

6 KEY TIPS

FOR BUYING REAL ESTATE



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The Real Estate Agent or Realtor





Something that I would like to tell you...

Many people at some point have wished to become owners of a place where they can live or simply acquire a property they can use as an investment.

However, the process of buying a property is not always easy, so it is particularly important to have some knowledge at hand that will provide an advantage in the selection of the best property and even in the selection of a professional real estate agent to support you in this task.

This practical guide provides basic tips that could help you in the process of buying a real estate, there is no such thing as too much relevant information.

Tips I

Where should you buy?

It is important to know where to buy, the area and its benefits. However, to select the right location it is necessary to know the budget we have. As a Real Estate Agent, I can assist you in every step of the way during the selection of the area.

As a first point to take into account, it is essential to know what you want the property for: To live, to rent or as an investment?

PROPERTIES FOR INVESTMENT and PROPERTIES FOR RENT

If your thing is to invest and you want a property that will pay off, then we suggest you be flexible with the selection of the location. Your main motivation should be focused on the protection of your capital and how to make it grow. Choose your target market, that is, to whom you want to rent the property: students, new families, established families, singles, etc. Then select areas where such market is located. It is also important »

- » to take into account the statistics of changes in property prices in the area, to know if you could generate profits once you decide to sell it in the future.

MAIN HOME OR VACATION PROPERTY

It is important that the safety and comfort of your family be the main goal in this decision, so you should take into account the following variables before selecting the area where to buy:

- Schools and educational areas if you have children under 21 years of age.
 - The best school is the one closest to your home.
 - Distance from your work area.
 - Will I have pets? Will I have an office at home?
- Commercial areas.
- Recreation areas.

What do I want near my property?

How much space do I want? (Size of the property)

Would I be interested in a property that needs to be repaired?

How important is it for me that the property gains in value over time?.

Tips II

A mortgage loan? Cash payment? Both?

The payment method to use for the purchase of a property will depend on the amount of money you have available to invest, as well as your credit reputation. The budget you have will help you choose the area, the type of land and the dimensions of your new property.

There are mainly two methods of payment:

- Through a mortgage loan granted by a financial institution.
- Through a cash payment.
- If your option is to buy using the cash method, then you know what budget you have.

However, even with the money, it is always good to consider financing, which could help you buy a more valuable property. However, if you do not reside in the United States and want to buy a property here, there is the possibility of applying for a mortgage loan, with an initial payment that usually ranges between 25% and 50% of the total price of the property, and an average interest rate of between 5% and 7% for a 30-year term.

For people who are residents or are American citizens, these numbers change abruptly because they could buy a property only by providing »

Tips II

A mortgage loan? Cash payment? Both?

» an initial amount of approximately 9% and in many cases closing costs are included.

Once you are clear on the payment method you want to use, cash or loan or even cash and loan, then we can talk about the budget. This will allow you to determine the zones and types of properties to which you could have access.



Tips III

Purchasing a property through a company or under your own name

Your future taxes and liabilities may be affected if you buy your new property with a company or buy under your own name. An accountant or lawyer can help you select the best option. It is common to observe that the use of an LLC (limited liability company) is the most frequent due to:

- This protects the owner of possible lawsuits related to the property.
- Allows you to deduct the expenses generated by the property.
- It allows owners to avoid double taxation.
- Now, is it appropriate to create an LLC for each property?

If there are several properties purchased with a single LLC, one property could »





Tips III

Purchasing a property through a company or under your own name

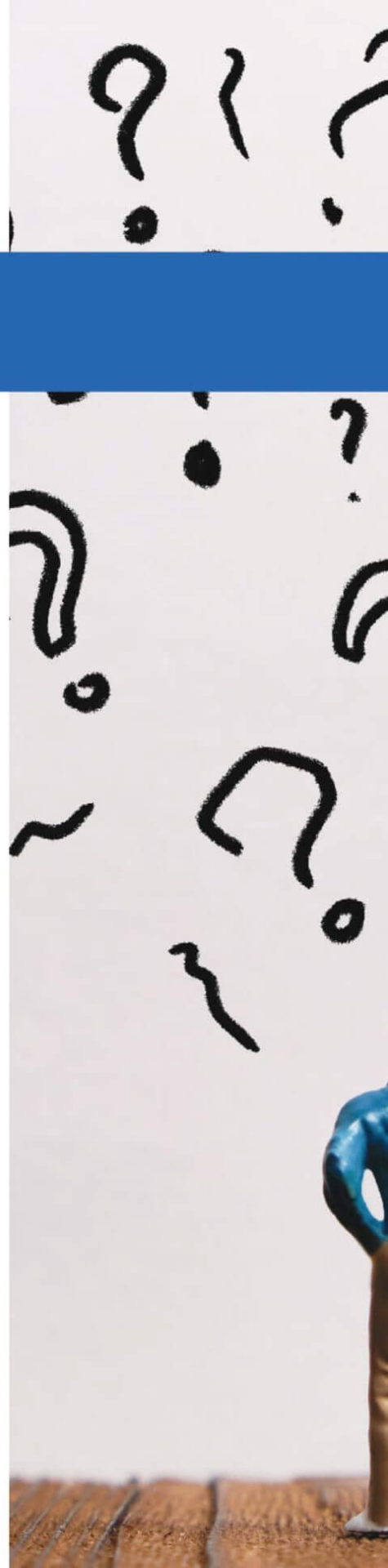
- » expose the others. The suggestion, decision and creation of an LLC type company does not present any difficulty, however, it is preferable that it be carried out by qualified personnel and it is not an activity that a Real Estate Agent is authorized to perform.

Tips IV

New property, used property or in pre-construction?

Among the possibilities for buying properties there are mainly the following:

- Properties that are not new.
- Properties that are brand new or less than 6 months after completion of construction.
- Properties in pre-construction or new developments.
- Properties that are not new.
- These are properties that were completed more than 6 months ago and the current owner wants to sell them. The prices of these properties are negotiable, in some cases they are properties in auction or with deterioration and in need of repair, but in other cases they are great opportunities. The price usually varies according to the market and its surroundings. »



» **Properties that are new**

These are usually understood as properties that are less than 6 months after their construction has been completed, and are in the process of being sold and have not been inhabited. The prices of these properties are negotiable, in some cases they are properties of projects that could not be sold completely in pre-construction or in plans, or are properties of people who decided to build them. The price usually varies according to the market and its surroundings.

Properties in pre-construction or new developments

There are large developers in the United States that are dedicated to the construction of real estate. These projects begin to be sold even before construction starts. In general, the longer it takes to finish construction, the better the purchase price will be. If you can wait, if you are in no rush, you could find good investment opportunities in this market. Ask your Real Estate Agent about these new developments.

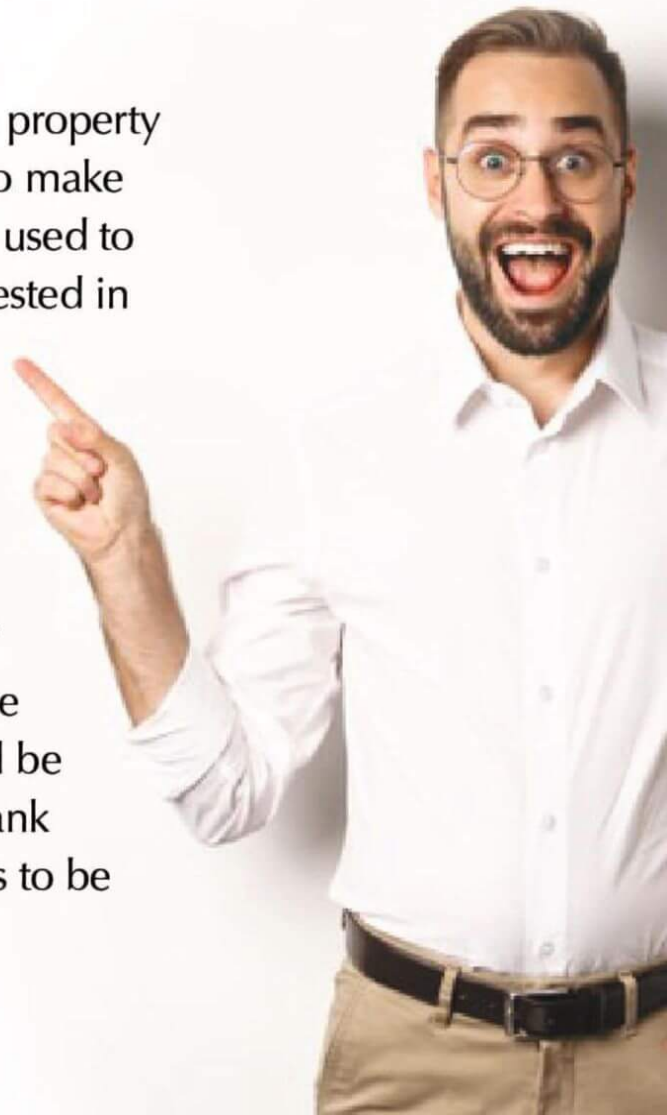
Tips V

Steps in the process of buying a property

Brief and simplified explanation of the property purchase process,

Step 1 The Offer

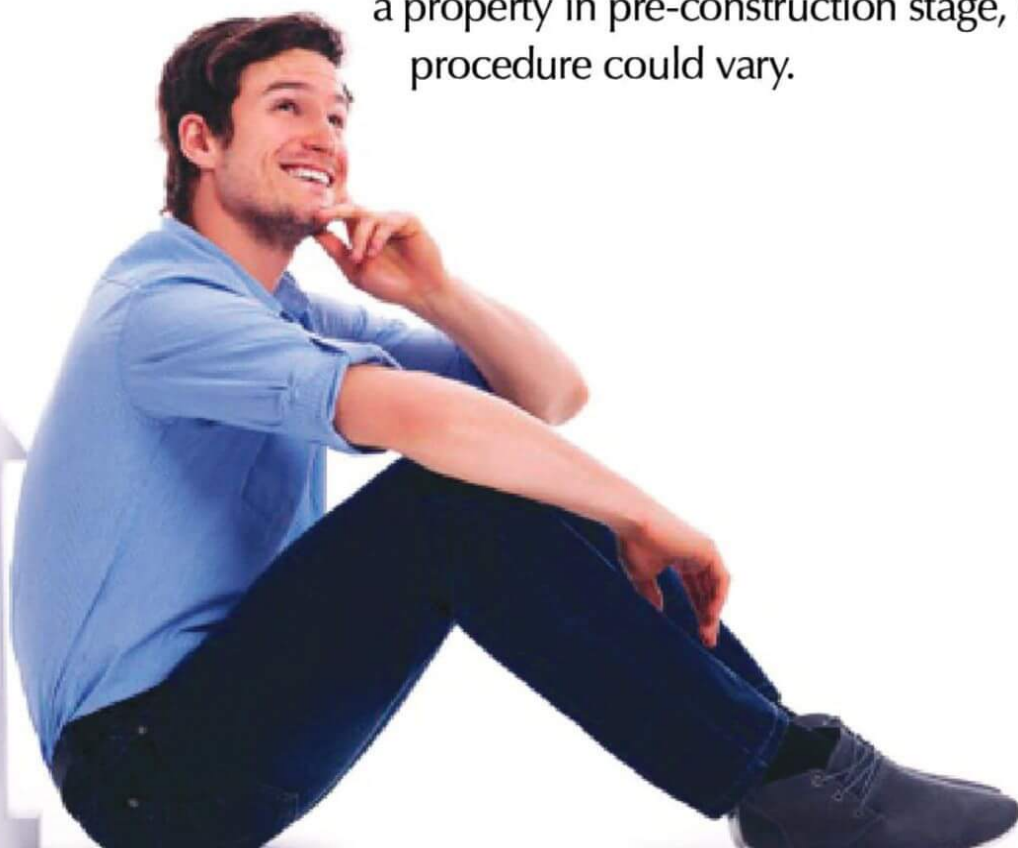
When you have already selected the property you wish to acquire, you will need to make an offer. This is the legal mechanism used to let the seller know that you are interested in buying the property and how much you are willing to pay. The Real Estate Agent is the person in charge of guiding you in the creation of this document. In this offer it must be included the letter of approval of the mortgage credit in the case that applies. If the purchase will be made in cash, you must include a bank statement corresponding to the funds to be used. »



» **Step 2**

Acceptance of the Offer

If the offer is accepted by the seller, a “Title House” will be instructed to create all pertinent documentation of the transfer of ownership. This is done by specialized lawyers. For this, the buyer must make a reservation of the property they wish to buy by paying a percentage of the amount, which usually ranges between 5% and 10% of the final amount of the offer. This money is placed in a security deposit (Escrow Money Deposit). If it is a property in pre-construction stage, the procedure could vary.



Tips V

Steps in the process of buying a property

» Step 3 The Closing

Once the lawyers thoroughly study the title of the property and determine that there are no additional encumbrances, a date will be determined for the signing of the sale contract. At the time of signing, the payment for the remaining amount will be delivered and the transfer of the title will be made to the new buyer.





Tips VI

The Real Estate Agent or REALTOR®

A Real Estate Agent or REALTOR® is an advisor that specializes in the buying and selling of residential and commercial property. He or she is a member of the National Association of REALTOR®, a professional association with more than one million members in the United States and more than 39,000 in the state of Florida.

The advice of a Real Estate Agent when buying a property is essential, because they know the financial, tax and legal environment of Real Estate. An experienced Agent will respond to questions from customers, in addition to having the knowledge, contacts and resources needed for the sales transaction to be successful. »



» Who pays the commission of the REALTOR®?

In a purchase or sale of a property, there are generally two Real Estate Agents involved, one who represents the seller and another who represents the buyer. Usually the person selling the property is responsible for paying a commission that is usually between 3% and 6% of the sale price, which means that the buyer does NOT have to pay the commission and should not worry about this. Payment of the commission of the REALTOR® is included in the work of the “House of Titles”.

Costs of the advice of a Real Estate Agent

When you buy a property from a Real Estate Agent, this has no cost. The only one who pays the commission is the party who sells the property.



The best time to start is now.

When buying or selling real estate in the United States, having a good Real Estate Agent is definitely the key to success. Combining exclusive and high-quality professional advice and treatments will help to make the process clear, simple, and with minimal risk.

Having a real estate agent who cares about your interests and offers great opportunities is an invaluable asset in times of investment. Acquiring real estate in the United States with the right advice is strategically important.

I hope this brochure has been helpful to you.