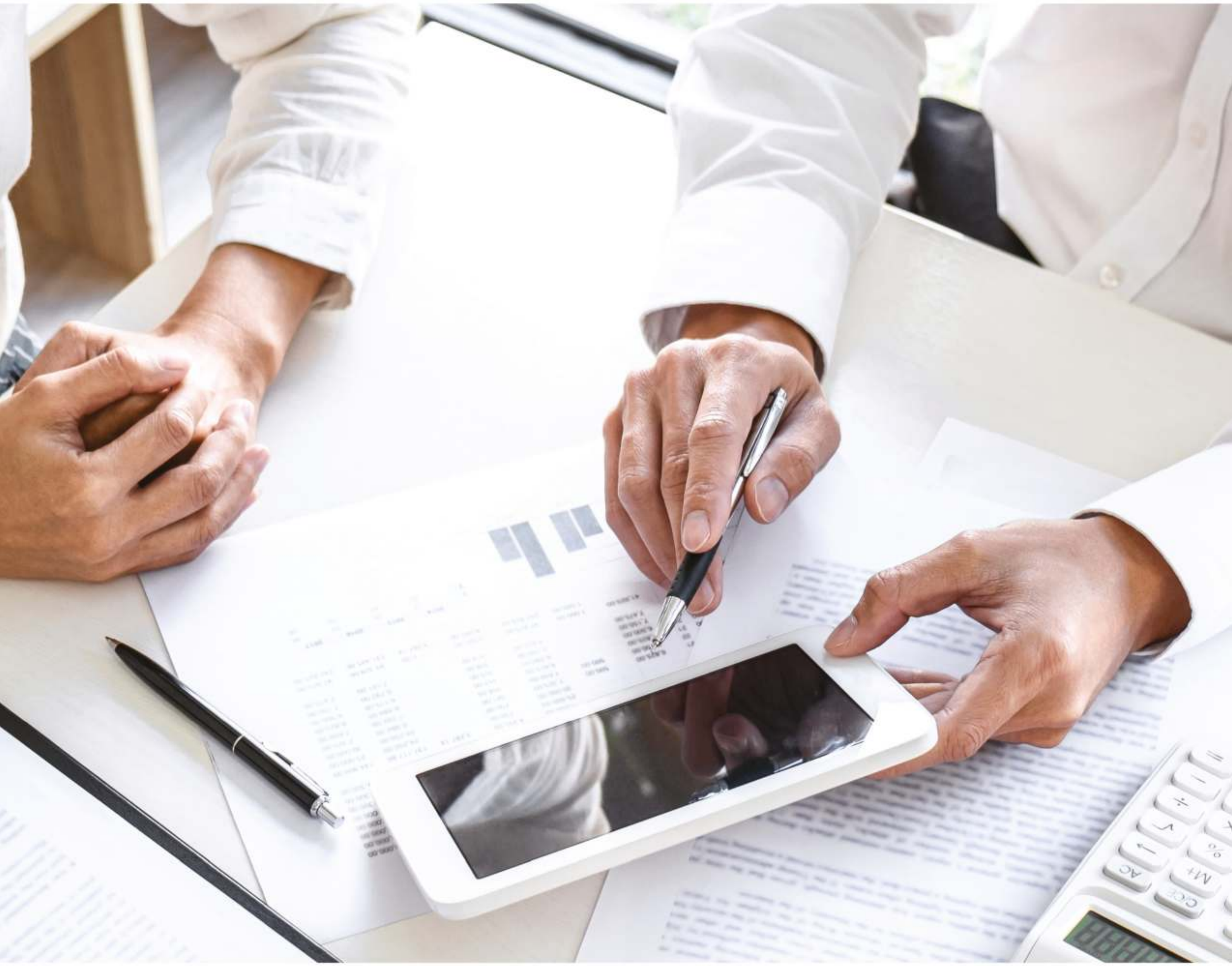
Step 1: Check your latest credit report before your lender pulls it and dispute any errors before applying for a loan.

Step 2: Contact your MSC Mortgage representative or preferred lender.

Step 3: Complete a loan application with the requested financial information. Typically, required documents include:

- Pay stubs from the last 30 days
- Federal tax returns and W-2s from the past two years
- Bank statements for checking, savings, and investment accounts from the past two months
- Name of homeowner's insurance company
- Identification to verify your income, assets, and identity

Step 4: After your financial history has been evaluated, your mortgage professional will provide a mortgage pre-approval letter indicating the type and amount of loan for which you can qualify.



Additional financial considerations

In addition to your down payment and monthly mortgage payments, it's important to factor in the following costs:

- Earnest money deposit shows your good faith and seriousness about the property. Typically, it is a percentage of the purchase price and is refundable under certain conditions.
- Down payment. Typically, you will need at least 5% to 20% of the sale price in cash to qualify for a conventional loan (e.g., 30-year fixed mortgage). The more you put down, the less your monthly principal and interest will be.
- Inspection fees
- Closing costs, which can include appraisal fees, property taxes, homeowners insurance and other loan-related fees, and real estate commission fees
- Homeowners association fees, condominium fees, or maintenance costs
- Moving expenses and household setup

3

Search for a home

Over 90% of buyers begin their search for homes online. Find your next home at michaelsaunders.com

- Customize your search via interactive maps, preferences, and advanced filters
- Automatically receive notifications for new listings or price reductions
- Save searches and your favorite homes to revisit at any time
- View high-quality photos of properties
- Access detailed property information
- Read about neighborhoods and nearby towns
- View videos of areas, neighborhoods and homes

Smart Strategies

Define your search criteria based on key features of your ideal home, such as:

- **Location** (proximity to desired schools, neighborhoods, beaches, downtown, work commute, etc.)
- **Size and property type** (single-family homes, condominiums, townhouses, luxury properties, waterfront homes, gated communities, etc.)
- **Number of beds and baths**
- **Features and amenities** (patio, pool, outdoor kitchen, laundry room, garage, front porch, landscaping, smart features, kitchen island, hardwood flooring, fireplace, etc.)
- **Price** Be sure to use an expanded price range. For example, if your maximum purchase price is $699,000, make the upper-end price point slightly above this number so you don't miss out on properties priced at $699,500 or $705,000)

In addition to online searches, your MSC real estate agent has access to off-market listings, all new home and condominium communities and coming soon listings.

Benefits of previewing properties with your agent

Once you've created a list of your favorite online properties, share them with your MSC agent and discuss your thoughts. By offering the following, your MSC agent can help you narrow down your list and save time:

Agent Insight Your agent can provide additional information about the properties, such as their history, neighborhood details, and any potential issues or advantages they may have.

Avoid Disappointment Your agent can help manage your expectations and provide a realistic assessment of the properties based on your preferences and budget.

Professional Guidance Your agent can offer valuable insights and advice based on their experience, helping you make informed decisions throughout the homebuying process.

With a narrowed down list of choices, your agent will schedule showings so you can see the properties in person.

Touring a home

During a showing, your agent will provide valuable insights and help you envision how each property fits your needs and lifestyle. They can also point out features and potential issues that you might not notice on your own and provide information about the neighborhood and purchase prices of homes nearby. By working closely with your agent during the showing process, you can make a more informed decision and find the perfect home for you.

Popular questions a real estate agent can answer during a home tour

- When was the home built?
- Were any renovations done? If so, was the work done by licensed contractors and were the proper permits pulled?
- How old are various structural elements and systems, such as the roof, AC, water heater, etc?

Ways to tour a home

Virtual tour

If you are unable to attend a showing in person, your MSC agent can set up a remote home tour. Using a video chat service like Zoom, FaceTime, or Skype, your agent can walk through the home with their smartphone or iPad so you can explore the home's layout, condition, and features in real time. You can ask your agent to focus on specific areas of interest, giving you a personalized viewing experience.

Open houses

Open houses are a good way to get a firsthand look at a property you are interested in without the need for a formal viewing appointment. Open to the public, they offer a more relaxed setting and allow buyers to explore the home at their own pace. Your MSC agent can accompany you or make recommendations.

Smart Strategies

When attending an open house,

- Be sure to greet the hosting agent and mention you have agent representation. This will let them know you are a serious buyer and keep your agent in the loop regarding your interest in the property.
- Leave a positive impression - it could be advantageous when it comes time to making an offer.

Virtual open houses

Listing agents often offer live virtual tours of their homes. This is a great way to get a sneak peek of a home and decide if you want to see it in person.

Broker tours

A broker tour is usually held mid-week and is a way to engage the Realtor community to view new active listings.

4 Go under contract

MAKE AN OFFER

Together with your agent, you have found the home that best suits your needs and lifestyle. Now, the purchase process will begin with making an offer.

Your Michael Saunders & Company agent has Residential Purchase Agreements that comply with current laws. Florida, like many other states, requires sellers of homes and other residential properties to make certain disclosures to buyers about the property's condition and history. Your agent will ensure compliance with disclosure rules, as well as answer questions you may have along the way.

After the offer is prepared by your agent and signed by you, it will be sent to the seller's agent, who will present it to their customer. Your purchase offer, if accepted, will become a binding sales contract, also known as a Purchase Agreement, so it's important that the offer contains every element needed to serve as a blueprint for the final sale.

Did you know?

When an offer is made, a seller can accept it exactly as it stands, refuse it, or make a counteroffer with the changes they desire. Your agent will then work with you and negotiate to reach satisfactory terms. This is when great broker relations and sharp negotiation skills often win the day.

WHAT IS INCLUDED IN AN OFFER

- Address and a legal description of the property
- Sale price, down payment, and balance due at closing
- Terms, such as an all-cash transaction or subject to obtaining a mortgage
- Seller's promise to provide a clear title
- List of all items that convey with the home, i.e. kitchen appliances, fixtures, window treatments, etc.
- Target date for closing
- Amount of earnest money deposit accompanying the offer
- Provisions about who will pay for title insurance, survey, termite inspections and possibly other expenditures
- Type of deed that will be granted
- A provision for the buyer to make a final walk-through inspection of the property just before the closing
- A time limit after which the offer will expire
- Contingencies – conditions that must be satisfied prior to closing

Smart Strategies

- Listen to your real estate agent. If emotions run high, your agent can act as a buffer, keeping negotiations on track and helping you make an informed decision that is best for you.
- Be prepared to act quickly. In a competitive market, homes can sell quickly. As soon as you find a home you like, submit an offer as soon as possible to increase your chances of securing the home.
- Make an offer that is strong and appealing, as it could be one of several submitted to the seller. Your agent will guide you on how to be competitive while also meeting your needs and budget.
- Determine your earnest money amount - your Michael Saunders & Company agent will explain earnest money and deposits into escrow accounts.
- Be prepared if proof of funds is requested by the seller for the deposit and the down payment or cash offer.
- Inquire about any concessions offered by the seller.
- List contingencies with beginning and end dates.
- Work closely with your agent during negotiations.

CONTRACT ACCEPTED

Congratulations, your offer has been accepted and you are now under contract with the seller. This is the start of the **Contract-to-Closing Period**, where your MSC agent will work closely with you to complete the necessary steps to finalize the purchase of your new home.

There are several important dates to keep in mind during this time, but the five most crucial ones are:

- Inspection period deadline date
- Appraisal deadline date
- Deposit deadline date
- Loan approval date
- Closing date

5 Get a home inspection

Your MSC agent will discuss the inspection with you, recommend several licensed home inspectors, and coordinate the process.

- Home inspections are important for risk mitigation
- As the buyer, you will choose the inspector, schedule, and pay for the inspections
- Buyers should be present for the inspection
- Your agent will review the inspection reports, recommend a follow-up inspection to address issues noted in the report if needed and prepare a request for repairs for the sellers' consideration

If issues are found during the inspection, the majority may be repairable, and even a major problem doesn't necessarily mean you won't close on your home. If your offer was contingent on a successful inspection, you have a good basis to request that the owners make repairs before closing. Keep in mind there may be no obligation for sellers to address the inspector's discoveries. Your agent will assist you in choosing the best course of action.

Types of inspections

- ✔ Structural (foundation, walls, ceilings, beams, columns, attic)
- ✔ Roof
- ✔ Electrical, mechanical, plumbing
- ✔ Termite
- ✔ Mold
- ✔ Septic systems
- ✔ HVAC
- ✔ Drainage
- ✔ Well
- ✔ Irrigation
- ✔ Swimming pool
- ✔ Radon


Building Inspection Report
A. Interior Rooms

6 Obtain financing

If financing is needed, another task to perform during the contract-to-closing period is to transform your mortgage pre-approval into a final loan commitment. Pre-approval is a good indicator of your ability to afford a mortgage but does not guarantee the loan. It simply states that you are generally qualified to purchase a home up to a certain amount based upon a preliminary examination of your financial qualifications. A loan commitment comes only after you've supplied rigorous documentation to verify such items as your income, assets, employment history, credit status, the valuation and condition of the subject property, and a clear title for the seller to transfer ownership to you. This process generally takes 45-60 days to complete.

Smart Strategies

- Submit your mortgage application with all supporting documentation to your MSC Mortgage loan officer or lender upon receipt of the fully signed Purchase Agreement
- Work closely with your lender to provide any additional information or documentation they may require to process your loan application in a timely manner
- Your MSC agent will contact the lender weekly to ensure processing is on track

What NOT to do when applying for a mortgage

- Change jobs, quit your job or become self-employed
- Buy a new car, boat or furniture
- Use credit cards excessively or let your accounts fall behind
- Dip into the money you have set aside for closing
- Change bank accounts
- Co-sign a loan
- Cause any inquiries into your credit, such as opening new credit card accounts
- Omit any debts or liabilities from your loan application
- Make large, non-payroll deposits without first consulting with your lender

The best plan is to fully disclose and discuss your intentions with your lender before you do anything financial in nature.

Did you know?
Your credit score is essential. Having a higher score will save you a significant amount of money over the life of a loan.

7 Get an appraisal

If you have applied for a mortgage, a licensed appraiser will conduct a thorough inspection of the property to assess its value (which isn't always the same as the listing price). The appraiser will then compile all their findings into a report and generate the home's appraised value.

An appraiser uses many factors to determine the value of a property, including its condition, square footage, location, and any additions or renovations. The value will be based on recent comparable home sales in the area, market conditions, and other factors. The appraiser's final report will be sent to the lender, and the mortgage company is required by law to give a copy of the appraisal to you. If the appraisal comes in low and your contract with the seller was contingent on an appraisal, your agent will assist you in pursuing additional options to move the sale of the property forward.

8 Insure your home

Knowing that your most valuable asset is protected in the event of a natural disaster, loss caused by theft, or an accident on your property is well worth the investment in home insurance. Many mortgage lenders, including banks, will not grant a home loan unless the property owner has secured homeowners insurance.

Reputable insurance companies work with homeowners to underwrite comprehensive insurance policies that will mitigate the risks of loss. To ensure optimal coverage for your home, be sure to work with a team of experienced insurance agents and a company that can provide the coverage you need. Michael Saunders & Company offers buyers the option to work with our joint venture with The Baldwin Group. Our in-house experts have deep knowledge of Florida's unique risk exposures.

SCAN QR code for more info from our insurance partner

9 Schedule closing

What to expect

You are now in the home stretch of the homebuying process. Being fully prepared is critical, including making sure all contingencies in the contract have been satisfied by the required date.

Estimated closing costs

Closing costs are fees and expenses associated with obtaining a mortgage and transferring the title of the property from the seller to the buyer, completing the real estate transaction.

Common closing costs*

- **Loan Application Fee ($150 - $400)** Covers the cost of processing the loan application, including credit checks and administrative expenses.
- **Loan origination fee (0.5% - 1.5% of mortgage value)** This fee covers the administrative costs of processing the loan and is typically a percentage of the loan amount.
- **Appraisal fee ($300 - $800+ depending on square footage)** This fee covers the cost of having the property appraised to determine its value.
- **Title search fee ($60 - $150)** Covers the cost of searching public records to ensure there are no liens or claims against the property that could affect the transfer of ownership.

**Fees for luxury homes could be higher*

- **Title insurance fee (rates start at $5.75 per $1,000 up to $100,000 and then go down from there on a sliding scale)** This insurance protects the buyer and lender against any issues with the title of the property.
- **Recording fees ($100 - $150)** These fees cover the cost of recording the deed and other documents with the county or local government.
- **Escrow funds (At least 2 months of mortgage payments)** Buyers may be required to put money into an escrow account to cover property taxes, homeowners insurance, and other expenses.
- **Home inspection fee ($300 - $700)** While not always required, a home inspection is highly recommended to uncover any potential issues with the property.
- **Prepaid interest** Buyers are often required to pay the interest that accrues on the mortgage loan between the closing date and the end of the month.
- **Homeowners (HOA) and condominium association fees (varies)** If the property is part of a homeowners or condominium association, buyers may need to pay prorated fees at closing.

Review your Closing Disclosure form

You will receive from your lender the Closing Disclosure form at least 3 days before the closing date. This statement outlines your mortgage payments, the loan's terms (such as the interest rate and term), and closing costs. Carefully review the closing disclosure statement to ensure there are no errors or unnecessary fees.

10 Perform final walk-through

A buyer's contract typically includes a provision for a final walk-through of the home before closing. This provides the buyer with an opportunity to carefully inspect the property to ensure it is in the same condition as when they agreed to purchase it and that any agreed-upon repairs have been completed.

It is important to have your MSC agent with you to help guide you through this process.

KEY THINGS TO LOOK FOR DURING A FINAL WALK-THROUGH

- **Vacancy check** Confirm the previous owner has vacated - unless you have a lease-back arrangement.
- **Overall condition** Check that the property's condition hasn't significantly changed since your last visit. Look for any new damages or issues.
- **Appliances and fixtures** Test all appliances and fixtures to ensure they are in working order.
- **Utilities** Turn on lights and faucets and check the heating and cooling systems to ensure they are functioning properly.
- **Plumbing** Look for new leaks or water damage under sinks, around toilets, and in the basement or crawlspace.
- **Windows and doors** Open and close all windows and doors to ensure they operate smoothly and check for any signs of damage or drafts.
- **Roof and ceiling** Look for any new signs of water damage, leaks, or cracks in the ceiling.
- **Walls and floors** Check for any new cracks, stains, or other damages to walls and flooring.
- **Pests** Look for any signs of pests, such as droppings or damage to woodwork.
- **Exterior** Walk around the exterior of the property to check for any damage, such as missing shingles, cracks in the foundation, or damage to siding.
- **Property boundaries** Verify the property boundaries and ensure no encroachments have occurred since your last visit.


Michael Saunders & Company

11 Obtain title

Homeownership is the single largest financial decision you'll likely ever make. Your ownership rights can be challenged and even lost. An integral part of the homebuying process is assessing and protecting against risk, which is why 20 years ago we invested in **MSC Title**, to provide local, experienced staff and full-service coordination.

Unlike auto or health insurance, which protects against future events, title insurance covers things that occurred in a property's past, such as another person claiming an ownership interest, improperly recorded documents, easements, or fraud and forgery. When you buy a property, you expect to occupy and use the property as you wish, free from debts and obligations not created or agreed to by you, and to be able to freely sell or pledge your property as security for a home. Title insurance is designed to protect these rights.

Be sure to use an experienced team of escrow closers, processors and examiners who are committed to providing outstanding service with every closing. If you choose **MSC Title**, rest assured that every detail will be handled with accuracy and timeliness to ensure a professional closing.

SCAN QR code for a quote from MSC Title

MSC**Title**

12

Close on your new home

CLOSING DAY

You have finally reached closing day. Here is what you need to bring with you and what you can expect:

All of your paperwork

Bring proof of homeowners' insurance, a copy of your contract with the seller, your home inspection reports, and a government-issued photo ID.

Cash to close

You will already know from your Closing Disclosure statement exactly how much your closing costs will be. A personal check will not be accepted, so be sure to ask before closing whether you should wire transfer those funds or bring a cashier's check. If you use wire transfer and receive an email, do not send any money until communication has been verbally confirmed by the closing agent. Always authorize the instructions over the phone to ensure money is sent to the proper recipient.

Types of closings

In today's market, mail-away and mobile notary closings have become a more common way to close on real estate transactions. However, if your closing is in person, your agent will attend the closing with you. You also can expect the home seller, seller's agent, and a representative from a title company and/or mortgage/lender company to be present.

Sign on the dotted line

Numerous legal documents must be signed in order for you to officially become the owner of your new home. You will leave the closing with many documents to keep and the keys to your new residence.

Did you know?

Closing day typically happens 4-6 weeks after you sign the sales and purchase contract, though it may take longer.

Congratulations!

You are now officially the owner of your new home. It's time to settle in, start enjoying your new space, and create lifelong memories.

Continued support

Even after the closing, our support doesn't end. Your MSC agent will offer continued assistance to answer questions about your new home, provide recommendations for local services, and be there for you whenever you need help navigating the ins and outs of homeownership. Our commitment extends beyond the transaction, ensuring your transition into your new home is seamless. Think of us as your real estate resource for life.

CONSIDER GETTING A HOME WARRANTY

A home warranty is a service contract that covers the repair or replacement of major home system components and appliances that break down over time due to normal wear and tear. These warranties typically cover items such as HVAC systems, electrical and plumbing systems, kitchen appliances, and more.

Why home warranties are recommended

Home warranties provide peace of mind to homeowners by offering financial protection against unexpected repair costs. They are especially beneficial for first-time homebuyers or those with older homes, as they can help manage maintenance expenses and reduce the stress of dealing with sudden breakdowns.

Potential costs of not having a home warranty

Without a home warranty, homeowners may face significant out-of-pocket expenses for repairs or replacements. For example, fixing a broken HVAC system can cost several thousand dollars, while major appliance repairs can range from a few hundred dollars to over a thousand. These unexpected costs can strain budgets and disrupt financial planning, making home warranties a worthwhile consideration for many homeowners.

Difference between homeowner's insurance and a home warranty

Homeowner's insurance covers unexpected events
Wind and water damage | fire damage | theft and vandalism

A home warranty covers expected events
Breakdown of water heater | HVAC system | oven | refrigerator | plumbing, etc.

Ask your MSC agent about home warranties.

Moving out tips

Several weeks before moving

- Hold a garage sale to dispose of unwanted items
- Donate unwanted goods and get receipts for tax deductions
- Get written estimates from moving companies
- Schedule termination of utilities for your current home and set up accounts for your new address

Just before moving day

- Make a “survival box” that includes paper, pens, tape, scissors, tape measure, screwdriver, cleaning supplies, paper cups, Ziploc bags, garbage bags, toilet paper, paper towels and plates, plastic utensils, snacks, and drinks
- Buy packing tape, bubble wrap, and boxes

- Number your boxes and write a general list of what’s in them
- Label boxes by which room you want them placed in by the movers
- Pack “Open-First” boxes you’ll need during the first few days in your new home
- Take photos of electronic hookups
- Measure rooms in your new home for furniture layout
- Drain fuel from lawnmowers and other machinery
- Confirm date and arrival time with movers
- Visit USPS.com/move or local post office to change your address
- Plan moving-day care needs for children and pets

Moving day

- Organize the order in which boxes should be loaded onto the truck – items you need the least should be loaded first; the last items loaded should be “Open-First” boxes
- Take photos of any damage that may occur from movers
- Personally transport jewelry and important documents like birth certificates and passports
- Set thermostat in home at a comfortable setting
- Leave keys and garage door openers in the house for the new owner, along with any appliance warranties and notes

Moving in tips

Moving day

- Be present at your new home to accept delivery from the movers
- Post a floorplan at the entry to help movers properly place furniture and boxes
- Set up children's rooms first to help them settle in
- Change locks and make multiple keys for your new home
- Introduce yourselves to your new neighbors

After moving into your home

- Visit mydmvportal.flhsmv.gov or go to the Department of Motor Vehicles office to update your driver's license and car registration
- Register your pets
- Activate appliance warranties
- File for homestead property tax exemption online or at your county property appraiser's office if your primary residence

How to declare residency in Florida and prove homestead exemption (for tax savings)

- Update your mailing address to your Florida address
- Obtain a Florida driver's license
- Register your vehicle in Florida
- Open bank accounts with a Florida bank
- Register to vote
- Use your Florida address on tax returns
- File for Florida Declaration of Domicile
- **Apply for Florida Homestead Exemption**
  Must be primary residence and be in ownership position as of January 1st of tax year and application must be submitted by March 1st.

Real Estate Terms

Acceptance
Agreeing to the terms of an offer, thereby creating a contract. As soon as the seller signs your purchase offer, you are in contract for the sale of the house.

Adjustable Rate Mortgage
An adjustable-rate mortgage (ARM) is a home loan with an interest rate that can change periodically, typically after an initial fixed period.

Appraisal
A determination of the value of the house you plan to buy. A qualified professional appraiser – with expertise in the local geographic area – makes an estimate by examining the property and comparing it with recent sales of similar properties. Your lender will require the appraisal to ascertain the worth of the house for lending purposes.

Assumable mortgage
A home mortgage that allows the buyer to take over the seller's mortgage; that is, to step into the seller's shoes, make mortgage payments and comply with other terms of the existing loan. Most lenders require the borrower to qualify for the mortgage to assume the mortgage.

Balloon mortgage
A mortgage that is not fully paid off over the loan term (such as five, seven, or 10 years), leaving a balance at the end. The borrower must either pay off the remaining mortgage or refinance the loan.

Buy-Down
A buy-down is a mortgage financing technique where the buyer or seller pays an upfront fee to reduce the interest rate on the loan for the first few years.

Buyer-Broker Agreement
A contract between a homebuyer and a real estate broker that defines their relationship, broker's responsibilities, and compensation.

Cap
The limit on how much an interest rate can increase or decrease on an adjustable-rate mortgage (ARM) during a specific period or over the life of the loan.

Closing costs
All settlement or transaction charges (above and beyond the actual cost of the property) that homebuyers (or sellers, depending on tradition in your area and what you negotiate with the seller) must pay at closing. These typically include lenders' fees and points or prepaid interest, a prorated share of the property taxes, transfer taxes, credit check fees, homeowners' and title insurance premiums, deed filing fees, real estate agent commissions, inspection and appraisal fees, and attorneys' fees. Some closing costs are tax-deductible.

Condominium
A type of real property ownership in which each owner holds title to his or her individual unit and shares ownership jointly of common areas such as driveways, parking, elevators, outside hallways and recreation and landscaped areas.

Contingency
A provision in a contract stating that some or all terms of the contract will be altered or voided by the occurrence of a specific event, usually by specific dates leading up to the closing.

Counteroffer
The rejection of an offer to enter into a contract, where the rejecting party includes a different offer that changes the terms of the original offer in some way. The legal significance of a counteroffer is that it completely voids the original offer.

Deed
A deed is a legal document that transfers property ownership from one party to another, detailing the grantor, grantee, and property description. It must be signed, notarized, and recorded.

Disclosure
A document provided by a home seller that outlines known issues with a property.

Earnest money deposit (EMD)
A partial payment demonstrating commitment in a contractual relationship, and commonly made in real estate transactions at the time of making the purchase offer.

Equity
The owner's share of a property's value, found by subtracting the mortgage owed from the property's market value.

Escrow
The holding of funds or documents by a neutral third party prior to closing your home sale.

Escrow agent
An entity or company that handles escrow arrangements.
Also sometimes called a title agent.

Graduated payment mortgage
A home loan where the payments start low and increase over time, usually annually, before leveling off. This can make initial payments more affordable, with the expectation that the borrower's income will rise.

Hazard insurance
A type of insurance found in homeowners' policies that protects against physical damage to the property caused by unexpected and sudden events such as fires, storms and vandalism. Your mortgage lender will require you to purchase hazard insurance to protect its collateral from decreases in value.

Homeowners association
An organization made up of property owners concerned with managing the common areas of a subdivision or condominium complex. These associations collect monthly or annual dues and oversee issues such as landscaping, pool and fence maintenance, noise abatement, parking area upkeep and repairs. The homeowners' association also is responsible for enforcing any covenants, conditions and restrictions that apply.

Home warranty plan
A service contract that covers the repair or replacement of major home systems and appliances, such as HVAC, plumbing, and kitchen appliances, due to normal wear and tear.

Initial interest rate
The starting rate on an adjustable-rate mortgage (ARM). It is fixed for a certain period, typically 5, 7, or 10 years, before it can change based on market conditions.

Locked-in interest rate
A rate that is guaranteed not to change for a specified period, typically during the loan application process.

PITI
The term for a mortgage payment that includes principal (P), interest (I), taxes (T), and insurance (I).

Pre-payment penalty or clause
A prepayment penalty or clause is a provision in a loan agreement that requires the borrower to pay a fee if the loan is paid off before a specified time period. This penalty is designed to compensate the lender for interest income they would have received if the loan had been paid according to the original repayment schedule.

Private mortgage insurance (PMI)
Insurance that reimburses a mortgage lender if the buyer defaults on the loan and the foreclosure sale price is less than the amount owed the lender (the mortgage plus the costs of the sale). A homebuyer who makes less than a 20% down payment likely will have to purchase private mortgage insurance.

Real estate broker
A real estate professional licensed to negotiate the purchase and sale of real estate for a commission or fee. In Florida, a broker is one step up from a real estate agent, having more training and the power to supervise agents.

Title
Ownership of real estate. The title is evidenced by a deed (or other document) recorded in the county land records office.

Title report (or title commitment)
The written analysis of a real estate title search, including a property description, names of titleholders and how title is held (joint tenancy, for example), tax rate, encumbrances (mortgages, liens, deeds of trust, recorded judgments) and real estate taxes due. A title report is needed before a lender will agree to finance the purchase of the property. A title report is prepared by a title company or an attorney.


Nowhere but here
Michael Saunders & Company®
LICENSED REAL ESTATE BROKER
As a Florida licensed real estate firm offering brokerage services to the public, Michael Saunders & Company can provide you with highly skilled, professional expertise. Our knowledgeable team of Sales Associates can assist you throughout your transaction. We can educate you about the market, assist you in locating a desired property or in listing a property you own, negotiate a purchase or sale in your best interest, and coordinate with vendors and other service providers of your choosing to facilitate the best possible closing experience for you. We are pleased to offer this Homebuying Guide as a reference of the services our Sales Associates offer, the common industry terms that you may encounter and a summary explanation of the key parts of the real estate transaction itself in case you may not be familiar with the process. Our Guide will describe the fundamental concepts related to inspections, appraisals, securing a mortgage, selecting a title agent for the closing and even buying insurance for the property. Please note that the terms we have provided throughout this Guide are not legal definitions but are given to you as a

simple explanation of some words you may encounter. As real estate licensees, under Florida law we are unable to give you legal, tax or other specialized advice that you may require to evaluate either the property or the transaction. Also, nothing included in this Guide is intended to serve as a substitute for those particular areas of expertise that are not covered by our license, such as legal questions or tax consequences, just to name a few. Michael Saunders & Company is committed to making your transaction as worry-free and streamlined as possible. To that end, we have created joint ventures and affiliated business arrangements with a few strategic, exceptional service providers. You may wish to consider MSC Mortgage, LLC if you will require a loan, and MSC Title, Inc. is available to conduct the closing and provide title insurance and services to you, or The Baldwin Group for personal insurance. You are under no obligation to use one or more of our affiliates, and at all times you are free to choose any providers you wish. Simply know that we are always here, and happy to assist you in any of your real estate needs or requests.

Office locations

ANNA MARIA ISLAND
6000 Marina Drive, 113
Holmes Beach, Florida 34217
941.896.9981

BOCA GRANDE
420 East Railroad Avenue
Boca Grande, Florida 33921
941.964.2000

BRADENTON
4400 Manatee Avenue West
Bradenton, Florida 34209
941.748.6300

ENGLEWOOD
1200 South McCall Road
Englewood, Florida 34223
941.473.7750

IMG ACADEMY
5500 34th Street West
Bradenton, Florida 34210
941.752.2683

IMG LEGACY HOTEL
5450 Bollettieri Boulevard
Bradenton, Florida 34210
941.782.0048

LAKEWOOD RANCH
8325 Lakewood Ranch Boulevard
Lakewood Ranch, Florida 34202
941.907.9595

LONGBOAT KEY SOUTH
440 Gulf of Mexico Drive
Longboat Key, Florida 34228
941.383.7591

DOWNTOWN – SARASOTA
1605 Main Street
Sarasota, Florida 34236
941.951.6660

PALMER RANCH
8660 South Tamiami Trail
Sarasota, Florida 34238
941.966.8000

PLANTATION
490 Rockley Boulevard
Venice, Florida 34293
941.493.2500

PUNTA GORDA
101 Taylor Street
Punta Gorda, Florida 33950
941.639.0000

SIESTA KEY
5100 Ocean Boulevard
Sarasota, Florida 34242
941.349.3444

ST. ARMANDS CIRCLE I
61 South Boulevard of Presidents
Sarasota, Florida 34236
941.388.4447

ST. ARMANDS CIRCLE II
330 John Ringling Boulevard
Sarasota, Florida 34236
941.388.4447

VENICE
110 Nokomis Avenue North
Venice, Florida 34285
941.485.5421

WELLEN PARK
Coming soon!

SCAN QR code for a
Guide to Florida's Gulf Coast

1. Anna Maria Island
2. Boca Grande
3. Bradenton
4. Englewood
5. IMG Academy
6. IMG Legacy Hotel
7. Lakewood Ranch
8. Longboat Key South
9. Downtown – Sarasota
10. Palmer Ranch
11. Plantation
12. Punta Gorda
13. Siesta Key
14. St. Armands Circle I
15. St. Armands Circle II
16. Venice
17. Wellen Park

Courtesy of:

Jim Smith

Realtor, PLLC, ABR

631.316.0400 (direct contact)

JimSmith@michaelsaunders.com (email)

JimSmith.homes (website)

61 S Boulevard of the Presidents, Sarasota, Florida 34236

941.388.4447

Nowhere but here

Michael Saunders & Company®

LICENSED REAL ESTATE BROKER

Forbes GLOBAL PROPERTIES · LUXURY PORTFOLIO INTERNATIONAL® · Leading REAL ESTATE COMPANIES OF THE WORLD® · MAYFAIR International Realty

Michael Saunders & Company real estate agents are not only highly knowledgeable about the local area but are also the most highly skilled and expertly trained professionals in the industry. Regular in-house classes, national speakers, and consistent continuing education ensure our agents remain at the forefront of excellence. This expertise allows you a smooth homebuying experience.