



Investing in Florida Real Estate

Tips for International Buyers



The team at **Your Global Agents** specializes in working with international buyers and sellers of Florida real estate, and we will be happy to offer our experience and expertise to assist you. You will find more information on our website, but in the meantime here are some of the questions we are most frequently asked by our overseas clients.

What are the tax implications for foreigners owning U.S. property?

Many and varied! There are income tax implications if the property is to be rented. Capital gains tax considerations when the home is sold, and possible estate tax issues. It is important to consider these BEFORE you purchase a property and take the appropriate professional advice on how the property should be titled – your personal name, a limited company, cross border trust, etc. The approach will vary depending upon your citizenship and personal circumstances. We will be happy to refer you to a professional who specializes in international taxation.

As a buyer, why should I work with a REALTOR®?

In your home country, you may be accustomed to working with several real estate agents to be sure that you see all properties that are available in the market. Here in Florida, we have the benefit of a computerized Multiple Listing System (MLS). The system contains details of almost all properties that are available in a specific market, and can be accessed by licensed realtors. This allows you to choose a realtor you feel comfortable with, and one who has knowledge of the local market as well as the issues you need to be aware of as a foreign buyer. Some of the other things your realtor will bring to the table include: skills to negotiate best possible terms for your purchase, protect your interests in the contract, introduce you to and co-ordinate with other professionals who will be needed for a successful transaction. An agent who acts for a buyer is usually compensated by the agent who lists a property, so these services are normally offered to buyers at no charge.

Surely I will get a better deal if I work directly with the listing agent?

This is a common misconception. Remember, the listing agent is just that – an agent working for the seller of the property. The seller of the home pays a commission to the listing agent and he shares that with the agent who brings the buyer. The seller pays the same commission whether there is one agent involved or two. Having your own realtor represent you in the

negotiations will ensure you are provided with impartial advice and objective analysis of the property and its price, condition, location, etc.

What about buying new construction? Is it better to work directly with the builder?

When working with a sales person in a new construction environment, remember they are employed by the builder to sell homes. It is not their job to educate consumers objectively on the area and the pros and cons of their particular development. The myth that a buyer will get a better price from the builder if the builder does not pay a realtor commission is just that – a myth. Many builders pay realtor commissions from a separate marketing budget and they are not factors in discounting a property. Realtors know how much each property sold for in a particular development and would not bring buyers to a builder if they felt two tier pricing was in place. A typical builder can realize more than 80% of their sales from realtor introductions and they will not jeopardize such a significant source of business.

Do foreign nationals pay more in property taxes and homeowner's insurance?

No. Property taxes are influenced by whether the home you buy is your primary residence or not. A second home owner from New Jersey or Ohio pays the same taxes as one from Canada, U.K. or any other part of the world. The cost of homeowner's insurance is set based upon the risk associated with the location, occupancy and condition of the subject property. It bears no relation to the nationality of its owner.

How can I protect myself against fluctuations in the currency exchange rate?

There are a number of ways you can accomplish this, and we will be happy to introduce you to our partner in the foreign exchange market. They can offer you better exchange rates than most commercial banks, and a number of tools that will allow you to time your exchange to maximum benefit. They will also allow you to fix an exchange rate now and into the future to help pay running costs, condo fees, etc.

When you think about buying property in U.S.A.

– think **Your Global Agents**.

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