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SECURING YOUR SECOND HOME

Florida Vacation Homeowner's Checklist

Are you considering becoming an official Floridian? Perhaps you own a vacation home or second residence in the Sunshine State, but are still domiciled up north. If you've already invested or are considering purchasing real estate in Florida, please join us in a review of the important legal issues to consider.

Title Considerations

Every situation is different so it's imperative to carefully consider your personal situation. The most common means of holding property is through individual ownership or Tenants by the Entireties if you are married. Will the home be for personal use? Or do you plan to rent the property? The best course of action for each scenario is unique and will also result in very different risk management issues effecting potential higher insurance premiums.

Homestead Exemptions

Florida provides its residents with very generous homestead protections and exemptions, but also restricts the ability to transfer the homestead. If your new home will be your primary residence, all documentation evidencing Florida domicile must be dated on or before Dec. 31st. Once your new homestead is approved, the "Save Our Homes" exemption is another incentive that saves Floridians an enormous amount of money each year. The potentially complicated waters of transferring your homestead from another state are best navigated with a professional advisor.

Condo Commandos

Beware of dog – or many cases the community home owner's association (they do bite). Florida is notorious for overzealous HOA's, so it's important to read all the fine print about your new community before the closing date. Aside from fees for the upkeep of common areas, rules can range from parking restrictions to pets to the color of your mailbox. Failure to pay HOA dues can ultimately result in the association placing a lien on your property.

Home Watch Companies

If your Florida property is just a seasonal residence or vacation home, maintenance in your absence must be considered. Especially during hurricane season and humid summer months, finding a trusted and reliable home watch company is crucial.

Without oversight, small issues can become major problems very quickly. Avoid water damage, mold, unwanted bugs, other animals, and criminal activity by ensuring the proper oversight while you're away. In addition, we advise that you protect your home with a centrally monitored burglar and fire alarm. It's also recommended to add a water leak detection system (consider an appliance malfunction with water flowing for several days or possibly weeks before the issue is resolved).

Insurance

Flood, wind, hurricane, umbrella... it's a lot to think about. Don't leave yourself vulnerable to liabilities. Ron Lazarto, Client Advisor of Private Risk Services at Gulfshore Insurance advises, "There are many companies in Florida offering home insurance, but only a few hold AM Best financial stability ratings. Work with a financially sound company that will be able to pay claims after a bad hurricane season with several catastrophic events. Ensure that your secondary home is added to the umbrella policy. If your home is technically owned by a different entity such as a trust and/or LLC, this must also be listed on the policy as Additional Insured."

Fine Arts & Collectibles

If fine arts and/or other collectibles are stored in your second home, it's vital to have an emergency plan in place during hurricane season if a storm threatens the peninsula. Strategies could include having items moved to local storage in Cat-5 Buildings (structures built to Miami-Dade Code). The same applies for boats and yachts moored behind the home on a boat dock/lift. There must be a contingency plan in place to protect these valuable assets.

Visit www.probate-florida.com to read more about this subject and other estate planning matters.

Ed Wollman is a Florida Bar Board certified Attorney specializing in wills, trusts, and estates with over 26 years of experience practicing in the state of Florida.

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