



2015

ORLANDO HOME BUYERS GUIDE

*Exclusively representing only the best interest
of the home buyer with 100% loyalty,
confidentiality and full disclosure.*

Since 1991

BUYERS BROKER OF FLORIDA

407-539-1053

info@OrlandoBuyersBroker.com

www.OrlandoBuyersBroker.com





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Dear Home Buyer,

Thank you for subscribing to our complimentary Home Buyers Guide! It is packed full of excellent information, designed to make you an informed consumer, confident in your home purchase.

Central Florida has experienced tremendous housing growth in recent years and is currently rebounding faster than any large city in Florida. Median home prices increased 11% in 2014 and 43% since 2011. New construction is booming! However, there are still some wonderful opportunities to own that warm ray of sunshine.

Orlando is a unique city nicknamed "City beautiful" because it offers a lot for its 2.3 million residents. It is the number one tourist destination in the world with 60 million annual visitors and the number one location for foreign investors. Fortune magazine consistently ranks Orlando among the best ten cities in the country for starting a business. Orlando is becoming known as the next new "Medical City" for the latest in medical technology along the Lake Nona corridor. In 2014, Orlando ranked in the top 10 city to outpace the nation job growth, and ranked #5 for best city for active lifestyle. For sure, Orlando is a great place to both visit and to live.

Orlando is on path to becoming a world class city with many state of the art projects just completed or underway. The new 61 mile commuter Sunrail train, new Dr. Phillips Performing Arts Center, rebuilt Citrus Bowl, and new Major League Soccer Stadium with anticipated completion in 2015, and the major Interstate-4 expansion starting in 2015. All this in addition to the already world famous attractions of Disney, SeaWorld, and Universal Studio Parks.

Located in the center of the state of Florida, Orlando is an easy 45-minute drive to the East coast beaches and a quick 2-hour drive to the West Coast. Orlando International Airport is the second largest airport in the nation, and together with the Sanford International Airport brings 35 million passengers annually. Orlando has more direct flights, with the most carriers and greatest diversity of destinations in the world. It was recently named the number one airport in North America for best customer service, which confirms that travel to and within Central Florida is both convenient and reliable.

With more hotels than New York City and 5,180 restaurants to eat at, more than 350 outlet stores to shop at, and more cultural clubs than you can dance at, Orlando is not only exciting, but an all-around great place to call "home".

*Our office Exclusively Represents only the best interest of the buyer and **never the seller**. So, when you are ready to buy, we would be honored to become your personal Buyers Brokers and help you make the best investment.*

Should you have any questions, need additional information, or would like to schedule a house-hunting trip, please contact us. We appreciate your business and welcome the opportunity to serve you.

Best Regards,

Erika Phelan, BROKER ASSOCIATE, CIPS, GRI, TRC, ALHS, CNE

***Representing ONLY the best interests of the Buyer with Expertise, Enthusiasm and Integrity
Providing total loyalty, confidentiality and full disclosure.***

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Why choose us?



Buyers Broker of Florida is an Exclusive Buyer Agency office, which is very different from a regular real estate office. While most agents in Florida work for the seller or are Transaction brokers with no loyalty to either the buyer or seller, Buyers Broker of Florida only and always represent the best interests of the buyer with 100% loyalty, confidentiality and full disclosure.

*Since Buyers Broker of Florida never represents sellers; they have no homes to push on you, or any obligation to encourage you to pay more to the seller. No double talk ever. Their goal is to locate the best property and negotiate the lowest price and most favorable terms **only** for you, the homebuyer.*

They have access to all realtor MLS property listings, bank foreclosures, short sales and new home construction. They research, find, show, analyze, advise clients on real estate purchases, helping home buyers make the best home buying decision and representing them through the day of closing.

The majority of their business consists of out-of-town clients, including both domestic and international buyers, who typically are not familiar with the area. They are experts at sorting out your best options and showing you the very best of what is available. *Since they go wherever the buyer's needs is best served, they know all the counties, all the cities and can talk intelligently about the reality of the real estate market in each of them.*

Their fiduciary duties of undivided loyalty, confidentiality, full disclosure, also includes total ultimate care. A true fiduciary relationship is one of *trust* on both sides and they avoid any conflict of interest while *representing only you* with the highest degree of skill and competence.

Commission: Exclusive Buyers Agents commission is paid like any other real estate agent; from the listing office or by the seller.

*"Nadar again held up Exclusive Buyer Brokerage as the only legitimate option for the home buying public."
Agency Law Quarterly*

ERIKA PHELAN, *Exclusive Buyer Broker*, CIPS, GRI, ALHS, TRC, CNE



Erika Phelan

Erika is the office manager/co-owner of Buyers Broker of Florida, an Exclusive Buyer Brokerage that specializes in representing ONLY the best interest of the home buyer, never the seller. Erika brings with her the experience, expertise and commitment needed to make sure that the buyers can rely on her to guide them to make the smartest home buying decision.

Erika grew up in Real Estate as the daughter of parents who practiced *Exclusive Buyers Agency*, a specialty niche limited to the highest standard of Buyer Representation. Erika worked her way through college as their assistant and became involved in all facets of the Home Buying process and grew to understand the nuances of Real Estate inside and out.

Upon graduating college with several degrees, Erika went into the corporate world and moved up the company ladder quickly as she became CNA's youngest manager. But it was too late...she was already bitten by the Real Estate bug.

Today Erika has been a licensed premier *Exclusive Buyers Agent* for 11 years, dedicated solely to finding the best buys for home buyers. She brings an unparalleled 20 year knowledge of the Central Florida Real Estate Market...she knows what builder is building where and which area contains the most home for the money. Erika's continual advanced real estate education gives her an edge much needed by any home buyer. She has taken many advanced classes on *Short Sales, Foreclosures, Buyer Agency, Contract Law, Mortgages, Appraisals, Title Insurance, Agency, and Real Estate Ethics*.

Erika's expert opinion on the Orlando Real Estate Market has been sought by Bloomberg News and Kiplinger's Money Magazine.

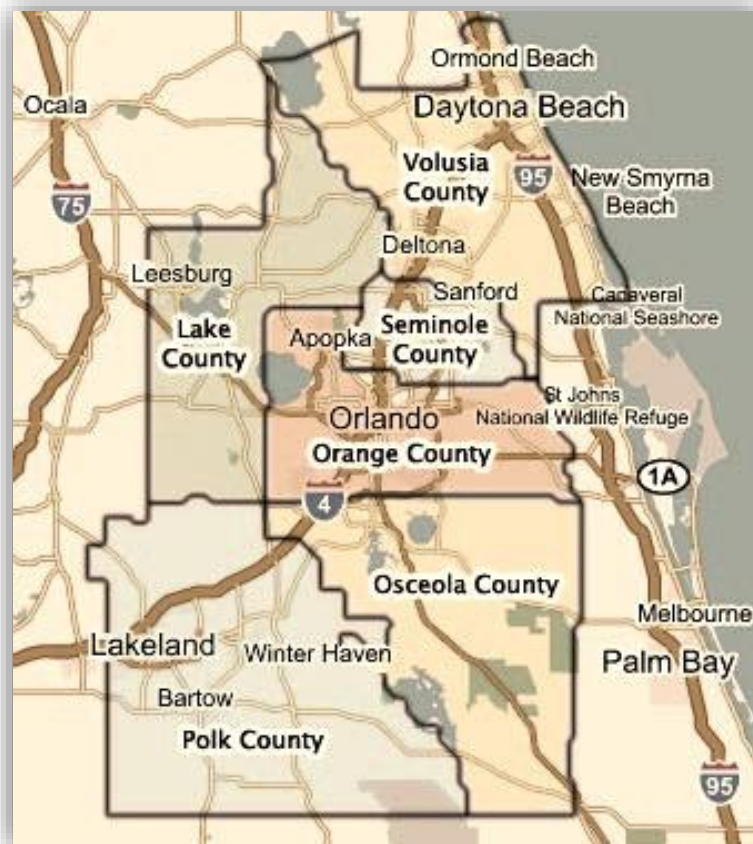
Erika understands property analysis, negotiations, contracts, and never leaves a stone unturned in her quest to serve her clients with the highest fiduciary duties of total loyalty, strict confidentiality and full disclosure.

Erika Phelan holds several Advanced Education Designations and Memberships

- **BROKER:** Real Estate Broker License
- **CNE:** Certified Negotiation Expert
- **GRI:** Graduate Realtor Institute
- **CIPS:** Certified International Property Specialist
- **ALHS:** Accredited Luxury Home Specialist
- **TRC:** Transnational Referral Certified
- **ORRA:** Orlando Regional Realtor Association
- **MLS:** My Florida Regional MLS
- **FAR:** Florida Association of Realtors
- **NAR:** National Association of Realtors
- **FAEBA:** Florida Association of Exclusive Buyers Agents
- **NAEBA:** National Association of Exclusive Buyers Agents

Areas Served...

Altamonte Springs
Apopka
Casselberry
Celebration
Clermont
College Park
Davenport
Debary
Deland
Deltona
Downtown Orlando
Dr. Phillips
Eatonville
Eustis
Heathrow
Hunters Creek
Isleworth
Kissimmee
Lake Buena Vista
Lake Mary
Lake Nona
Longwood
Maitland
Metro West
Montverde
Mount Dora
Ocoee
Orlando
Oviedo
Reunion
St. Cloud
Sanford
Tavares
Windermere
Winter Garden
Winter Park
Winter Springs



Counties Served...

Orange
Seminole
Osceola
Polk
Lake
West Volusia

Let Our Knowledge Work for You...



We offer a complimentary Home Buying phone consultation. Learn about the best options for your budget and the differences in various communities. Learn about foreclosures, short sales, new construction and more. Receive a complimentary relocation package, and have target properties delivered to your e-mail daily. Let us provide you with everything you need.

Exclusive Buyer Agents are savvy Buyers Agents that provide you the highest level of knowledge and service. As a Specialty Niche Real Estate Buyers Agency office we pay fees to take many classes in order to stay educated and current on changes to contracts, laws, short sales, foreclosures, 1031 exchanges, home buyers benefits, mortgages, appraisals, property analysis and hold memberships in the most valuable organizations for the professional realtor. These are not mandatory classes that all agents must take; these are extra classes that we *choose* to take in order to provide you the highest in skilled buyer representation, **making us the best in the business...**

Buying a home in Florida can be daunting, but we can make that transition easy for you. Tell us your home buying goals and let us give you the best options. We make a diligent effort to learn the real estate market both in new construction and re-sales in all the areas of Central Florida so that we can speak intelligently about the differences in cities, property values, lifestyles and are able to offer suggestions. Most agents "farm" a community and will not go outside their area, while **we understand *all* of Central Florida's Real Estate Market...**

We search for the right property, show you homes, negotiate in your best interest and take you from contract through inspections to closing. We go "above and beyond" because our goal is to find you the right home and help you buy at the most favorable price and terms. **Getting paid at closing is how we make a living...**

We appreciate your business and look forward to having a committed and mutually satisfying relationship.

"Today Buyers overpay for housing by more than \$10 billion annually due to poor representation." Be a smart consumer. Use an **Exclusive Buyer's Agent.**

***Ralph Nader of the
Consumer Federation of America***

Understanding Your Choices as a Florida Home Buyer...

Not all agents perform the same duties; here are the differences among real estate agents in Florida...

Sellers Agent: Works for the seller (We never do) to sell the property for the highest price and most favorable terms for the seller...even when they are showing buyers properties.

Transaction Broker: Works as a middle person; can also work with both the buyer and the seller in the same transaction with *no fiduciary duties for either party*. No loyalty, no confidentiality, no advice, and no one to look out for your best interest. More than 99% of Florida agents act as Transaction Brokers. (We never do)

Buyers Agent in a Traditional Office: Act as sellers agent, transaction broker, or occasional buyers agent. Can switch agency duties back and forth on any house, even several times in the same day, while showing you property. (We never do)



Exclusive Buyers Agent in a Buyer Agency Office: Only and Always represents the best interest of the Home Buyer 100% of the time on all properties. Never represents sellers or acts as a Transaction Broker. *Buyers Broker of Florida is an Exclusive Buyer Agency Office dedicated to home buyers only.* (That's us!)

Less than 50 agents in the state of Florida qualify to represent homebuyers exclusively...it takes more competence and confidence to represent only home buyers and never sellers, and the specialists that do, have no conflict of interest.

Your choice is to be totally unrepresented, partially represented, or fully represented. Smart home buyers always choose full Exclusive Buyer Representation, so call Buyers Broker of Florida. 407-539-1053

"Confide to a traditional real estate broker that your prepared to bid as much as \$XXX on and house and the broker will tip off the seller. Tell an Exclusive Buyers Broker and the seller will never know."

MONEY Magazine



Buying NEW CONSTRUCTION

Central Florida is full of new construction homes with more choices than you can imagine. Buying New Construction involves decisions that may not be easy. What lot to select? Is a lot premium worth it? What's include and not? Should the exhaust be vented? One or two coach lights? Where should the outlets go? How much extra should I spend on flooring, lights and shower heads? Yes, all that can be an extra cost that most home buyers are unsure of, so having your own Buyer's Agent is valuable.

In New Construction what you see is not necessarily what you get. Homes are staged to look bigger, with beautiful upgrades that may not be included. Some builders include nice upgrades in the base price and some builder homes are bare bones with everything being an extra cost...even the water spigots on the outside of the house.

Builder sales people work for the builder and are trained to make you feel special and point out only the beauty of the home. Don't be foolish...

You need the experts at Buyers Broker of Florida to guide you to get the most value for your money. It costs you nothing for their help, and you will definitely be at a disadvantage if you go alone. Builders will all pay the brokers fee if you bring them the first time and builder will never reduce your cost if you leave your agent behind. (a common misconception).

An experienced Buyers Agent knows what home features are important and which are a waste of money; they also know insider information about what concessions the builder might be willing to give. These Buyers Brokers work with both tract builders and custom home builders and know who is building what and where and where the most value is...these homebuyer specialists are ready to help make your new construction home buying easy. Exclusive Buyers Agents: 407-539-1053.

"To protect themselves, buyers can retain their own exclusive representation, called an "**Exclusive Buyer's Broker.**" Your local agent may offer such services, but be aware that buyer's brokers who also want to work as seller's brokers can sometimes end up on both sides of the deal."

Business Week

Planning your Home Search

Thank you for choosing us. We appreciate your business and will do whatever it takes to make your home buying with us such a positive experience that you will feel comfortable referring us to all your family and friends.



Prior to your house hunting visit:

We will remain in touch with you by both e-mail and phone in order for us to understand your needs and provide you with necessary information. Based on your criteria, we will put you on an “auto-mailer” which will automatically send you new target property listings by e-mail daily.

Setting a date:

As soon as you have finalized your plans to visit, please advise us of your arrival and departure dates, so we can put you on our schedule. We will also need to know where you will be staying and all your phone numbers. Feel free to call or e-mail us anytime. We will respond quickly.

House hunting:

Typically house hunting trips range from 1-3 days, but can be however many days you wish. Dates and times are your choice and we will make our arrangements based on your convenience. Someone will be available to fulfill your search during your stay.

Example:

Day 1: We will pick you up at your hotel the day after your arrival at about 10am and will return sometime in the afternoon. First we will discuss the areas and locate the homes you will be viewing on the map. You will probably see between 5 and 9 homes the first day which will be an “A” list... compiled after spending hours sorting and selecting properties that meet your requirements. *We will also review the State of Florida mandated agency disclosures, required by state law prior to viewing homes. Florida requires that buyer representation be in writing.*

Day 2: Next day schedule will depend greatly on what you liked or did not like on day 1. We are experienced at adapting easily to changes by maintaining a fully equipped home office so that we can quickly prepare for the next day.

Day 3: Depends upon the previous days and so forth...

If you have special needs, or preferences please let us know so that we can accommodate you.

"Only by using an **Exclusive Buyer Agent** can a buyer be sure all information is kept confidential. Only an Exclusive Buyers Agent can give the buyer an objective, experienced opinion of the homes viewed to ensure the buyer gets the right home, in the right location, at the right price."

Mobility Magazine

Florida Home Buying Process...



1. Find a home. That part is easy... we can define your needs, help you sort the best options and match them to available properties.

2. Gather information. How long has the property been on the market? What is it worth? How motivated are the seller? Do they have other offers?

3. Make an offer. This is made through a written contract signed by you, which includes the purchase price, escrow deposit, closing date and the terms under which you are willing to purchase. If you come to an agreement with the seller, the escrow deposit will then be due and placed in the title companies escrow account. Offers and contract are typically sent to you by e-mail to sign with digital signatures creating a simple paperless transaction. A few clicks and you are done. No need to print it out to sign.

4. Negotiate the terms. Everything about the property is negotiable...price, closing date, appliances, deposits amounts and repairs. The seller will rarely accept your first offer, and will usually counter offer. On occasion if the seller feels the offer is too low they will not respond at all. Counter offers for the sake of time are verbal...once there is a "meeting of the minds", the contract is then changed to reflect the new terms and everything is signed by both buyer and seller. *If there are multiple offers on the property, it will be best to submit a simple clean contract not asking for much with your highest and best offer, so it looks good to the seller...otherwise you might not get a chance to buy the property, as in multiple offers, it is not unusual for offers to go above full price.*

5. Signed contract. When contracts are signed by both the buyer and seller, the clock starts ticking. Everything in the contract has a time deadline; the escrow deposit is due, inspections are usually completed within 10 days, and a mortgage commitment usually within 21 days. Once inspections are done the buyer can either accept the inspections and move forward to closing or if the condition of the property is not acceptable the buyer can reject the property or renegotiate the contract. If the buyer rejects the property, the escrow deposit is returned to the buyer and not retained by the seller.

6. How much will the seller take? What a seller is willing to sell the property for just depends...The property may be well priced or overpriced...if the property is a new listing, the seller may think he has an exceptional property and want full price...if the seller needs to net a certain amount of money in order to buy another that amount may be the threshold...seller may have a first mortgage, second mortgage and an equity line on the property...or the seller may be getting a divorce and wants to dump any reminders of the spouse quickly. Many times it is difficult to guess the sellers motives and sometimes on multiple offers, the property may sell for more than expected.

"A listing real estate broker doesn't work for you, but for the seller. If you want someone on your side, get a Buyer's Agent."

Readers Digest



Financing Your Home In Florida...

Rule #1. Please stay off the internet! There are too many internet lurkers waiting to take advantage of home buyers who want to believe that somewhere out there is that low miracle interest rate. You never know who is pulling your credit or stealing your identity. Until you select a home, and have a signed contract with the seller, and have completed a true loan application that is ready to submit to underwriting, the interest rate will ALWAYS be "floating" (not locked in) and *no one can guarantee any rate prior to that*. Don't buy into a "story" from someone operating on a cell phone, somewhere...

In addition, each state has their own financing rules and someone in another state may not be licensed to practice in Florida or understand the nuances of Florida Mortgage lending. Just because you have a home loan with your hometown bank does not mean that you will receive special low rates or that they can or know how to do business in Florida. We recommend that you choose a local (where you are buying) lender who you either know, or has been recommended by someone you trust. We can recommend several if you like.

Rule #2. Be realistic. Interest rates depend upon a lot of factors as individual as your finger print...*there are no two borrowers alike*. The most important ingredient is your credit score combined with your income to debt ratio, length and type of loan, amount borrowed, down payment available, job stability, secondary assets, price range and the type of property that you are buying...in addition to what kind of documentation you are providing.

Reputable mortgage brokers will all quote rates within $\frac{1}{4}$ % of each other and there will be a fee for their services, because this is how they make their living. Mortgage brokers are *not* costlier; in fact they will shop around to find you the best rate...something a bank will not do.

Rule #3. Don't let everyone pull your credit. Shop with no more than two mortgage lenders and go with the one you are most comfortable with. When the first person pulls your credit, find out what your credit scores are and just tell the second person. If you go on line for lenders to compete for your business, you may have as many as 46 people pulling your credit, *even without your permission*. Too many inquiries could lower your credit score...another reason to stay off the internet.

"It's always advantageous for the buyers to have their own representation. "If you were getting a divorce, would you ever use your spouse's attorney?" *"Buyers Seek Brokers of Their Own*

The New York Times



Financing a condo:

The majority of condominium communities are "CASH ONLY" and only a select few condo's you see on line will qualify for financing. Lenders must approve not only the borrower, but also the condo community, which must meet certain guidelines. Many condo communities are not passing FHA or Fannie Mae lending guidelines because of restrictions on the amount of delinquent dues allowed, or too many renters in the community, or not enough operating capital, or inadequate insurance, and other factors. Many times a buyer (or agent) will not know in advance if a community is financeable until buyer is under a purchase contract and the lender orders a "condo questionnaire" from the condo association. *Buyers Broker of Florida will put forth their best effort to determine if a community is financeable during the home search process.*

What else you need if you are FINANCING...

Any offer that you make on a property will require you to submit a pre-qualification letter with the offer, so if you are serious about buying a home, you will need to start your mortgage pre-qualification now, before you view properties. Borrowing money is not as simple as it used to be and lenders are scrutinizing every detail and asking for documentation that may even seem irrelevant and unnecessary.

A "**pre-qualification**" letter only means that based on what you verbally communicated to the lender, you can *probably* qualify for the loan requested. This is a weak statement when you are making offers on a property that have other offers on it. Half of the buyers in Florida today are paying "cash" and the buyers that are financing need a strong qualification letter.

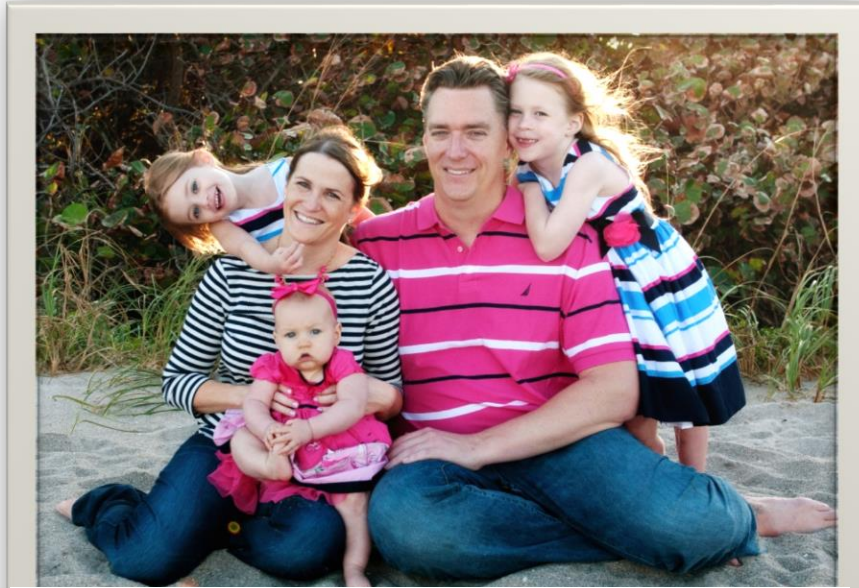
An "**approval**" letter means that you have actually made a full loan application had your credit pulled and information verified...a powerful negotiating tool when making an offer. In today's market mortgage approvals are a necessity. There are many properties that are getting **multiple offers**, which means you may be competing with other buyers to buy the property and you will also be competing with CASH offers, so your financing has to look solid as possible to the seller.

If you were a seller looking at offers, would you prefer a buyer with a "pre-qualification" letter or one with a real "approval" letter? Being APPROVED for financing will give you more negotiating power, which is always in your best interest.

Paying CASH: *You will always need to provide "proof of funds"...documentation that you have enough cash available to consummate the transaction. Occasionally, the seller will require verification that the funds are stateside and not overseas.*

"It is your responsibility to search for an agent who will represent your interests in the real estate transaction. If you want someone to represent only your interests, consider hiring an **'Exclusive Buyer's Agent,'** who will be working for you"

U.S. Housing and Urban Development Department



Meet Eric the Mortgage Guy

Who he is: As an experienced Licensed Mortgage Planner with US Mortgage of Florida, Eric Intihar has a simple business philosophy: To assist homebuyers in making informed, and smart mortgage decisions and to build long lasting relationships with his clients by being their trusted mortgage broker...

Education: After a brief stint at the US Naval Academy, in Annapolis, Eric graduated Magna Cum Laude from the University of Florida Warrington College of Business and started his career helping home buyers fulfill their dream of home ownership. He has been licensed by the state of Florida since 2000 (consistently ranked in the top 5% of all loan originators nationwide) and obtained his Nationwide Mortgage Licensing System & Registry (NMLS# 323612) license when it was first offered in 2011.

Personal: Eric is dedicated and hard working. As a proud dad and family man, Eric's personal life is filled by his three adorable daughters, as well as, his lovely wife Patty and their Main Coon cat, Boomer.

Hobbies: In his limited spare time when not with family or working, Eric enjoys watching his Florida Gators play football, where he played in 1992 and 1993. Eric also enjoys a cerebral game of chess, yard work, and relaxing at the beach. *For a complimentary, no obligation, pre-qualification please contact Eric Intihar:*

Eric Intihar, US Mortgage of Florida

Office: 561-886-0300

Cell: 954-448-9829

Eric@SpecialtyMortgage.com

Appraisals today...

If you are paying cash, you do not need an appraisal...however if you are financing the property, an appraisal will be required before the lender will approve lending money for your purchase.

Appraisals are not a science; they are an opinion of value, which can vary depending upon the person doing the appraisal. If you hire 3 appraisers to appraise the same property, typically you will get 3 different answers. Today, in Central Florida the appraisers are being ultra conservative and "short" (less than purchase price) appraisal values are not unusual.



This is how an appraisal works: the appraiser evaluates the property and then reviews the recent sales in the area to make comparisons. They will compare the number of square feet, bedrooms, parking garages, pool, the location etc. A property that backs up to a shopping center will not be valued as high as one on a lake or backing up to a conservation lot. They do not give much consideration if the property is upgraded and in top condition, however they will lower the value if it needs work. If the property is unusual with limited or no recent comparables, then the appraisal will be more subjective.

If your instinct tells you that you are getting a real steal on the property with a price way below market value, do not expect the property appraiser to raise the numbers to a higher value. Every appraiser knows how much you paid and they will justify only the purchase price. If they bring the property value much higher than the contract price, the lender would then question the sale and probably request another appraisal to review the first one.

If the property appraiser's report comes in with a value less than expected, these are your options:

- Ask the seller to reduce the price to appraised value.
- Modify the terms of the loan for a different loan-to-value.
- Pay the shortage in cash.
- Choose not to buy the property.

The appraisers that are active today work for corporations that give stringent scrutiny not to "over-value" and sometimes send appraisers to appraise property in areas and cities that they are not familiar with. Therefore it is not uncommon for them to undervalue a property. A low appraisal does not necessarily mean you overpaid, and currently in Central Florida about 30% of homes are not appraising for the purchase price due to the previous short sales and foreclosures and the market rebounding faster than comparable values.

You will need to evaluate the "big picture" which is something that our experience can help you sort out. Just ask us. Never any pressure.

Consumer Reports: *"Make sure you get one who's genuine... an Exclusive Buyers Agent"*

Inspections and Repairs...

Most contracts used in Florida are called the “Far-Bar” (written by attorneys for the Florida Association of Realtors). Although there is standard verbiage in the contract, the contract may be amended to meet the needs of the buyer and seller.

One of the most confrontational issues in a home purchase is the repair clause. This is a good example of why you need an Exclusive Buyer’s Agent on your side. The standard clause in the contract specifies the amount of repairs that the seller will be required to remedy. Depending upon the negotiations, the repairs may be \$0 (dollars) or up to 1.5% of the purchase price. The age and condition of the property will determine the amount of repairs that the buyer will ask for and/or is willing to settle for.

Short Sales and Bank Foreclosures are always sold in “AS IS” condition with a "\$0" repair clause. *And most sellers today will request a "\$0" repair clause,* but that does not mean that you cannot inspect the property. You can still inspect for anything that you wish. If inspections reveal more deficiencies than the repair clause allows and the buyer cannot re-negotiate a satisfactory conclusion, the buyer may withdraw from the contract and receive a refund of the earnest money deposit.



We recommend a comprehensive inspection by licensed professional inspectors. The inspector will evaluate the roof, structure, plumbing, electrical, air condition, appliances, windows and anything else that is functional. *Items that are cosmetic in nature are not considered as deficiencies.* If the inspector finds concern with any item, they may suggest that you hire an expert in that particular field to evaluate the problem further. In addition, we recommend a WDO (Wood Destroying Organism...termites, ants, powder post beetles, and rotten wood etc.) inspection. Other inspection may be done such as septic tank, mold inspection, elevators, Lutron system or any other extras the property may have.

The seller cannot limit your inspections, and must provide the utilities necessary to conduct a proper analysis. Sometimes on a bank owned foreclosure the bank may want the buyer to turn on the utilities for inspections. At closing, the property must also be in the same condition as when you purchased the property...if the property develops deficiencies prior to closing (contrary to what most realtors believe) this is the sellers problem to remedy, not the buyers. If this is a short sale or bank foreclosure, however, that falls under a different situation where the seller will not fix anything.

Comprehensive inspections for a single family home typically cost \$350 to \$1,000 depending upon the size of the property and WDO reports cost about \$100-200.

"To command an Agent's undivided loyalties, hire your own."

KIPLINGER'S

SHORT SALES AND BANK FORECLOSURES 2015

What is a short sale? A short sale is a property that is being sold for less than the mortgage owed on the property. The homeowner is usually in pre-foreclosure and behind on his payments, but not necessarily. If so, the property will eventually be taken back by the bank in a foreclosure procedure, but as of right now, the seller is still in ownership position, but cannot sell it for enough money to cover all the debt that seller owes, so it will be a "short sale"...the payoff to the lender will be "short". Don't get excited yet...everything is not what it seems. The owner must have the banks approval in order to sell for less and the property could have more than one mortgage, or even three.



Currently about 20% of the homes being sold in Central Florida are short sales, significantly less than 2013 when the majority of sales were short sales.

In the old days, the seller would speak to the bank/lender and the lender would approve to take \$XX less for the payoff. The seller would then market the property accordingly and everyone would be happy. Today is not the "old days", and the rules are more difficult.

Today, the lender (bank) is not giving their bottom price until the seller has a bonafide offer. Therefore, the asking price listed may be *much less* than what the bank is actually willing to settle for. Since the listing agent has no guidelines to follow, they are just *guessing* as to what amount the bank may agree to sell and will usually price it to be the lowest property in the neighborhood; sometimes the price is too low to realistically work. If the bank does not agree, the seller/owner cannot sell.

Full Price may not cover all the costs: On most "short sale" listings there are now disclaimers (visible only to Real Estate Agents) that say that asking price may not be enough to cover what the bank wants, the commissions owed, or all the encumbrances on the property. In some cases, the buyer may even be required to pay off some of the other debt against the property and in some cases the buyer may also be required to pay a "negotiator" typically \$1000-\$3000 as a cost of acquiring the short sale property.

The bank and current owner are also not willing to accept any contract contingencies (other than inspections and financing) or able to repair any problems...these homes are typically *not* in move in condition, but are usually not damaged since the owner probably still lives there. When an owner cannot afford to pay the mortgage, they are typically not concerned when maintenance issues come up, so deferred maintenance deficiencies are common.

"Consumer groups strongly endorse the use of Buyer's Broker's to avoid conflicts of interest"

OC Register

More on short sales...

Is the List Price the real price? When the listing on a property says “*bank approved*” short sale that means that the bank has approved taking a short payoff, but not necessarily has approved the asking price.

When the listing on a property says, “*bank approved price*” that means the full listed price may be accepted by the bank, if your contract comes in quickly within 30 days of their approval...(or the bank could choose to start the process all over again). Should your offer be anything less than full price, you will typically go back to a lengthy wait until the bank starts over with their re-evaluation process.

How do I submit an offer? Here is the way that “short sales” are handled: Buyer submits an offer, seller may or may not negotiate the price or terms, buyer agrees to the terms and then both parties sign the contract with buyer receiving a copy. The signed contract is then submitted to the bank for approval and the status of the property in MLS is changed from “active” to “pending contract” or possibly "active with contract". "Pending" status is ideal for the buyer as the property is taken **off** the market and buyer is in first position to buy at the banks approved price. "Active with contract" just means that there is a contract in place and the seller is looking for a back-up contract.

Recent CHANGE: *Buyers are now required to submit an escrow deposit on the short sale property, so there is no longer an opportunity of making a bunch of offers on different properties, unless you are willing to risk losing your escrow deposit.*

How long do I need to wait? Once you submit an offer on a “short sale”, you are put into the “waiting game”...you wait, and wait, and wait till your offer reaches the top of the pile of banks short sale files and is reviewed. In most cases, it is a 4-8 week wait, just to get a response...if you are lucky.

Why so long? You are probably wondering that because you would think that they would be eager to get the property off their books, but not so. Here are some reasons: Banks are overwhelmed with these new short sale issues and do not have experienced personal to handle all this extra work. Most bank negotiators handle at least 200 files. In the year 2014 however, we are finding that that short sales are moving a bit quicker and occasionally we may get a response within 4 weeks. Some sellers have started to hire “negotiators” to act as a facilitator, which may shorten the waiting period and if the request for short sale application from seller has been started, that will help to speed things up, but in many cases, that charge is passed along to the buyer.

"Exclusive agencies are the best. They remove any conflict of interest, which is the main reason for considering a Buyer's Broker in the first place.

KIPLINGERS

Short Sales continued...

Will my offer be accepted? Unfortunately, we are also seeing the majority of counteroffers from the bank coming back at a higher price than the offer, many times higher price than the list price, and also requesting that the seller to come to closing with some type of payment to them. *Remember, the bank does not own the property, they own the loan, so must approve taking a "short" payoff.* Most of the time they want some kind of seller contribution.

In order to qualify for a short sale, the sellers first has to fill out an application to "qualify" by proving hardship and submit documentation of tax returns, and financial statement to the bank before lender will even agree to do a short sale. If sellers are not behind on their payments, chances are the short sale will not be approved. On some properties, the paperwork has already been completed and on others, nothing has been started. In addition, the lender will then do a BPO (Broker Price Opinion) which is like a mini-appraisal but not that detailed, to see where the pricing currently stacks up...before they will respond to any offers.

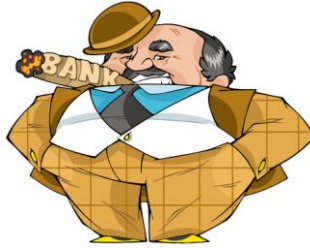
Who buys the Short Sales? Short sales are not for someone who needs to move, needs a house, needs a response, is impatient, or is particular about the condition of the home. It is for buyers that are throwing out an offer and willing to wait patiently in the hopes that they catch a good deal. If you are on a time crunch, then short sales will not work out...there is no such thing as pleading your case to a bank and expecting them to work faster...that will never happen. If you are planning to low-ball the offer, that will probably not work either, as more than likely there will be other offers better than yours since **the house is already discounted.**

Common Problems:

- 1. The bank may not respond...ever.*
- 2. The bank may want more money than the property is worth.*
- 3. Bank may want a deficiency judgment against the seller and seller can refuse.*
- 4. Buyer may have to pay off some extra debt against the property.*
- 5. The Bank short sale dept. and foreclosure dept. are separate entities that do not communicate with each other...while buyer waits for a short sale response, the property can be foreclosed on.*

"Only by using an Exclusive Buyers Agent can a buyer be sure all information is kept confidential. Only an Exclusive Buyers Agent can give the buyer an objective, experienced opinion of the homes viewer to ensure the buyer gets the right home, in the right location, at the right price."

MOBILITY MAGAZINE



Foreclosures...

Foreclosures are much easier to negotiate than a “short sale”. The bank has already re-possessed the property in a foreclosure process, so the bank now owns the property and the previous owner is out of the house. Banks do not accept contract contingencies (except for financing and inspections) and will add their own addendums to your contract selling the property “as is” and releasing themselves of any liability for the condition of the property. You still have the right to have an inspection. The condition of the property will range from “dirty”, (just need cleaning and paint) to totally “trashed” with missing appliances, torn out fixtures and intentional damage to the house. If the property is in a vacation rental area, it will not have furniture that is typically included in the sale, and it may be missing the appliances. In rare cases, usually higher priced homes, the condition of the property may be very good.

Pricing: One of the biggest buyer misconceptions is that the bank will only try to sell for just enough money to cover the previous debt on the property. *That is not true.* While the bank will wipe out all the debt and pay off all the liens, they will still try to get as much money as they can from the sale. The bank may get one or two appraisals, maybe even get a broker’s opinion of value, and then evaluate that along with the market conditions. Banks do not like to manage properties and will try to work to sell the property, by responding to offers within a week and typically will accept less than list price, unless there are multiple offers.

Negotiations: If the property just came on the market, the bank will not negotiate as aggressively as if it sits on the market for 6 months with no offers. In most cases, if the property looks nice and is well priced, there will be multiple offers on the property. In that case, the bank will request all the buyers to submit their “highest and best” offer, which means you have one last chance to raise your offer or risk losing your opportunity to buy the property. In a multiple offer situation, it is not unusual for the bank to only consider “all cash” offers or have the bidding go well above asking price.

How much less they will take just depends upon many factors including the attitude of the person handling the case for the bank. In 2015 we will see more on-line “bidding” on bank owned properties, thus making offers more transparent and fairer for the buyer.

"Confide to a traditional real estate broker that your prepared to bid as much as \$XXX on and house and the broker will tip off the seller. Tell an Exclusive Buyers Broker and the seller will never know."

MONEY Magazine

Home Buying Services and more...



In addition to superb Home Buyer Representation, Buyers Broker of Florida works with a team of top-notch professionals who are ready to help you with your auxiliary needs. No matter if you live locally, outside of Florida or out of the country, we can initiate services that may be needed to complete your transaction efficiently, so that you can feel confident in your real estate purchase.

- Insurance Agents
- Mortgage Brokers
- Title Companies
- Real Estate Attorney
- Property Management Companies
- Interior Decorators
- Furniture Company
- Contractors
- Tax Accountants
- Money Exchange
- Interpreters
- Banks
- Notary

Consumer Reports 2005 Cover Story: "How to protect your biggest investment"...more and more buyers have been asking for a "Buyers Agent" who works exclusive for them, not sellers.

Consumer Reports

Frequently asked questions...

How long will it take to find a property?

That can vary depending upon the complexity or the availability of what you are looking for. If choices are readily available, then 2-3 full days of house hunting is typical...but it also depends upon how many homes are viewed daily or how few you wish to see. It could also be several months of watching the market and waiting for the "right" property to become available. You, the buyer, make that decision and we are always willing to accommodate you. No pressure.



Can you show me ALL the properties of interest?

Absolutely, yes! You will not need to call other agents. We have access to all properties (Condo's, Townhomes, Single family, Multi-family, Farms, Estates, Holiday Homes, Investment Property and Vacant Land) available through the Multiple Listing Service (MLS), Bank Foreclosures, Short Sales, New Construction, Builder homes and we can also help you buy a "For-Sale-By-Owner" Property.

Are you licensed by the State of Florida?

Yes, we are licensed by the State of Florida and members of the Orlando Regional Realtor Association, the Orlando International Council, My Florida Regional MLS, Florida Association of Realtors and the National Association of Realtors. We are also members of the Florida Association of Exclusive Buyers Agents and the National Association of Exclusive Buyers Agents.

In addition, we continually take advanced classes, and have earned many advanced training designations and certifications so that we can maintain the highest level of competence.

What is an Exclusive Buyers Agent?

It is a Buyer Specialist that **only and always** represents the best interest of the buyer. *Exclusive Buyers Agents work ONLY in a "Buyer Agency Office"* that does not list property for sale and never represents sellers...therefore there is no conflict of interest when working for you, the buyer. There are less than 50 Exclusive Buyers Agents in the state of Florida and less than 12 in Central Florida that practice Exclusive Buyer Representation, a niche that requires a high level of Buyer Expertise.

We are members of NAEBA (National Association of Exclusive Buyers Agents) who aspire to a highest level of Realtor ethics.

How do you get paid?

We are paid like any other real estate agent...through the funds of the transaction which is a sellers expense at closing. Commissions are typically split between the listing office and the selling office (we are the selling office) or your offer to purchase may include a request for the seller to pay our fee or on occasion, the buyer may choose to pay us directly.

Is there a written agreement?

Yes, in the State of Florida, in order to be represented by a Buyer's Agent there must be a written agency agreement describing the duties of both parties.

Can I make a verbal offer?

Legally, yes...but realistically, a seller will insist on a written offer with your signed signatures and maybe even an escrow deposit placed with a Title Company. The seller will also require a pre-qualification letter from your lender or a "proof of funds" if you are paying cash. Providing documentation at time of offer is to assure the seller that you are creditworthy, serious and committed will make negotiating easier for you, the buyer.

How long does it take to negotiate an offer?

If the seller is in town, usually a couple of days; if they live out of the country, it could be several days; if it is a bank owned property, then usually it takes about a week; a short sale will take several months.

How long will it take to "close" on a property?

Financed property: about 4-6 weeks
Cash: approximately 3 week.

The time may vary depending upon the types of inspections needed, and the seller's willingness to vacate the property. Sellers of vacant properties like to have quick closings.

When can I take legal possession of a property?

On the day of closing, when the buyers funds have cleared the title company. Occasionally, on a bank owned REO you might not receive the keys for a few days. Also, the seller is supposed to be out of the property by the day of closings as there is no sellers post occupancy, unless you agreed to it in advance.

Who will handle the closing and documents?

Typically a title company. We recommend not using the sellers title company and hiring your own title company and attorney (solicitor) to represent you to review all the documents for accuracy and provide you with a title insurance policy that has sufficient coverage.

What is Title Insurance?

It is insurance protection against loss arising from problems connected to the title to your property. Before you purchased your home, it may have gone through several ownership changes and the land on which it stands went through many more. There may be a weak link in that chain that could emerge to cause trouble. For example, someone along the way may have forged a signature in transferring title or there may be unpaid real estate taxes or other liens. Title insurance covers the insured party for any claims and legal fees that arise out of such problems.

Who pays for Title Insurance?

That is a negotiable item between buyer and seller and since whoever pays for the Title Insurance selects the title company. It is advisable that the buyer select their own title company. Florida has a history of shoddy title work so it is *never smart* to use the sellers title company. It is best to have a title agent with experience and knowledge *working for you* as they dig through the history and search for any potential problems.

Will I need an appraisal and survey?

If you are financing, the lender will require that you get both and depending upon the sales price may even require that you get two appraisals. If you are paying cash and comfortable with the value of the property, you do not need an appraisal, however we always recommend that you get a survey to be assured that you are actually buying the parcel intended. Condos do not require a survey.

Do I need to physically be at the closing?

No, you do not need to attend. Many closings are a “mail-away” with documents sent either by e-mail or through the mail. You may also do a “Power of Attorney” and authorize another person to sign on your behalf. Money needed for closing will be wired into the title company’s escrow account.

What about property tax?

Taxes are paid in the arrears: this means that at the end of the year the tax bill will be due for that year. Tax bills are sent in October for that year and are delinquent after March of the next year. You will receive a “tax credit” on the closing statement (called HUD) for the portion of that year that the seller still owned the property. For example if you close on June 30th, you will receive a credit from the seller for ½ of the tax bill that will be due at the end of the year.

What is a Homestead Exemption?

A Florida Homestead Exemption is a tax savings for permanent residents. If you own a Florida property that you use (and claim) as your permanent residence, you may file for homestead exemption after you close on the property. As a result, you could enjoy a substantial savings on the taxed levied against your property by the various taxing authorities.

For more information: <http://www.myflorida.com/dor/property/exemptions.html>

What type of home inspections will I need?

It depends on what you are buying. On a *single family home*, typically you will do a “comprehensive” inspection which covers roof, electrical, structural, plumbing, heat and air conditioning system, appliances and more. You should also get a WDO (Wood Destroying Organism) report which would cover termites, powder post beetles, ants and rotten wood. You may also need a septic tank evaluation or other specialty inspection depending what "extra's" the property has.

If you are purchasing a *condo or town home*, you may not need to inspect as much as it will depend upon what portion you really own and what the association covers.

What is a short-sale?

A short sale is a property that is still in possession with the current owner, but being sold for less than the balance of the mortgage and therefore the transaction needs the mortgage lender to approve the price.

What is a REO?

It is Real Estate Owned by the bank, also called a “**bank foreclosure**”. This is a property that the bank re-possessed in a foreclosure auction for non-payment of the mortgage and now owns it. Usually, these properties are somewhat distressed and may be bought at a discount.

Where are the biggest bargains?

There are bargains all over Central Florida...it just depends upon your specific needs, price range, and home buying goals. A property that is "bargain" priced may not be a good deal if it does not meet your criteria. Sometimes what appears to be a bargain on paper or pictures, may be a poor investment. Tell us what you have in mind and we will give you an honest evaluation.

What about a short term rental property?

To rent out a property for a short term, the community **must be zoned** for a "short term vacation" rental. Those communities are only found in parts of Davenport, Kissimmee, South Clermont, and limited parts of South Orlando.

What about Lakefront Property?

The good news is that lakefront property is always a good investment. The bad news is that the supply of good waterfront is limited. Lakefront property appreciates much faster than a dry lot, therefore is typically priced at a premium. The type of boats allowed, size of lake, the view, access to other lakes, clarity of water, linear feet of water frontage and whether the shoreline is sand or muck are all factors that will determine the value.

How much less will the seller take for the house?

That depends upon a lot of factors: Who is selling the property, what kind of condition is it in, how long has it been on the market and whether or not the seller needs to really sell or looking to net a certain amount of money...if the seller needs to move, the price will be more flexible... another important question is: How well is it priced? Is the property worth a lot less than what they are asking, or is it a bargain at list price? Last but not least...is the listing agent able to convince the seller to accept the offer or will they be agreeable with whatever the seller thinks? All of the above will be an influence on the sales price and sometimes the property will sell for full price or more than list price.

Negotiations: As Exclusive Buyer Agents who never have an allegiance to the seller, our job is to help you buy the property at the lowest price and your most favorable terms for you. Tell us what you need and we will do our absolute best to negotiate that for you.

What about New Construction?

We can help you with that also, but you need to let us be the contact person. Builders will all pay our commission if we introduce you to them. Buying a new build home without our opinion, expertise and negotiation skills will result in you paying more than you need to. Our input will be valuable as we guide you through the process and advise you on features will make your property more desirable on a re-sale.

How long will new construction take to build?

Depending upon the complexity of the home, typically between 6 months and up to 2 years for a custom build.

What if my new home purchase needs renovations?

We can recommend reliable service people or you can hire a "supervisor" to oversee the project.

Is it difficult to get Homeowners Insurance?

No, however if the property is older than 30 years, the insurance company may require an additional "4-point" inspection which is an evaluation of the Roof, Electrical, Plumbing and Air Conditioning system.

Flood insurance may or may not be required. The rules for making that determination are set by FEMA (Florida Emergency Management Agency) and *change often*, so there is no set rules.

However, you need to be aware that a general Homeowners insurance policy does not cover "rising water" and *just because a property requires "flood" insurance does not mean the it is in an area that will flood.*...sometimes the flood insurance required has no bearing on the specific location of the property. Flood insurance is an inexpensive added protection.



"Consider hiring a single agent, that means hiring an Exclusive Buyer's Broker, who does not take home-sales listings."
ORLANDO SENTINEL Newspaper

Testimonials

Dear Erika,

Thanks so much for all your help - *again we loved your speediness, attention to detail and professionalism* - you have made our second experience as stress free as possible! You are so on the ball!

I think we've got our hands filled with condos right now!!...but you know we'll call you if we get that itch again. And of course we would highly recommend you to anyone who's looking.

Take care Erika!

With much much much thanks,

Anna and Rich

.....
Dear Erika, Mike and Eve,

Paul and I hope you all had a wonderful weekend!

Words cannot express how much we appreciate you throughout the process of obtaining our house. The last several weeks have been extremely hectic in making last Friday's closing a dream come true.

With Erika in the real estate class(es), Eve and Mike, THANK YOU, for jumping in and helping out. I appreciate that you were my "eyes" in guiding Paul through the walk through/orientation as well as everything leading up to our closing. Although I wasn't there, I felt at ease knowing you were there at every step.

Thank you will never be enough but I am more than happy to pass along your names to friends/families who may be interested in buying in the area!

Wishing you all a wonderful holiday season!

Warmest regards,

Trang and Paul

Erika was fantastic to work with. She was responsive, detailed and thorough. We bought a house and closed within 30 days!

Thank you! Jill

.....

Hi Erika-

Today we are very excited about our new home, thanks to your hard work. We appreciate all your help in our search for just the right home, as well as your diligence in all the details that followed.

Thanks for everything,

Terry & Joan

.....

Hi Erika, I just wanted to say thank you for your knowledge, help and advice...It was a great buying experience, much easier than I expected!

Orlando

.....

Hi Erika,

I know we keep saying it, but thank you so much for all you've done and we would never consider going anywhere else or recommending anyone else. Thank you, thank you, thank you.

Paul & Julie

.....

Hi Erika,

Rachelle and I wanted to thank you for the present you gave and for working with us in finding the place we can call home. I will recommend your company to my friends and contacts that are relocating in Orlando.

Arnold

.....
Erika,

We will forever owe you a debt of gratitude for the part you played in our journey to Florida. We are so thankful for you. You are the absolute best agent!

Teri



Erika Phelan

BROKER ASSOCIATE, CIPS, GRI, TRC, ALHS, CNE

Exclusive Buyers Agent

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