

# 10 THINGS TO GET RIGHT WITH YOUR FIRST ORLANDO REAL ESTATE INVESTMENT



VIVA ORLANDO  
REALTY, INC.

407.861.0000  
[myhome@vivaorlando.com](mailto:myhome@vivaorlando.com)

[www.VivaOrlando.com](http://www.VivaOrlando.com)  
[www.VivaOrlando.casa](http://www.VivaOrlando.casa)  
[www.VivaOrlandoRentals.com](http://www.VivaOrlandoRentals.com)

## 01 HAVE A CLEAR STRATEGY AND INVESTMENT GOAL.

In Orlando, both, vacation rental or traditional long-term renting can be very profitable if you buy the right property for your specific goals and budget; having a clear strategy especially on your first investment property is paramount. Only you can determine this based on your end goal, family needs, enjoyment desired and future plans.

Do your research on different types of properties, areas, the ongoing expenses, and any other factor that might be critical for you.

***Ask yourself, is enjoyment of the property for family vacation the main goal, the generation of rental income, or do you simply want a house that will grow in equity for when you're ready to sell? Or a combination of these?***

Be as candid as you can with your real estate agent in regards to your budget and goals, you might be surprised how a small difference in your budget can open up another level of properties or revealing your questions can lead you to gain understanding for better decisions and win from your first property and on.

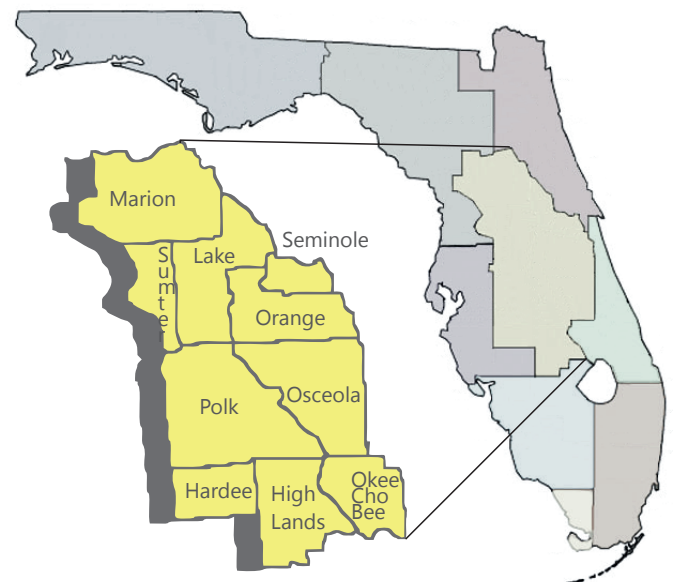
“ Real estate investing has created 90% of the world's millionaires. ”

## 02 KNOW CENTRAL FLORIDA (AKA ORLANDO)

Central Florida is one of Florida's three most common directional regions, the others being North Florida and South Florida.

This Central region includes the Orlando metropolitan area (Orange, Seminole, Lake, Osceola and Polk Counties).

The 5 counties provide the option to invest in any kind of residential properties you would like but Osceola is the county where you will predominantly find the best selection of vacation rental homes, followed by Polk County, while, Orange, Seminole and Lake county will offer you the greatest residential neighborhoods for traditional long-term rentals real estate investment.



### What are the type of residential properties you can buy in Central Florida?

#### SINGLE FAMILY HOME

(Detached House) Historically, SFH have had faster appreciation over attached residences. They also tend to bring higher rent and occupancy for short-term and long term rentals.



#### TOWNHOME

A home sharing a common wall with at least one property.



#### CONDO

Low Rise – typically 3 stories or less, and Mid Rise – usually 5 to 9 stories.



#### CONDO / HOTEL

In the vacation rental market you can also buy Condo/Hotel units which typically offer a centralized onsite property management, rental and guest services.





# 03

## KNOW CENTRAL FLORIDA'S COMPETITIVE EDGE.

With so many trendy areas in Orlando, if you are planning to rent for periods of 12 months or longer, you would want to decide to invest in a well established area with higher rental potential, or in an up-and-coming neighborhood for future appreciation; or perhaps in properties with a mix of these factors. Central Florida is one of the fastest growing regions in the United States in addition to being a world class tourist destination. There are plenty of other areas where you can invest in the booming real estate market. Established neighborhoods like Lake Nona (The Medical City), Windermere, Winter Garden, and Celebration have lot of investment options as do new communities being built to serve the ever-growing areas like NeoCity, and the Downtown Creative Village. The growth of Orlando is unstoppable, the area is a top location for entrepreneurs and there is more demand for properties, (the value of these continue to increase).

*If you have decided to expand your investment portfolio to include vacation rental properties, you've made a great first step. Of course, 75 + million tourists can't be wrong! Orlando is a premier destination for visitors from all over the world and increasingly they are choosing vacation homes as their preferred accommodation of choice over hotels. Orlando has many other advantages over most other vacation markets because of the beautiful weather the sunshine state has to offer. While other areas might have a tourist season, Orlando's weather makes all the wonderful attractions in Central Florida available year-round giving your more opportunities to rent out your home.*

*As an investor, there are so many resort communities to choose from too. Most of them offer plenty of luxury amenities in the community. With the ability to rent out your investment daily, weekly, or monthly; there are so many ways for your rental to succeed in the Orlando market.*



# 04

## LEARN ABOUT THE FINANCES OF OWNING AND INVESTMENT PROPERTY.



*At Viva Orlando we help clients with the research for realistic estimates of the costs for purchasing, managing, and running different types of properties. As well as estimates of the potential rental income you can expect from available properties.*

Budgeting for your real estate investment isn't just about what you have saved for purchasing the home. There will be constant expenses such as property taxes, Insurance, HOA (Homeowner's Association) & CDD (Community Development District) if applicable, house mortgage payment (if applicable).

There will also be Variable expenses and these will depend on how many weeks your home will be booked if you are renting short term; Or on the condition of the home and potential repairs needed if you are renting either short term or long term.

It is not uncommon for first time real estate investors to forget or underestimate these costs, or undervalue the cost associated with finding the right guests/tenant.

## 05 | SHOP SMART

Your dollar will go far in Orlando compared to other major U.S. cities. Real estate prices in central Florida are still incredibly affordable and interest rates—even for foreign investors—are at an all-time low! However, you don't want to fall for the first property you see simply because of the great low price. You want to find the best property available for the money you have; ideally you purchase a property that meets all of your needs and is just below your initial budget.

Shopping around and with the expertise of a realtor is the best decision you can make as an investor.



## 06 | REAL ESTATE INVESTING IS A BUSINESS.

Forgetting this can happen to anyone. However, once you have confirmed the investment makes sense from a financial point of view, we would like to remind you that you will need to learn to treat all your investment decisions as business decisions from beginning to end.

Emotions should not play a big role with investment properties. Even if you are buying a vacation home for your use but plan to rent to help offset your costs, there will be limited room for personal tastes unless you are a professional interior designer, you will need to follow the industry experts advice in regards to furnishing an decor. Be prepared for the wear and tear with multiple guests just like a hotel; in fact, the State of Florida issues a hotel license and the county where the home is located issues a business license.

## 07 | DEFINE WHAT SUCCESS LOOKS TO YOU.

Every buyer wants different things from their real estate. Some want to earn a sizable income from renting and build equity throughout the years. Others want to invest in a property that will serve themselves and their families for years to come, while earning income from Orlando vacationers while they're away. It doesn't matter what you want out of your home, all that matters is that you know what you want and can communicate that to your real estate agent so he/she can guide you to achieve your goal.

Three-and four-bedroom homes are the best rental property options in Orlando for building equity while earning a sizable rental income. However, if you are buying a vacation short-term rental, success should be measured on what you as the homeowner will enjoy the most. Perhaps you will want to choose a more luxurious property for your vacation and retirement home later on. Investor success is completely dependent on your individual goals and expectations..

## 08 | IF YOU'RE NOT A U.S. RESIDENT.

***Florida is a foreign-friendly place to invest in vacation and rental homes. The U.S. government has no restrictions on foreign investments in U.S. real estate. It is essentially a level playing field for both US citizens, U.S. resident aliens and foreign nationals; however there are three major rules you'll need to know before buying property in Orlando:***

- Financing is readily available to international buyers; however down payment requirements are higher (between 25% to 40%).
- The foreign investment in real property tax act FIRPTA requires the government to withhold a percentage of the proceeds to cover potential capital gains tax that might be due. The withholding rate on the capital gain amount realized is equal to 15% of the proceeds. The amount withheld is returned to the seller typically within 3 to 6 months.
- Foreign buyers must properly structure their real estate investments to avoid or hedge against the estate tax.



## 09

## UNDERSTAND THE PURCHASING AND CLOSING DOCUMENTS INVOLVE.

✓ **A Purchase and Sale Agreement or contract** is a legally binding contract signed by home buyers and sellers that confirms that they agree upon a certain purchase price, closing date, and other terms. It's an enforceable contract and it must be in writing.

✓ **Deed** - It's perhaps the best known closing document. The deed conveys ownership. A Warranty Deed is the most common form of deed used in residential transactions.

Almost everyone buying real estate purchases title insurance to protect their interest. A title insurance policy indemnifies the owner against financial loss from title defects, based on something that occurred prior to effective date of the policy.

✓ **Closing Disclosure** (also called a CD) - This document is an itemized list of all the costs associated with the purchase and sale of real estate. It's also the document you'll need when you go to file your taxes.

As well as other disclosures, riders or addendums; (some required by law), that might be needed based on the condition of the property, change on terms agreed or any other circumstance that may arise during the process.

## 10

## THERE'S ZERO COST TO BUYER TO HIRE A REALTOR! COMMISSION ARE PAID BY THE SELLER.

Work with a local agent who has relevant market knowledge and experience, and who can help you identify the best opportunities in Orlando. Ideally the agent should offer property management for rentals as well. They will be careful to help you choose the best option for your budget in regards to location, condition, and price.

Building that relationship is especially important if your agent will be managing the property while you're not in Orlando.

Having a knowledgeable realtor who will work for you is really invaluable.

Luckily we come at no additional charge to the overall cost of your new home

*Having a knowledgeable realtor who will work for you is really invaluable. Luckily we come at no additional charge to the overall cost of your new home.*



**VIVA ORLANDO**  
REALTY, INC.

We have a team of experienced realtors and property managers to make your first real estate investment a success.

**P:** 407.861.0000

**E:** myhome@vivaorlando.com

**A:** 720 Celebration Ave. Suite 170  
Celebration, FL 34747