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SOUTH FLORIDA HOME

Do homework first to avoid those home buying pitfalls

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Buying a home is a major decision and probably the largest investment many people will make in

their lifetimes. The process of shopping and making a commitment is bound to be stressful, but doing some homework first can make it easier. "The smart buyer is the most educated person in the marketplace," said Christopher Zoller, president of the Miami Association of Realtors.

Before a potential buyer goes shopping, he or she should set a budget. "Speak to a loan officer or mortgage broker to find out what you can afford," Zoller said. "Will this be a long-term home or a short-term home? Most Americans move every seven years."

DECIDE WHAT'S IMPORTANT

"Decide what's important to you about where you want to live," said Gary Smith of ReMax Executive Realty in Hollywood. "Is it schools, churches or synagogues, or being close to your job?"

For parents, schools can be an important factor. "Find out what the grades of the schools are," said Ivan Ramirez of Crescendo Real Estate in Bay Harbor Islands. "Are the nearby hospitals good ones? Are dining and shopping nearby?"

It can be a good idea to work with an experienced Realtor. Be aware, however, that it is his or her job to sell properties, not necessarily to please the buyer. "Select one who appears to be interested in helping you and that you personally like," said Barbara Marks of Monarch Properties in Hollywood.



At right: if a condo is in the pre-construction phase, check the reputation of the developer.



Bottom left: A home the buyer plans to live in may be the best investment he or she will ever make. (Photos courtesy of Christopher Zoller)

PRECONSTRUCTION PERILS

If the buyer is planning to purchase a condo in the preconstruction stage, it is important to research the developer, said Michael Sadov of One World Properties in Miami and Fort Lauderdale. "What is the developer's

reputation, and what has he delivered in the past?"

When a condo is in the pre-construction stage, the developer may have to sell a certain percentage of the building before he or she has the funds to go ahead. "A developer may say the building is projected to be built in two or three years, but it might go further for a number of reasons, such as weather, the economy and slow sales," said Sadov.

A buyer may be told that new schools, shopping and dining, and other amenities are coming to the neighborhood, Ramirez said. "But a lot of times, those things have been projected but not approved. Check with the city to see if they have been approved and are moving ahead."

ASSOCIATIONS, RULES AND REGULATIONS

If the buyer is looking at existing condos, there are a number of things to learn before committing. "What is the health of the association?" Sadov said. "Make sure

there aren't a lot of delinquencies, or there is the potential of buying into a building that's not very stable. There could be special assessment.

What is the age of the building? "Every 40 years a building needs to be recertified, and if it doesn't pass, repairs may mean special assessments," Sadov said. "Make sure the association is not involved in any litigation. The fees will get passed on to the owners."

What are the rules and regulations of the property? "Can you rent out your unit?" Ramirez said. "Can you have pets? Does the association keep a reserve fund? If not, you may get assessments later."

What is the surrounding area like? "Could something be built later that will obstruct your views?" Ramirez said. "If there's vacant property or a rental property, something like that could happen."

Who manages the building? "The management company and the manager make the building," Sadov said. "You can have a good management company and a bad manager. It can make life very difficult if he doesn't respond to your inquiries or isn't people-friendly. Talk to the tenants. The best place is in the elevator."

CONSIDER THE NEIGHBORHOOD

Whether the buyer is considering a condo or a single-family home, it is important to learn as much about the neighborhood as possible. "Most Realtors know the area and can answer many questions," Marks said.

"Are there a lot of foreclosures of short sales?" Zoller said. "Are people flipping homes there? Is there a nice mix of people living there?"

"Drive the neighborhood at different times of the day and during the week and on weekends to observe the activity and the people who live there," Marks said.



Check the neighborhood at different times of the day before making a commitment to buy a home.

"Visit the neighborhood at night," Ramirez said. "What's the lighting like and how does your view change from day to night?"

What is the condition of homes in the neighborhood? "Are other people in the neighborhood keeping up their properties or letting them decline?" Smith said. "Do the roads have heavy traffic? Is the neighborhood made up of other houses or are there motels or commercial buildings or rentals?"

TALKING PRICE

When it's time to talk about price, find out what the seller's motivation is. "Are they downsizing or upsizing?" Zoller said. Are they underwater or getting a divorce? Ask a professional Realtor whether the prices in the neighborhood are going up or down. Find out as much as you can and it will help you negotiate."

Ask for a seller's disclosure. "Has the home ever been flooded or has there been major damage?" Smith said. "Have any rooms been built without permits? The disclosure does not have to reveal everything. "They have to tell you how old the roof is and when it was replaced, but they won't promise it won't leak or a pipe won't burst," Zoller said.

INSPECTION

Once the buyer makes an offer, it is important to have a licensed professional do an inspection. "Go through the house with the inspector," Smith said. "Ask about the condition of the roof. Are there termites? How old is the air conditioning system? Does the pool leak or need maintenance? These are big ticket items."

Some problems are invisible. "You can bring in an expert to take air samples and determine if there's mold in the house," Zoller said. "Learn as much as you can."

INSURANCE

A four-point inspection is required to get hazard insurance, Marks said. "If the home is more than 50 years-old, the insurance company frequently asks that the circuit breaker box be replaced or upgraded. There are three brands of circuit breaker



Be sure to have a professional inspection done before buying a home. For a condo, ask about the rules and regulations of the property. (Photos courtesy of Christopher Zoller)

boxes that many of the insurance companies don't like because they feel they are more likely to cause an electrical fire, and frequently these must be changed."

To get flood insurance if the home is in a designated flood plane, it is necessary to get an elevation certificate from a surveyor that will show the height of the floor. "That will determine the cost of the premium," Marks said. "As to the wind storm insurance policy, you will need a wind mitigation form filled out by a licensed inspector or general contractor."

WORTH THE EFFORT

Buying a home can be a complicated process. Luckily, it's not one that most people do very often. In the end, it can be worth it, Smith said. "If you're going to live in it, it can be the best investment you can make."