FLORIDA REAL ESTATE

A Simple Guide to Complex Issues

Version 2.0

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Florida focus; current as of a date

This guide addresses Florida law and certain general federal rules as of **November 24, 2026**. Other states have different rules. Laws, regulations, court decisions, insurance rules and tax amounts change often, and some rules described here (including Florida's 2026 property tax amendment) are still being put into effect by new legislation or challenged in court. Do not rely on this guide after later changes in the law. Check with the appropriate agency or a professional before you act.

Examples are illustrations, not promises

Examples, numbers and time frames in this guide are general illustrations. They are not predictions or guarantees of how any particular matter will turn out.

Get professional help

Before you sign a contract, close on a property, or make a tax or insurance decision, consult:

- A licensed Florida attorney for legal matters
- A licensed real estate agent or broker for transaction and market guidance
- A certified public accountant (CPA) or other qualified tax professional for tax matters
- A licensed insurance agent for coverage decisions
- A licensed home inspector, and when needed a licensed engineer or surveyor, for the property's condition and boundaries

Outside websites

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How to Use This Guide

Who this guide is for: anyone buying, selling, inheriting or investing in Florida real estate who wants to understand the hard parts without needing a law degree.

How to read it

1. Start with "Fundamental Real Estate Terms You Must Know."
2. Read the sections that fit your situation.
3. Use the Glossary when you see a word you don't know.
4. Check the Red Flags list before you make an offer and again before closing.

Labels used in this guide

RED FLAG: a warning sign. Slow down and ask questions.

ACTION: something you should do.

TIP: practical advice that can save time or money.

IMPORTANT: critical information you should not skip.

A note about professional help

This guide helps you understand the issues and ask smart questions. It is **not a substitute** for a real estate attorney, a licensed agent or broker, an insurance agent, a tax professional or a home inspector.

What's New in Version 2.0

- **Property taxes:** Florida voters approved Amendment 3 in November 2026. Homestead exemptions grow in 2027 and 2028, with different treatment for long-time residents and newcomers (Section 9).
- **Condo inspections:** updated milestone inspection rules and new information on reserve studies (Section 1).
- **Flood:** Florida's required seller flood disclosure, Citizens' flood insurance requirement, and the correct flood insurance waiting-period rules (Sections 2 and 3).
- **Foreign buyers:** corrected FIRPTA withholding rates, Florida's foreign-ownership law (SB 264), and the current status of the FinCEN reporting rule (Section 5).
- **Inheritance:** corrected explanation of who receives a Florida homestead when the owner dies (Section 8).
- **Fraud:** new warnings about wire fraud and seller impersonation (Section 4).
- **Association documents:** the condo resale cancellation period is now 7 business days; HOA rules explained (Section 1).
- **Title, survey and waterfront:** title commitment exceptions, surveys and submerged-land authorization (Sections 4 and 6).
- **Buyer's map:** rebuilt around the points where rights have deadlines.

Fundamental Real Estate Terms You Must Know

These are the terms every person involved in a Florida real estate deal should understand. Learn them before you dive into the specific issues.

The Transaction Terms

Closing: the final step where ownership passes from seller to buyer. Money changes hands, documents are signed, and the buyer gets the keys.

Escrow: a neutral third party (usually a title company or attorney) holds money and documents until the sale is complete.

Earnest Money Deposit (EMD): money the buyer puts down with an offer to show they are serious. The amount is negotiated in the contract and varies widely.

Contingencies: conditions that must be met for the sale to go through, such as financing, inspection or appraisal. These are your "escape clauses," but only if you follow the contract's deadlines.

Inspection or Due Diligence Period: the time after your offer is accepted when you can inspect the property and, depending on your contract, cancel. Commonly 10 to 15 days in Florida. Deadlines in the contract are strict.

Down Payment: the part of the price you pay yourself; the rest usually comes from a mortgage loan.

Buyer-Broker Agreement: a written agreement between a buyer and their agent that explains what the agent will do and how the agent will be paid. Since 2024, buyers working with agents who use the MLS generally sign one before touring homes.

The Money Terms

Principal: the amount you borrowed, or the amount you still owe.

Interest: what the lender charges you to borrow money.

APR (Annual Percentage Rate): the yearly cost of your loan, including interest and certain fees. It is usually higher than the interest rate.

PMI (Private Mortgage Insurance): insurance you pay on most conventional loans if your down payment is under 20%. It protects the lender, not you. (FHA loans have their own version, called MIP.)

Closing Costs: fees paid at closing beyond the down payment. Often 2% to 5% of the price.

Equity: the part of the home's value you actually own (value minus what you owe).

The Property Terms

Deed: the legal document that transfers ownership.

Title: legal ownership. "Clear title" means no one else has an unresolved claim on the property.

Lien: a legal claim against the property, usually for an unpaid debt.

Survey: a map showing the property's boundaries, buildings and easements.

Easement: someone else's legal right to use part of your property, such as a utility company.

Zoning: local government rules about how property can be used.

The Inspection and Appraisal Terms

Home Inspection: a professional checks the property for problems. Do this **before** your inspection period ends.

Appraisal: a professional opinion of what the property is worth. Lenders require it.

As-Is: the property is sold in its current condition, and the seller won't make repairs. You usually still have the right to inspect and, under many contracts, to cancel during the inspection period.

The Insurance Terms

Homeowners Insurance (Hazard Insurance): covers damage from fire, theft, wind and other listed causes, but **not flood**. Lenders require it.

Hurricane Deductible: most Florida homeowners policies include wind coverage but have a separate, larger deductible for hurricanes, often a percentage of the home's insured value.

Flood Insurance: a separate policy for flood damage.

Title Insurance: protects you if certain ownership problems show up after you buy.

The Florida-Specific Terms

Homestead Exemption: a property tax break for your permanent home. It lowers the home's **taxable value**; how much you save depends on your local tax rates. The amounts are changing in 2027 and 2028 (see Section 9).

Save Our Homes: a limit on how much the assessed value of a homestead can rise each year. The limit resets when the home is sold.

Special Assessment: a large extra charge from an HOA or condo association, usually for major repairs.

Milestone Inspection and SIRS: structural safety inspections and reserve studies required for many condo buildings three or more stories tall (see Section 1).

1. HOAs and Condo Associations

What it is: when you buy in many Florida neighborhoods or condo buildings, you join a community with shared rules, shared costs and an elected board that makes decisions.

Common problems

- **Special assessments:** large bills when major repairs are needed.
- **Rising fees:** since Florida's post-Surfside condo safety laws, many condo budgets have risen sharply, and increases far above normal inflation are common in older buildings.
- **Rule enforcement:** disputes over rentals, pets, parking, renovations and fines.
- **Approval requirements:** some associations must approve buyers or tenants.

Florida condo safety laws (after Surfside)

> **IMPORTANT:** Condominium and cooperative buildings **three or more stories tall** must have a **milestone inspection** by a licensed engineer or architect when the building reaches **30 years** of age, and every 10 years after that. The local building department may require the first inspection at **25 years** if local conditions justify it, such as being close to salt water. Inspections often uncover expensive repairs.

These buildings must also have a **Structural Integrity Reserve Study (SIRS)**: a study of the roof, structure, foundation, plumbing, electrical and other key parts, with a plan to save money for their repair or replacement. Associations generally can no longer vote to waive or reduce saving for these items. Since July 1, 2025, the law also allows some alternatives, such as funding reserves through a special assessment, loan or line of credit approved by the owners and, for budgets adopted through 2028, a temporary pause of up to two years to pay for repairs required by a recent milestone inspection. Because the rules have changed several times since 2022, ask the association how its building is funding these items today.

What to do

- **Action:** Before you are locked in, get the declaration, bylaws, rules, current budget, financial statements, recent board minutes, the milestone inspection report and the SIRS.
- **Action:** Ask in writing: "Are any special assessments approved, proposed or being discussed?" and "Is the association involved in any lawsuits?"
- **Action:** Order an estoppel certificate (the title company usually does) to confirm what is owed.
- **Action:** Read the documents right away. Your right to cancel based on them is short (see below).

Your right to cancel based on association documents

Florida law gives buyers in association communities a short, **written** right to cancel tied to the association's documents. The rules differ by type of community:

Community	What starts the clock	How long you have
Condominium (resale)	You have signed the contract **and** received **all** the documents the law requires (declaration, articles, bylaws, rules, budget and financial report, FAQ sheet, and the milestone inspection summary and SIRS where they apply).	**7 days**, not counting Saturdays, Sundays and legal holidays (since July 1, 2025). This right cannot be waived. It ends at closing.
Cooperative (resale)	Similar rules apply under Florida's cooperative law (chapter 719).	Check the co-op rider in your contract and confirm with your attorney.
Homeowners' association (HOA)	If you did **not** receive the HOA **disclosure summary** before signing the contract.	Until **3 days after** you receive it, or **closing**, whichever comes first.

- **Action:** Write down the date you received **each** document. If something is missing, ask for it in writing. The condo clock does not start until you have everything required.
- These rights must be used **in writing** and **on time**. A phone call or text is generally not enough. If you are thinking about canceling, speak with an attorney before the deadline passes.

> **IMPORTANT:** Finding a red flag does **not**, by itself, give you a right to cancel. Your rights come from the statute and your contract, and each has its own deadline and notice rules. If something worries you, act **before** the deadline, and get legal advice right away.

Red flags

- **Red flag:** The SIRS shows big repairs coming but reserves are low or not being funded.
- **Red flag:** Minutes mention engineering reports, "concrete restoration" or loans the association is considering.
- **Red flag:** Fees seem unusually low for the building's age and size (repairs may be delayed).
- **Red flag:** The association is slow or unwilling to provide documents.

2. The Property Insurance Challenge

What it is: Florida home insurance is expensive and, for some homes, hard to find. The market has improved in some areas since 2023, but prices still vary a great deal from one home and one company to the next.

Common problems

- Large premium increases at renewal.
- Companies declining to renew policies.
- Homes ending up with Citizens Property Insurance Corporation, the state-created insurer.
- Older roofs leading to inspections, higher premiums or limited coverage.

Citizens Property Insurance

Citizens is often the only or the least expensive option for a home, especially near the coast, so a seller's Citizens policy is **not by itself a bad sign**. But it is worth asking why. Citizens now also requires **flood insurance** for most of its homeowner policyholders, being phased in so that **by 2027 nearly all Citizens-insured homes must carry flood coverage**, even outside high-risk flood zones. Condo unit-owner policies, renters' policies and policies that exclude wind are not subject to that requirement. If you expect to insure with Citizens, budget for flood insurance too.

What to do

- **Action:** Get real insurance quotes **during your inspection period**, before you are committed, for wind, flood and liability. A quote is only a start: ask the agent to confirm the home **qualifies** for coverage after the inspections, on terms you can accept.
- **Action:** Ask your lender, in writing, what coverage it requires (amounts, maximum deductibles, flood). Make sure the policy you plan to buy meets those requirements.
- **Action:** Before closing, confirm the policy is **bound** (in force) and starts on the closing date, and that your lender and title company have the proof (often called a binder or declarations page).
- **Action:** Order a **wind mitigation inspection** and a **four-point inspection** (roof, electrical, plumbing, heating and cooling). Shutters, impact windows and roof features can earn discounts.
- **Action:** Shop your policy every year. Prices vary widely.
- **Action:** Check whether state programs such as My Safe Florida Home are taking applications; funding comes and goes.

> **TIP:** Ask the seller for their insurance declarations page and their wind mitigation report. They show what the seller pays and what credits the home already earns.

> **IMPORTANT:** When a named storm threatens Florida, insurers usually **stop writing new policies** in the affected area until it passes (a "binding moratorium"). If you haven't bound coverage yet, your closing can be delayed. Bind early.

> **IMPORTANT:** Be careful with contractors who ask you to "sign over" your insurance claim. For most homeowners policies issued since 2023, Florida law no longer allows you to assign your post-loss insurance benefits to a contractor. Read anything a contractor asks you to sign after a storm.

Red flags

- **Red flag:** No company other than Citizens will quote the home, and you don't know why.
- **Red flag:** A roof near or past 15 years old, or with visible damage.
- **Red flag:** Several past insurance claims on the property.

3. Flood Zones, Flood Insurance and Flood Disclosure

What it is: much of Florida can flood, and many floods happen **outside** high-risk zones. Flood damage is **not** covered by regular homeowners insurance.

Flood zones (simplified)

- **Zone X:** lower to moderate risk. Your lender usually won't require flood insurance, and it is strongly recommended anyway. **But a Zone X map label is not an exemption:** if the home will be insured by Citizens, Citizens' own rules can still require flood coverage (Section 2).
- **Zones A, AE, AH, AO:** high risk. Insurance is **required** if you have a federally backed mortgage.
- **Zones V, VE:** highest risk (coastal waves). Insurance is required with a mortgage and is usually expensive.

Florida's required seller flood disclosure

> **IMPORTANT:** Sellers of residential property must give the buyer a written **flood disclosure** at or before the time the contract is signed (section 689.302, Florida Statutes). Since October 1, 2025, the form asks whether the seller knows of flooding that **damaged the property during their ownership**, whether they **filed a flood insurance claim**, and whether they **received flood-damage assistance** from any source. Read it carefully, and ask follow-up questions if any answer is "yes."

What to do

- **Action:** Look up the property on FEMA's flood map site, **msc.fema.gov**, and ask your insurance agent to confirm the zone.
- **Action:** Ask the seller whether an **elevation certificate** exists. It can lower flood premiums.
- **Action:** Get a flood insurance quote during your inspection period, even in Zone X.

> **IMPORTANT:** A new federal (NFIP) flood policy usually has a **30-day waiting period** before it takes effect, so you can't wait until a storm is coming. **Exception:** when flood insurance is bought in connection with a new mortgage loan at closing, there is generally no waiting period. That exception does **not** help a cash buyer. Private flood policies have their own rules. Before closing, ask your agent to confirm **in writing** the date your flood coverage starts.

Red flags

- **Red flag:** The flood disclosure shows past flooding, claims or assistance.
- **Red flag:** The seller is vague about flood history, or neighbors mention flooding.
- **Red flag:** Water stains, new drywall near the floor or a strong musty smell.

4. Title Issues and Real Estate Fraud

What it is: making sure the person selling actually owns the property, has the right to sell it, and that you will receive it free of unexpected claims.

Common problems

- **Liens:** unpaid mortgages, taxes, judgments, association dues or contractor claims (called **construction liens** in Florida).
- **Open permits and code violations:** work done without permits, or permits never closed. These are local government issues that can become liens or block repairs and insurance.
- **Tax deed properties:** homes sold by the county for unpaid taxes can have title problems that take a court case (a "quiet title" action) to fix.
- **Missing heirs or owners:** common with inherited property (see Section 8).

Real estate fraud

> IMPORTANT: **Wire fraud:** criminals send fake emails that look like they come from your title company, lawyer or agent, with "new" wiring instructions. **Never wire money based on email instructions alone.** Call the title company at a phone number you already know (not one in the email) and confirm before sending any money.

Seller impersonation: criminals pretend to own a property, usually vacant land or a home whose owner lives far away, and try to "sell" it. Title companies verify identity, but you can help: be cautious of sellers who refuse to meet, want a fast cash sale below market, or will only communicate by text or email. Property owners can sign up with their county's property fraud alert service (where offered) to be notified when documents are recorded in their name.

What to do

- **Action:** Always buy an **owner's title insurance policy**.
- **Action:** Read the **title commitment** as soon as you get it. It lists the "**exceptions**": matters the policy will **not** cover, such as recorded easements, restrictions and HOA covenants. Ask your attorney or title agent to explain any you don't understand.
- **Action:** Get a **current survey**. It shows boundaries, fences, pools or additions that cross a property line (encroachments), and easements. Without one, survey problems are usually an exception to your title policy.
- **Action:** Order a **municipal lien search** for open permits, code violations and utility balances. These are usually **not** covered by title insurance, so they must be fixed, paid or negotiated before closing.
- **Action:** Your contract gives you a deadline to **object in writing** to title and survey problems. Know that date and meet it.
- **Action:** Make sure all liens are paid or resolved at closing.

Red flags

- **Red flag:** Liens or judgments on the title search that the seller can't explain.
- **Red flag:** Open permits or unpermitted additions.

- **Red flag:** A tax deed in the property's recent history.
- **Red flag:** Last-minute changes to wiring instructions.

5. Foreign Buyers and Sellers

What it is: special federal and Florida rules that can apply when the buyer or seller is not a U.S. citizen, or has ties to certain foreign countries. Two separate questions come up, at two different times:

- **Before signing:** is this buyer allowed to buy this property under Florida's SB 264?
- **Before closing:** must the buyer withhold tax from the seller's proceeds under the federal FIRPTA law?

Florida's foreign-ownership law (SB 264)

Since July 1, 2023, Florida law (chapter 692, Florida Statutes) limits purchases of Florida real estate by certain people and companies connected to "foreign countries of concern," which the statute lists as **the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the Syrian Arab Republic**.

> **IMPORTANT: The Venezuela entry is uncertain.** Every other country on the list is named by its official name. Venezuela is not: the statute refers to "the Venezuelan regime of Nicolás Maduro," not the Bolivarian Republic of Venezuela. In 2019 the United States recognized opposition leader Juan Guaidó as Venezuela's interim president and treated the Maduro government as illegitimate, and Maduro has not been in power since January 2026. In March 2026, the United States told a federal court that it recognizes the government led by Delcy Rodríguez. The law's restrictions also turn on concepts such as being "domiciled in" a country of concern, which is hard to apply to a regime rather than a country. As a result, it is unclear whether, and to whom, the purchase limits and registration requirements apply through this entry today, including Venezuelan citizens, residents and companies. No court has decided this question. For example, consider a person born in Venezuela who has given up Venezuelan citizenship for another country's. Whether that person is covered may depend on where he or she is domiciled and on how the statute's reference to the Maduro regime is read. Anyone with ties to Venezuela should get legal advice before signing a contract.

- **China:** people domiciled in China and certain Chinese entities generally may not buy **any** Florida real estate. The narrow exception is described below.
- **All listed countries:** "foreign principals" may not own or acquire **agricultural land**, or real property **on or within 10 miles of a military installation or critical infrastructure facility** (the law lists, among others, airports, seaports, power plants, refineries and water treatment plants). In South Florida, where airports and seaports are close to many neighborhoods, these zones can cover large areas.
- **Visa or asylum exception:** a foreign principal who is an individual may buy **one residential property of up to 2 acres**, in his or her own name, if it is not on or within 5 miles of a military installation and the person has a current U.S. visa that is **not limited to tourist travel**, or official asylum documentation. This exception applies to the China rule and the 10-mile zones. It does **not** apply to agricultural land. Note that the 5-mile limit in the exception counts only **military installations** (as defined, at least 10 contiguous acres under Department of Defense jurisdiction), not airports, seaports or other critical infrastructure. Florida's Department of Commerce offers an online address search to check a property's distance from covered sites.

- **Temporary Protected Status (TPS):** TPS is neither a visa nor asylum, so it is unclear whether a TPS holder can use this exception. No court has decided the question.
- **Inheritance:** a foreign principal who acquires covered property by inheritance, foreclosure or debt collection generally must **sell or otherwise divest it within 3 years**.
- **Registration:** foreign principals who owned covered property before July 1, 2023 had to register it with the state by deadlines that have passed (December 31, 2023 for the China rule and the 10-mile zones; January 1, 2024 for agricultural land). Property bought later under the visa or asylum exception must be registered within **30 days**. Late registration carries a civil penalty of **$1,000 per day**.
- **Violations** can lead to forfeiture of the property to the state and criminal penalties for the buyer and, if the seller knew, for the seller.
- A person who is a U.S. citizen or lawful permanent resident is not a "foreign principal" just because of where he or she lives.
- **Domicile, not citizenship or birthplace:** for individuals, the law turns on where a person is **domiciled**, not where he or she was born or holds citizenship. Under Florida law, domicile is the place where a person has made a permanent home and intends to remain, and a person can have only one domicile at a time. A person who holds citizenship in a listed country but is domiciled in Florida, or in a country that is not on the list, is generally not a "foreign principal" on that basis. Domicile depends on the facts and can be disputed.
- **Companies:** a company organized under the laws of a listed country, or with its principal place of business there, is a foreign principal. So is a company formed to own Florida real estate in which a foreign principal has a controlling interest. Small passive holdings of publicly traded stock are generally excepted.

Whether the law applies depends on facts such as the buyer's **domicile** (where the buyer lives permanently), who owns or controls a buying **company**, and the **type and location** of the property. Whether land counts as "agricultural" or is close enough to a covered military or infrastructure site are **legal questions** that turn on official land classifications and the rules that apply to the transaction. They cannot be judged from a listing or a drive through the neighborhood. In November 2025, the federal Eleventh Circuit Court of Appeals upheld key parts of the law.

> **IMPORTANT:** **Every buyer** of Florida real estate, of any nationality, signs an affidavit at closing stating that they comply with the law. Signing the affidavit is **not** the same as checking whether the law applies. Anyone with citizenship, domicile or business ties to a listed country, which includes many South Florida buyers with ties to Cuba and Venezuela, should get legal advice **before signing a contract**.

FIRPTA (when the seller is a "foreign person")

Under the Foreign Investment in Real Property Tax Act (FIRPTA), when a "**foreign person**" sells U.S. real estate, the **buyer** generally must withhold part of the amount realized (generally the sale price) and send it to the IRS. If required withholding isn't done, the IRS can look to the buyer.

> **IMPORTANT:** "Foreign person" is a **federal tax** status, not a question of citizenship. A seller who is not a U.S. citizen may still be a U.S. tax resident (for example, a green-card holder) and therefore **not** a foreign person. A U.S. company is generally not a foreign person either. The seller's tax status, not nationality, controls.

The general rates, in simplified form:

Amount realized and buyer's use	General withholding rate
$300,000 or less, **and** the buyer will use the home as a residence*	0%
More than $300,000 up to $1,000,000, **and** the buyer will use the home as a residence*	10%
More than $1,000,000, **or** the buyer will not use it as a residence*	15%

*"Residence" has a specific federal meaning: generally, the buyer or the buyer's family has definite plans to live in the property at least half of the days it is used during each of the first two years after the purchase. Other exceptions and IRS-approved reductions can apply. For the 0% and 10% rates, the buyer generally must be an individual. This table is a simplified summary, not tax advice.

In practice, the closing agent usually asks the seller for a sworn statement of their tax status before closing. Withholding is a prepayment, not necessarily the final tax; the seller may be able to recover some of it or apply to the IRS in advance for a reduction. Because the buyer generally carries the withholding obligation, both buyers and sellers should involve a tax professional and the closing agent early, **before money is disbursed**.

FinCEN reporting rule

A federal rule required reporting of certain **all-cash purchases of homes by companies and trusts** to the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN), starting March 1, 2026. On March 19, 2026, a federal court in Texas **vacated** the rule, and the government has appealed. For now, no filing is required, but the rule could return. Separately, the federal "beneficial ownership" reporting requirement for most U.S.-formed companies was dropped in 2025.

What to do

- **Action:** Foreign buyers, and buyers with ties to a listed country: talk to a real estate attorney **before** you sign a contract.
- **Action:** Foreign sellers, and buyers from foreign sellers: talk to a tax professional and the closing agent about FIRPTA **well before** closing.

6. Waterfront and Environmental Rules

What it is: special rules for property on the ocean, bay, rivers, lakes or canals.

Key ideas

- **Riparian rights:** a waterfront owner's rights, such as access to the water, building a dock (with permits) and, in some cases, a reasonable view of the water.
- **Boundary with the water:** on tidal water (ocean, bay, tidal canals) the legal boundary is generally the **mean high water line**. On non-tidal lakes and rivers it is generally the **ordinary high water line**. Land below that line usually belongs to the state.
- **Permits:** docks, seawalls, boat lifts and dredging can require permits from the Florida Department of Environmental Protection (DEP), the U.S. Army Corps of Engineers and the county (in Miami-Dade, the Division of Environmental Resources Management, or DERM).
- **Coastal Construction Control Line (CCCL):** near the beach, building and major repairs need special state permits.

Common problems

- Unpermitted docks or seawalls, which can be expensive to permit after the fact or remove.
- Aging seawalls needing replacement.
- Wetlands on the property limiting where you can build.

What to do

- **Action:** Before buying, check whether docks, seawalls and lifts were permitted, and whether the permits are still valid for what is actually built.
- **Action:** If a dock or other structure extends over **state-owned submerged land**, ask whether it has the state's **authorization to use that land** (from the Board of Trustees of the Internal Improvement Trust Fund, through DEP). That is separate from a construction permit.
- **Action:** Planning to add or enlarge a dock, lift or seawall? An old permit does not authorize **new** work. Check with the permitting agencies **before** you are committed.
- **Action:** Have the seawall inspected, and budget for environmental reviews and permits.

> **IMPORTANT:** Clear title to the land does **not** answer whether you may use the submerged land or build what you want. Title insurance generally does not cover these permit questions.

7. 1031 Exchanges

What it is: a way to sell real estate held for investment or business use and buy other investment or business real estate **without paying capital gains tax right away**. Your personal home does **not** qualify.

The critical deadlines

- **45 days:** you must identify replacement properties within 45 days after you transfer the property you sold. The identification generally must be **in writing, signed by you, and sent or delivered** by the deadline to a permitted party involved in the exchange, such as the qualified intermediary. A list kept in your own files is not enough.
- **180 days:** you must close on the replacement property within 180 days after the sale, **or by the due date of your tax return for that year (including extensions), whichever comes first**.

> **IMPORTANT:** These deadlines are strict. Missing one, even by a day, generally means the exchange fails and the tax is due.

What to do

- **Action:** Plan ahead. Talk to your CPA and line up a **qualified intermediary** before you close the sale.
- **Action:** Never take the sale money into your own hands. The qualified intermediary must hold it, or the exchange can fail.
- **Action:** Get professional tax advice; the rules are detailed.

8. Probate, Homestead and Estate Sales

What it is: what happens to a home when the owner dies, and why buying a property from an estate takes extra care. This section explains general rules only; who actually owns an inherited home depends on facts that must be reviewed by an attorney.

What an owner may leave by will

Florida's Constitution protects a homeowner's spouse and minor children:

- If the owner leaves a **minor child**, the homestead generally **cannot be left by will at all**, not even to the spouse or the child. It passes under the rules in the next part.
- If the owner leaves a **spouse but no minor child**, the owner may leave the homestead **only to the spouse**. A will leaving it to anyone else does not control.
- If the owner leaves **no spouse and no minor child**, the owner may leave the homestead to anyone.

A spouse can give up these rights in writing, for example in a prenuptial or postnuptial agreement or a properly signed deed.

What happens if there is no will, or the will can't be followed

If the owner died without a will, or left the homestead in a way the Constitution doesn't allow, Florida law decides who receives it. In general:

Who survives the owner	General result
Spouse and descendants (children, grandchildren)	The spouse receives a **life estate**: the right to use the home for life. The descendants receive the **remainder**: they become full owners only when the spouse dies. **Or**, the spouse may **elect** to take a one-half ownership share now, with the descendants owning the other half now (see below).
Spouse and no descendants	Generally, the spouse receives the home.
Descendants and no spouse	The descendants receive the home.

> **IMPORTANT:** A surviving spouse's election to take a one-half share generally must be made **within 6 months after the death**, by a recorded notice, and that deadline usually cannot be extended. The choice changes **who owns the home** and therefore **who must sign** to sell it.

These rules do **not** apply to a home the couple owned together as **tenants by the entirety** or as **joint tenants with right of survivorship**. That home usually passes directly to the surviving co-owner.

Probate in brief

- **Summary administration:** a shorter court process, generally available when the estate (not counting exempt property such as the homestead) is worth $75,000 or less, or when the person died more than two years ago.

- **Formal administration:** the full process, with a court-appointed **personal representative** (Florida's term for an executor).
- A protected homestead generally passes directly to the people entitled to it, **outside** the regular probate estate. A court order determining its homestead status is commonly needed before a title company will insure a later sale, but that order identifies the owners. It is **not** permission for anyone to sell. The new owners generally must sign.
- For property that **is** part of the estate, being appointed personal representative does not, by itself, give the power to sell. That power generally comes from the will or from a court order.

If you are buying from an estate

- Expect a longer process. Closing dates often depend on court orders.
- Who has authority to sell depends on how the property passed, what court orders exist, and whether a spouse has made an election. Before you commit to a closing date, your attorney and the **title insurer** should confirm **whose signatures and which court orders** will be needed for the title company to insure your purchase.
- Get an owner's title insurance policy. It is even more important for estate sales.

9. Property Taxes After You Buy (New)

What it is: your property tax bill after you buy may be very different from the seller's. Florida's rules are also changing because of Amendment 3, which voters approved on November 3, 2026.

Two different things: the closing proration and your first full bill

- **At closing:** Florida property taxes are paid in arrears (the bill for a year arrives in November of that year). At closing, that year's taxes are usually **divided (prorated)** between seller and buyer by the number of days each owns the home. That year's bill is still based on the **seller's** assessment and exemptions.
- **The next January 1:** after a sale, the property appraiser generally **reassesses** the home at its market value as of January 1 of the following year, removing the seller's Save Our Homes savings. Your **first bill based on your own ownership** usually arrives in November of the year **after** you buy.

Save Our Homes limits how much a homestead's assessed value can rise each year (3% or inflation, whichever is less). A seller who has owned for many years may pay far less than you will.

Portability: Florida homeowners who sell one homestead and buy another can often transfer some of their Save Our Homes savings (up to $500,000 of the benefit) to the new home, if they apply within the time allowed.

How the homestead exemptions work under Amendment 3

> **IMPORTANT:** The amounts below come from Amendment 3 as approved by voters. The Legislature must still pass laws to put it into effect, amounts after 2028 will be adjusted for inflation, and parts of it may be challenged in court. Treat these figures as **subject to change** and confirm them with your county property appraiser before you rely on them.

A homestead receives **two different exemptions**, applied to **two different parts** of the tax bill:

Tax year	School taxes: exemption	All other (non-school) taxes: total exemption
2026 (before Amendment 3)	$25,000	About $51,411
2027	$25,000	$150,000
2028	$25,000	$250,000
2029 and later	$25,000	$250,000, adjusted for inflation

The non-school amount is the **total** non-school exemption. It is **not** added on top of the $25,000.

Two different treatments: long-time residents and newcomers

- **Florida residents as of December 31, 2026** receive the larger non-school exemption beginning in 2027. This applies whether they already own a home or buy one later.

- **People who become Florida residents after December 31, 2026** first receive a **smaller exemption** (generally $25,000 for school taxes and $50,000 for non-school taxes, adjusted for inflation). After they have held the homestead exemption for **four years**, the larger exemption begins on January 1 of their **fifth year**, to the extent the Constitution permits.

The count is by **years of holding the homestead exemption**, not years since moving to Florida. A newcomer who arrives in 2027 but first receives the exemption in 2028 starts counting in 2028 (see the illustration below).

A hypothetical illustration

> **IMPORTANT:** This is a **made-up example** to show how the pieces fit together. It uses invented round numbers and invented tax rates. It is **not** an estimate of anyone's taxes, and real results depend on your county, your property's assessed value, the laws that implement Amendment 3, and inflation adjustments.

Two buyers each buy an identical home in **June 2027**. Assume the property appraiser values each home at **$400,000** on January 1, 2028, and assume invented tax rates of **$6 per $1,000** of value for school taxes and **$12 per $1,000** for all other taxes.

- **Ana** has lived in Florida since 2015 (a resident before December 31, 2026).
- **Ben** moved to Florida in March 2027 (a newcomer).

In 2027, neither pays a bill based on their own ownership. Each pays a prorated share of the 2027 bill at or after closing, based on the seller's assessment.

In 2028, each owns and lives in the home on January 1 and applies for homestead by March 1:

2028 (hypothetical)	Ana (resident before 12/31/2026)	Ben (newcomer)
School taxable value	$400,000 − $25,000 = $375,000	$400,000 − $25,000 = $375,000
School taxes ($6 per $1,000)	$2,250	$2,250
Non-school taxable value	$400,000 − $250,000 = $150,000	$400,000 − $50,000 = $350,000
Non-school taxes ($12 per $1,000)	$1,800	$4,200
Total (before other fees)	$4,050	$6,450

Counting Ben's years: 2028 is his first year with the exemption, then 2029, 2030 and 2031. On January 1, **2032** (his fifth year), he would become eligible for the larger exemption, at whatever amount applies then.

Many bills also include **non-ad valorem assessments** (such as garbage or special district fees). Homestead exemptions do not reduce those.

Investment and second homes

Amendment 3 also lowers the annual cap on assessment increases for non-homestead property, such as rentals, second homes and commercial property, from 10% to 5% for non-school taxes, beginning with

the 2027 tax year. The 10% cap continues to apply for school taxes. These properties do not receive the homestead exemption.

Applying for homestead

- You must **own the home and make it your permanent residence as of January 1** of the tax year.
- Apply with your county property appraiser by **March 1** of that year. Most counties accept online applications.

Quick Reference: Red Flags When Buying

A red flag is a reason to ask questions and get advice, **not** by itself a right to cancel. Your rights come from your contract and Florida law, and they have deadlines.

Condo and HOA

- **Red flag:** Reserve study (SIRS) shows big repairs but low or unfunded reserves.
- **Red flag:** Special assessments approved, proposed or under discussion.
- **Red flag:** Association lawsuits, loans or engineering reports in the minutes.
- **Red flag:** Documents not provided or provided late.

Insurance

- **Red flag:** Only Citizens will quote, and no one can say why.
- **Red flag:** Old or damaged roof.
- **Red flag:** Several past insurance claims.

Flood

- **Red flag:** Zone A, AE or V.
- **Red flag:** Flood disclosure shows past flooding, claims or assistance.
- **Red flag:** Seller vague about flood history; neighbors mention flooding.
- **Red flag:** Citizens insurance planned but no flood coverage budgeted, even in Zone X.

Title and fraud

- **Red flag:** Unexplained liens or judgments.
- **Red flag:** Title commitment exceptions you don't understand.
- **Red flag:** Open permits or unpermitted additions.
- **Red flag:** Tax deed in the recent history.
- **Red flag:** Changed wiring instructions or a seller who will not meet or talk by phone.

Foreign ownership

- **Red flag:** Buyer has citizenship, domicile or business ties to a "foreign country of concern" (Section 5).

Waterfront

- **Red flag:** Dock or seawall without permits, or over submerged land without state authorization.
- **Red flag:** Deteriorating seawall.
- **Red flag:** Wetlands on the property.

Taxes

- **Red flag:** Budgeting from the seller's tax bill instead of your own estimate.

General

- **Red flag:** Pressure to skip the inspection.

- **Red flag:** Price far below market with pressure to close fast.
- **Red flag:** Seller refuses to provide documents.

Glossary of Terms

Adjustable-Rate Mortgage (ARM): a mortgage whose interest rate can change over time.

Amortization: paying off a loan over time through regular payments.

Appraisal: a professional opinion of a property's value, required by lenders.

APR (Annual Percentage Rate): the yearly cost of a loan, including interest and certain fees.

As-Is: property sold in its current condition, with no repairs by the seller.

Binder: temporary written proof that an insurance policy is in force until the full policy is issued.

Buyer-Broker Agreement: a written agreement between a buyer and their agent describing services and payment.

Citizens Property Insurance Corporation: Florida's state-created insurer for property owners who can't find comparable private coverage.

Clear Title: ownership free of unresolved liens, disputes or legal questions.

Closing: the final step where ownership transfers and money changes hands.

Closing Disclosure (CD): the lender's final statement of loan terms and closing costs, delivered at least 3 business days before closing.

Coastal Construction Control Line (CCCL): a state line near the beach seaward of which special permits are needed to build.

Construction Lien: Florida's term for a claim by contractors, subcontractors or suppliers who weren't paid for work on a property (often called a "mechanic's lien" elsewhere).

Contingency: a condition that must be met for a sale to go through.

Declaration (of Condominium or of Covenants): the main recorded document creating a condo or HOA community and its rules (called "CC&Rs" in some states).

Deed: the legal document that transfers ownership.

DEP (Department of Environmental Protection): the Florida agency that regulates environmental matters, including much waterfront construction.

Disclosure Summary: the HOA summary Florida law requires sellers to give buyers before they sign the contract.

Due Diligence (Inspection) Period: time after the contract is signed to inspect and, depending on the contract, cancel.

Earnest Money Deposit (EMD): money a buyer puts down with an offer, held in escrow.

Easement: someone else's legal right to use part of your property.

Elevation Certificate: a document showing a building's elevation compared to expected flood levels; can affect flood premiums.

Equity: the part of the home's value you own.

Escrow: money or documents held by a neutral party until conditions are met.

Estoppel Certificate: a statement from an HOA or condo association of what is owed on a unit, including assessments.

FEMA: the Federal Emergency Management Agency, which makes flood maps and runs the National Flood Insurance Program (NFIP).

FinCEN: the U.S. Treasury's Financial Crimes Enforcement Network. Its residential real estate reporting rule is on hold (Section 5).

FIRPTA: the Foreign Investment in Real Property Tax Act, which generally requires a buyer to withhold tax when a "foreign person" (a federal tax status) sells U.S. real estate (Section 5).

Fixed-Rate Mortgage: a mortgage whose interest rate does not change.

Flood Disclosure: the written form Florida sellers of residential property must give buyers about past flooding, claims and assistance.

Flood Zone: FEMA's label for an area's flood risk.

Foreign Country of Concern: under Florida's SB 264, in the statute's words: the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the Syrian Arab Republic (see Section 5 on the uncertainty of the Venezuela entry).

Foreign Person (FIRPTA): a federal tax status (such as a nonresident alien or a foreign company); not the same as citizenship.

Hazard Insurance: another name for homeowners insurance.

HOA (Homeowners Association): the organization that enforces rules and maintains common areas in a community.

Homestead Exemption: a property tax break for a permanent Florida residence (Section 9).

Hurricane Deductible: a separate, usually larger deductible for hurricane damage.

Lien: a legal claim against property for an unpaid debt.

Life Estate: the right to live in or use property for the rest of a person's life.

Mean High Water Line: the boundary between private land and state-owned land on tidal waters.

Milestone Inspection: a required structural inspection of condo and co-op buildings three or more stories tall, at 30 years (or 25 if the local building department requires) and every 10 years after.

Municipal Lien Search: a search for open permits, code violations and unpaid utility or government charges on a property.

Ordinary High Water Line: the boundary between private land and state-owned land on non-tidal lakes and rivers.

Personal Representative: the person a Florida probate court appoints to manage an estate (an "executor" in other states).

PMI (Private Mortgage Insurance): insurance required on most conventional loans with less than 20% down.

Portability: transferring Save Our Homes savings from an old homestead to a new one.

Probate: the court process for handling a deceased person's property.

Qualified Intermediary: the neutral party who holds the money in a 1031 exchange.

Quiet Title Action: a lawsuit to settle who owns a property.

Remainder: the right to own property in full after a life estate ends.

Reserve Fund: money an HOA or condo association saves for future major repairs.

Riparian Rights: the rights of waterfront owners, such as water access and docking.

Save Our Homes: the cap on yearly increases in a homestead's assessed value; it resets at sale.

SB 264: Florida's 2023 law limiting real estate purchases by people and companies tied to foreign countries of concern (chapter 692, Florida Statutes).

Special Assessment: a one-time charge from an HOA or condo association for major repairs or improvements.

Structural Integrity Reserve Study (SIRS): a required study of key building parts of a condo, with a plan to save for their repair or replacement.

Submerged Lands: land under navigable water, generally owned by the State of Florida; using it for docks or other structures can require state authorization.

Survey: a professional map of property boundaries and improvements.

Title: legal ownership of property.

Title Commitment: the title company's promise to issue a policy, listing the requirements to close and the exceptions the policy will not cover.

Title Insurance: insurance protecting against certain ownership problems discovered after purchase.

Wetlands: protected areas with water and special plants; heavily regulated.

Wind Mitigation Inspection: an inspection of features that resist wind damage, used to earn insurance discounts.

Helpful Resources

Questions about your situation: Companioni-Castellanos, LLC, 2655 S. LeJeune Road, Suite PH2-A-3, Coral Gables, Florida 33134 · 305-900-3676 · jmc@companioni.law

Property records, homestead and taxes

- Your county Property Appraiser's website (homestead applications, tax estimators and portability)
- Your county Clerk of Court (recorded deeds, liens and property fraud alerts where offered)

Licensing and condominiums

- Florida Department of Business and Professional Regulation, including the Division of Florida Condominiums, Timeshares, and Mobile Homes: myfloridalicense.com

Insurance

- Florida Office of Insurance Regulation: floir.com
- Citizens Property Insurance Corporation: citizensfla.com
- My Safe Florida Home (mitigation inspections and grants, when funded): mysafeflhome.com

Flood

- FEMA Flood Map Service Center: msc.fema.gov
- National Flood Insurance Program: floodsmart.gov

Foreign ownership (SB 264)

- Florida Department of Commerce address search and registration: floridacommerce.my.site.com/SecureFlorida/s/
- Florida Department of Agriculture and Consumer Services, foreign principal registration (agricultural land): fpregistration.fdacs.gov

Federal tax

- Internal Revenue Service (FIRPTA and 1031 exchanges): irs.gov

Finding a lawyer

- The Florida Bar Lawyer Referral Service: floridabar.org

Transaction Flow Chart: A Buyer's Map

The main stages of a typical Florida home purchase, organized around the **points where buyers can lose rights** if they wait too long. This is a general overview, not a checklist for any specific deal.

> **IMPORTANT:** Most deadlines come from **your contract**, and some come from **Florida law**. They start at different times and require different kinds of notice, and some count only business days. Ask your agent or attorney to list your deadlines in writing at the start. Finding a problem does not by itself let you cancel; only a contract or legal right does, and only if it is used on time.

Stage 1: Before you sign the contract

Step	What happens	Why it matters
Agent agreement	Buyer signs a **buyer-broker agreement**.	Explains the agent's services and payment.
Pre-approval	Buyer confirms loan eligibility and learns the lender's **insurance requirements**.	Coverage must meet the lender's rules, not just your budget.
Disclosures	Seller gives the **flood disclosure** (required at or before signing) and, in an HOA, the **disclosure summary**.	**Red flag:** past flooding, claims or assistance.
Eligibility check (SB 264)	Buyers with ties to a "foreign country of concern" get legal advice on whether they may buy this property.	The affidavit at closing is not a substitute for this check.
Early insurance check	Buyer asks an agent whether the home is likely insurable and at what cost.	Surprises here can make the deal unaffordable.

Stage 2: After signing, when rights have deadlines

Step	What happens	Why it matters
Deposit	Buyer pays the **earnest money deposit** into escrow by the contract deadline.	Late deposits can put the buyer in default.
Association documents	Condo buyers receive the required documents; HOA buyers who didn't get the disclosure summary before signing receive it.	Starts the **statutory right to cancel** (Section 1). Track the date you receive each document.
Inspections	**Home**, **wind mitigation** and **four-point** inspections during the **inspection period**.	The inspection period is set by the contract and is usually the main window to cancel for condition.

Step	What happens	Why it matters
Insurance confirmation	Buyer confirms the home **qualifies** for coverage on acceptable terms after the inspections.	A quote alone is not confirmation.
Financing and appraisal	Lender reviews the loan and orders the **appraisal**.	Financing and appraisal protections, if any, have their own contract deadlines.
Title and survey	Buyer receives the **title commitment** and a **survey**; a **municipal lien search** is ordered.	Contract deadlines usually apply to **objecting in writing** to title or survey problems. Review the commitment's **exceptions**.
Tax estimate	Buyer estimates taxes on the purchase price.	Don't rely on the seller's bill (Section 9).

Stage 3: Before closing

Step	What happens	Why it matters
Coverage bound	Homeowners, wind and flood policies are **bound** and start on the closing date; proof goes to the lender and title company.	Confirm the flood start date, including whether any waiting-period exception applies (Section 3).
Seller's tax status	Closing agent obtains the seller's **FIRPTA** certification or arranges withholding.	The buyer generally carries the withholding obligation (Section 5).
Final loan terms	Lender delivers the **Closing Disclosure** at least 3 business days before closing.	Compare all closing costs (often 2%–5% of the price).
Wire funds	Buyer sends closing funds.	**Call the title company at a known number** before wiring. Never trust emailed instructions alone.
Closing	Documents are signed; the **deed** is recorded.	**Owner's title insurance** protects against covered title problems, not listed exceptions.

Stage 4: After closing

Step	What happens	Why it matters
Homestead	Buyer applies for the **homestead exemption**.	Own and live in the home on **January 1**; apply by **March 1**.
First full tax bill	The home is reassessed as of the January 1 after purchase.	Your first bill based on your ownership usually arrives the November after that.

About the Author

Jose M. Companioni, Esq. is the principal of Companioni-Castellanos, LLC in Coral Gables, Florida, and has practiced law for nearly four decades. He is a member of The Florida Bar and a Florida Supreme Court certified circuit court mediator. His practice includes residential and commercial real estate closings and title work, probate and guardianship, estate planning, civil litigation, construction law and business consulting.

To discuss your situation, contact the office at **305-900-3676** or **jmc@companioni.law**, or request a consultation through the firm's website. Contacting the firm does not create an attorney-client relationship (see the Important Notice at the front of this guide).

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