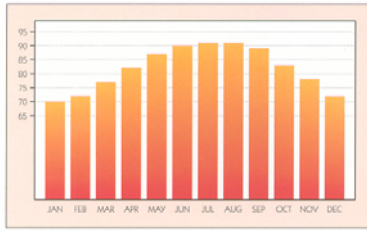
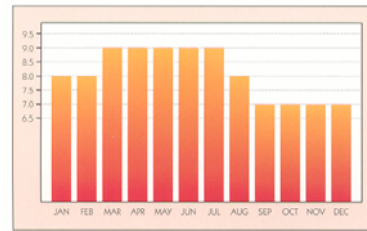


Average Daily Max. Temp. (°F)



Average Daily Sunshine Hours



WHY FLORIDA?

It's not surprising that Florida is known as the "Sunshine State". A quick look at the temperature and sunshine charts illustrates why Florida is so popular. Florida boasts thousands of miles of shoreline, some of the best beaches in the world, and a plethora of theme parks. Not only is Florida home to Disney World, but it has many other theme parks, including Sea World, Universal Studios and the Epcot Centre, to name just a few. In addition, Florida is a sportman's paradise, with its first class golf courses, fishing and tennis.

PROPERTY PRICES

Unsurprisingly, Florida has become an ideal location for a holiday home. Its property market is varied and relatively stable, with values increasing an average of 5% - 10% a year. A vast array of properties is available, ranging from individual family homes with own pool from approximately £80,000, to apartments, condominiums and townhouses with shared facilities for as little as £45,000.

Most non-resident purchasers acquiring Florida property for personal holidays and financial investment, aim to obtain the maximum amount of income from the letting of their home.

If buying a holiday home with a view to letting, it is important to understand the implication of the “zoning system” which operates in Florida. For example, in one zone short lets, such as weekly or monthly are permissible, whereas in another zone, only long term lets of 7 months or more are permitted, which would virtually rule out all holiday lettings.

BUYING A PROPERTY

Like the UK, the US building standards are highly controlled. This makes the US one of the safest countries in the world in which to buy a home.

Overseas Opportunities recommends to all their clients who are considering purchasing property overseas that they seek independent legal advice for their purchase. However, if required, we can provide a list of solicitors experienced in this field from which they can choose..

If you wish to purchase a property with a mortgage, then subject to qualification, it is a relatively simple matter. US mortgages typically are up to 80% of the purchase price, with repayments over 30 years, regardless of age. A number of different types of mortgages are available and again, we strongly recommend professional advice.

You can choose between a variable and fixed rate loan, although the most popular with overseas buyers is a loan which is capped on an annual basis, in intervals of the life of the loan. These are more commonly known as “ARMS” and they are normally available with capping options at 1, 3, 5 or 7 years.

US loans normally cover the repayment of principal property taxes, interest and hazard insurance and unlike the UK, do not carry any pre-payment penalties.

If you purchase a property with cash, then there is no requirement for pre-payment, and the closing costs are reduced.

If buying a new property under construction, you may need to make stage payments and your financial planning will need to take this into account.

TAX LIABILITIES

Taxation planning is a crucial part of any commitment and there are several aspects of which purchasers should be aware.

There is an annual property tax of between 1%-2% of the property's value (not the price paid). This is equivalent to our Council Tax and can be paid on a monthly basis. There is also a sales tax which is levied on rental income (currently 12%). This is equivalent to VAT. Rental earned by non residents is currently further taxed at 30% but for UK residents who are higher rate tax payers, there may be additional UK tax to pay.

Finally the implications of inheritance tax should be taken into account. Although there is currently no liability for UK residents to pay Inheritance Tax in the US, prospective purchasers are recommended to take professional advice.

RESIDENTIAL RESTRICTIONS

Citizens of most European countries, including the UK, do not need a visa for stays of less than 90 days in America, and provided you have a relevant permit, you can spend up to 6 months there in any one year.

USEFUL CONTACTS

American Embassy
Grosvenor Square, London W1A 1AE
Tel: 0207 499 9000
www.usembassy.org.uk

Visit Florida (Florida Tourist Office)
28 Eccleston Square, London SW1V 1NZ
www.flausa.com

USEFUL WEBSITES

www.lifeintheusa.com – includes information about immigration, citizenship, culture and finance for people interested in moving to the USA and those already there.

www.floridahomesandtravel.com – is a newsletter for people who own holiday homes in Florida. The newsletter costs £25 a year (10 issues) and a free sample newsletter is available.

www.floridabritsgroup.com – on online community for Brits who own properties in Florida.

FURTHER READING

Buying a Home in Florida by David Hampshire
Survival Books, ISBN: 1901130959