

Buying and Selling a Home in The Villages®



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Introduction

I have met and worked with 100s of clients and potential clients, I seem to get same questions repeatedly, so I thought I would develop this guide to help you understand the unique Villages® market, concepts and process specific to Florida, and general knowledge about the entire real estate transaction process. The guide will take you from determining if The Villages® is the right choice for you, to understand the bond, taxes, home valuations, how to make a winning offer, inspections, understanding closing costs, all the way to picking up your gate passes and getting a driver's license, and so much more. The guide is predominately focused on **the resale market** in The Villages®. If you would like more information on buying a **new** house, you can contract a Villages® sales office directly, please see important numbers near the end of the document. Here are the concepts and questions we will cover:

- Is The Villages the right community for your lifestyle?
- This market is complicated by two distinct sales forces and markets. Should you work with a Realtor® or a Villages® sales representative?
- Pricing seems inconsistent from one home to the next. Why does one Gardenia sell for \$350,000 but the one across the street is \$560,000?
- How do you price your home for sale, or how do you know if you are getting a good deal with purchasing a home?
- There are different taxes and fees structures than most markets – what are the bond and CDD?
- There are distinct seasons in The Villages, do you try to sell during the summer or wait for the snowbirds to return? How does seasonality affect the market, pricing, and time on the market?
- If you are moving to The Villages for the first time, what is the cost of living here?
- How to make a winning offer that will be accepted.
- What can you expect for closing costs whether buying or selling a home?
- Who do you call for utilities?
- How will home improvements affect the price of a home?
- How do I become a Florida Resident?
- What is the Homestead Exemption?
- And more!

Disclaimer: This information is presented to the best of my knowledge and research. I did consult with some experts, but I am not a lawyer, accountant, loan officer, or a title officer – there is no legal or tax advice in this document. If you see errors, have suggestions, or would like to see additional topics covered, feel free to contact me.

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Table of Contents

.....	1
Introduction	3
Is The Villages® the right choice for you?	6
Stonecrest	7
Spruce Creek	7
Lakeside Landings.....	7
Cost of Living in The Villages®	8
Two Real Estate Markets in The Villages®	9
Buying a New Home	9
Buying a Resale Home	9
Listing Your Home for Sale	9
For Sale By Owner (FSBO)	10
State of the Real Estate Market (Updated October 2020).....	12
GEOGRAPHICAL/STATISTICAL VIEW OF THE VILLAGES®	13
Pricing – Comparative Market Analysis	18
Features That Impact Pricing	19
Staging vs. Decorating.....	22
The Bond, CDD Maintenance fee, Amenity Fee, Property Taxes.....	25
Property Taxes	26
Homestead Exemption.....	26
Making a Winning Offer	28
Home insurance and Roof Issues	31
Inspections	32
Closing Costs and Immediate Actions After Closing	33
Seller Closing Costs–.....	33
Buyer Closing Cost.....	33
What to do after closing.....	34
Driver’s License	34
Important Numbers	36
What I Bring to the Table for You!	37
Reviews	37
Conclusion	39

Is The Villages® the right choice for you?

There is no doubt about it, The Villages® is an exciting place to live, but you pay a major premium to live within The Villages®. See table on the next page where that compares prices homes with the neighboring communities. These other communities have pools, pickleball courts, tennis courts, activity clubs, some have golf courses, and most of them have recreation centers as well. So, what sets The Villages apart? The main difference can be summed up with two words – Active Lifestyle. While the other communities have the amenities, Villagers are much more active. Everything in The Villages® is accessible by golf



cart, which makes enjoying the amenities that much more convenient. Some of the surrounding communities do have golf cart access to The Villages®, but you may have to travel 10-20 minutes before you enter The Villages® proper. The other advantage is that Villagers tend to be more outgoing and there seems to be more community spirit or socializing. When I list a home and talk to the homeowner about their house, often the conversations turn to the neighborhood and how social and supportive their area/neighbors are, more so than the other areas in The Villages. It's like asking a college student what is the best school in the country, which school has the best spirit? The answer always is the school they attend. The socializing and community support are not functions of the area of The Villages® you decide to live in, they are characteristic of The Villages® in its entirety. Lastly, the aesthetic beauty of The Villages® just can not be beat, none of the surrounding communities, or most any community can compete with the beauty of The Villages® Active lifestyle, accessibility, community spirit, activities, beauty....the list goes on.

The two questions to ask - how social are you and how active are you? If you tend to be a homebody who gets out every so often, the surrounding communities may be a better fit. However, if you want to get out to the town squares every night, play golf regularly, participate club type activities, enjoy a robust social life, and live in beauty then The Villages® is the choice.

This table shows the difference in price per square foot as an overall average of homes listed for sale, pending, and recently sold homes between The Villages® and some of the neighboring communities. The table shows different size homes average square foot price. Also, notice that I made a distinction with The Villages® between homes north of 466 and south of it. I did not include the Orange Blossom section of The Villages®.

Square Feet	Villages South of HWY 466	Villages North of HWY 466	Stonecrest	Landside Landings	Spruce Creek South
1300-1800	\$191	\$172	\$142	\$145	\$106
1801-2000	\$201	\$187	\$132	\$151	\$103
2001-2500	\$212	\$207	\$142	\$155	-
Average	\$201	\$189	\$139	\$150	\$105
Difference - Percentage			27%	20%	45%

To be thorough, I am including a high-level overview of the nearby communities that are highlighted in the table above. And, to be fair these communities are maybe 5% of the total market in the area – combined. The size and the scope of The Villages® is hard to comprehend. These communities are nearby subdivisions, The Villages® is a city made up of 186 Villages each with 10-12 units (neighborhoods), and each Village is probably the size of these communities – more on this in the next section, Overview of The Villages® Geography.

Stonecrest

Stonecrest is a 55+ community located off HWY 44. It has golf cart access to The Villages® but requires you to travel on some shopping access roads. Homeowners here live close to the main shopping and restaurant areas. Stonecrest features plenty of amenities that will entertain residents in the community – a 7,000 square-foot clubhouse, a resort-style pool and spa, spacious patio, two bocce ball courts, eight pickleball courts, six shuffleboard courts, two tennis courts, two horseshoe pits, a softball field, and a pavilion.

The Stonecrest Country Club is a great facility for golfers. It has a golf pro shop, on-site restaurant, driving range, and practice putting green. The semi-private 18-hole championship and 9-hole executive par 3 courses are great for players at any skill level.

Spruce Creek

Spruce Creek South, also located off highway 441, is a private 55+ active adult community. Located just off US-441/US-27. While Spruce Creek does have access via golf cart to The Villages it may take 20 minutes to reach the Spanish Springs area. It has a golf club which includes a small pro shop and a casual dining restaurant called “The Links,” where residents can enjoy breakfast, lunch, and dinner.

Golf is not the only outdoor activity at Spruce Creek South. Residents can enjoy some friendly competition at the onsite volleyball, bocce, pickleball, basketball, and tennis courts. Afterward, they can rest and relax at the large, heated outdoor pool and spa.

Lakeside Landings

Located off county road 472, Lakeside has very convenient golf cart access to The Villages®. Lakeside Landing is not a 55+ community, but more than 50% of the people living there are retirement-aged. It has a resort-style pool, pickleball, fishing, and tennis. It has a large recreational center with a work-out facility, pool table, ping pong, and a large room for large events. The community does not have a golf course. There are many levels of homes – from 2-story town homes to homes that have very similar floor plans to the designer homes in The Villages®.

Cost of Living in The Villages®

Even though home costs tend to be more expensive in The Villages®, the cost of living is typically lower. You have all your entertainment needs met, getting around by golf cart is very inexpensive, and you don't have large HOA fees. Monthly costs will vary considerably depending on the size of the home and its usage as well as the type and size of the home site it occupies. So, rather than provide a static number for an average case, you can email me at davemontysales@gmail.com for a copy of a cost of living calculator (it requires Microsoft® Excel to run). However, if you are on the lower end of the budget, let's show an example of the minimum it could cost to live here. You can see under YOUR INPUT I chose these parameters – Sumter County, no homestead exemption, there is a bond, a home value of \$250,000, home size between 1500-1800 sqft and no home loan. I have attempted to be as accurate as possible with this calculator by calculating taxes using county tax rates, adjusting utilities for size of the home, and allowing you to put in your own parameters like food, healthcare, car, etc. expenses.

YOUR INPUT	
County	SUMTER
Homestead	NO
Bond Paid	NO
Home Value	250,000
Heated Square Feet	1801-2100
Home Loan (YES or NO)	NO
Down Payment	\$150,000
Interest Rate	3.00%
Number of Years	30

Monthly P&I, PMI, Tax, Insurance:	NA
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Self Inputed Items	
Car Expenses (Loan, Ins. Gas)	
Healthcare Costs	
Food	
Entertainment	

MONTHLY EXPENSES	
House Loan	\$0
Home Insurance	\$100
Private Mortgage Ins. (PMI)	\$0
Amenities Fee	\$162
Sewer	\$31
Water	\$60
High Speed Internet	\$95
Gas/Electric	\$188
Trash Collection	\$20
Basic Cable Television	\$65
Lawn Care	\$75
Pest Control	\$75
Ad Valorem Taxes	\$220
Non-Ad Valorem Taxes	\$185
Car Expenses (Loan, Ins. Gas)	\$0
Healthcare Costs	\$0
Food	\$0
Entertainment	\$0
	\$0
	\$0
	\$0
Total Montly	\$1,275

- ✓ Items like cable, lawn care, pest control, etc are estimates
- ✓ Basic Cable - Does not include movie Channels
- ✓ Ad Valorem Taxes are taxes based on the assessed value of your home. This calculator uses 85% of the home value you entered - County, City and School taxes mainly
- ✓ Non-Ad Valorem Taxes - Flat rate taxes, included in this value is the estimated monthly bond payment, community development district (CDD) maintenance fee, and typically fire and rescue services.

If you have Microsoft® Excel, you can email me for a copy of this calculator. If you do not have Excel, you can email me the parameters asked for under YOUR INPUT and I can send you a printed output.

Two Real Estate Markets in The Villages®

In every other market in the US, you can work with one agent to find a home. If you wish to sell, you have two main options, list your home with a Realtor® or sell it on your own. In The Villages® it is more complicated than that, the developer in The Villages® has its own sales force which creates confusion for the home buyer or seller. They will lead you to believe that only they can sell any home in The Villages®, this is just not true, you do have better options. Here is the truth. If you would like to buy a **new home**, your only option is to work directly with The Villages®. However, if you want to sell your home or buy a resale home you definitely should engage with a Realtor®.

Buying a New Home – When buying a **new home** you must go through The Villages® Sales office. While I believe they take care of their clients, they do not allow you to have a Realtor® to represent your interests as a buyer. If you are looking for a new home, your search will be limited to the Fenney area. The advantages of the area include new homes, a younger retiree crowd, some unique amenities like an 18-hole natural grass mini-golf course, and the best walking trail in The Villages. Recently, the developer constructed a bridge over The Florida Turnpike to connect the sections of the Fenney area, but it is not open yet. And, more recently they opened one of the two bridges over HWY 44. The Villages of Chitty Chatty and Bradford now have access to the main part of The Villages and access to the Town Squares, Championship (18-hole) golf courses, more shopping, more recreational centers, and dining choices. If a **NEW HOME** in Fenney is the right choice for you, The Villages® sales office is located 5 miles south of HWY 44 down Warm Springs Road (extension from Morse Blvd).



Throughout this document I will refer to the Fenney area – development south of HWY 44. You can see it on the map on page XXXXXX. Fenney is actually only one Village, but since it was the first in the area, most people call it the Fenney area. So far, there are actually 5 Villages south of HWY 44.

Buying a Resale Home – The Fenney area does not appeal to everyone, so the main regions of The Villages® remain a very popular choice for current residents and new retirees moving into the area. If you would like to live in the main section of The Villages®, your only option is to look at resale homes and this is where the market gets a bit more complicated. Homeowners have the option to list their home for sale with The Villages® or with a traditional Realtor®. These two markets do not mix at all. The developer sales representative can not sell any properties from the MLS as they are not Realtors®. And the reverse is true, as a Realtor®, I can not sell a home listed with The Villages®. In order to simplify looking for a home for my clients, I have worked out a solution. While I can not sell you a Villages' resale home, if we find a home that you would like to see from the VLS, we can do so. If you decide to buy a VLS listed home, I have a few Villages' Agents who I can smoothly transition you to for the actual sale. This will **greatly simplify** your experience of looking for a home as you will no longer have to coordinate your showing schedules with a Realtor® and a salesperson.



OR

Listing Your Home for Sale – If you want to sell your home, who should you list with? What are the advantages and disadvantages of listing your home with either party, and what is the wise choice for you? I am a Realtor®, so my obvious bias is to list with a Realtor®, but is this the wise choice? After you read some of the advantages, I will prove to you that it is the only choice.

Let's start with the fact that The Villages® has a very strict contract and they do not deviate from their terms.

1. They will never back down off of their commission rate. So, if your budget does not allow for high commissions you may have better luck with a Realtor®.

2. The contract is either impossible to get out of, or if you do, it is expensive. Their cancellation clause starts with a fine of \$2000 and goes up the longer your home is on the market. If you don't like your sales representative, you are stuck for the term of the contract. The Villages® contract is always 6 months in duration, recently in competitive situations we have seen some short contract lengths. You can not list with anyone else until that contract ends, even if you terminate and pay the fees. Well technically that is wrong, you can list with a Realtor®, but if the home closes within the timeframe of the original Villages' contract, they are owed full commission.



3. The Villages® Agents are paid large cash bonuses to hit newly constructed home sales quotas. This matters to the sellers of resale homes because The Villages® have 60,000 new homes zoned south of HWY 44. The ideal situation for a Villages' salesperson is that your home stays on the market a bit longer so they can meet more buyers at open houses. They hope to find buyers, not just for your listed home, but ideally to sell them a new home. On the flip side of this, if a Realtor® lists your home they make more money if they also sell your home at an open house, or with any buyer they bring to the table. If we sell to that buyer we do not have to split the commission with a buyer's agent. We are incented not only to list your home but find you a buyer.

4. How do people first start their search for a new home? 93% of all clients start their search online. If you list with a Realtor® your home is pushed to over 100 real estate sites – Zillow, Trulia, Redfin, Remax.com, etc., but if you list with The Villages®, you are only visible on their website, VLS. This is fine if you are only trying to attract existing Villagers, but a large percentage to resale homes are sold to first-time, out-of-state buyers who start their search online.

Those are just some of the reasons to work with a Realtor® vs. the developer, but I promised you proof that choosing a Realtor® is the choice. The educated consumers of any given service will give you the true measure of the best value based on who they choose. The concentration of listings by Realtors vs. The Villages®'s salespeople shifts as you move within the Villages® proper. Where the new homes are being sold, in the Fenney area, the resale market is also dominated by The Villages®. New Villagers are typically introduced to the area by looking at new homes, and their experience is with The Villages® sales office. Sales agents for The Villages® imply through the new home sales process that only they can sell homes in The Villages® (they are the only ones who can sell NEW homes). New Villagers don't realize they have a choice when they list their home for the first time, so they default to The Villages®. However, as you go north toward Brownwood the concentration of listings change to closer to 50-50, Realtors vs. Villages, as you go north of 466, it's predominately Realtors. Over the years the experienced consumers have shifted away from The Villages® sales office to almost exclusively Realtors® to sell their homes. **Educated sellers choose a Realtor®.**

For Sale By Owner (FSBO) is the third option. While FSBO's are becoming more popular, only about 15% of them are successful. It MIGHT save you money,



but the hassle factor can be huge, and often homeowners can make expensive mistakes. On a personal note, I spent most of my adult career as an IT executive, and I never really understood the true value of a Realtor®. Now that I am living the experience, I can tell you that a large percentage of deals would not go through if it wasn't for a Realtor's® involvement. Selling and buying a home is an emotional experience and often a Realtor® is needed to calm emotions and help sellers and buyers arrive at logical decisions.

Every agent has a different philosophy with FSBOs. I have worked with many FSBO sellers in many different capacities. Rather than convince sellers to list, I ask what help do you need? I have provided simple guidance, helped with staging, market analysis to determine home values, and I have helped sellers with the transactional aspects of the sale. Also, once you list a home as an FSBO you will get inundated with calls from Realtors to list your home, I have a way to list it as a FSBO, where this will not happen. If you want to learn more about some unique approaches I take with FSBOs, let me know and I can share a separate document.

Here is a summary of who you should deal with depending on your real estate needs:

Your Need	Realtor®		Villages Salesperson
Selling Your Home	✓	or	✓
Buying a Resale Home	✓	and	✓
Buying a NEW Home			✓
For Sale by Owner	✓		

State of the Real Estate Market (Updated October 2020)

Before we dive into the specific area within The Villages®, let's look at the overall health of the Real Estate Market here. Does it make financial sense to buy a home here, or invest here? The simple answer is a resounding yes. As you step into retirement you shift your portfolio to mitigate risk. That is the same as buying in real estate in The Villages®. If there is a safe place to spend money on real estate it is here. Even in the housing crash of 2008 home values were preserved here more so than most locations in the country. The average decline in home values across the US was approximately 30%, in the Villages® it was only 15%. Why is this the case? A major contributing factor is the demographic of The Villager resident – baby boomer retirees. The baby boomer generation is the largest segment of the country's population, they are retiring, and buying retirement homes. So, there is a large consumer bubble keeping demand high. Since this area is mainly retirees whose income is not tied to working income, larger economic downturns do not affect this area as much. Portfolios are impacted by stock market fluctuations but most retirement portfolios are more balanced to smooth out these fluctuations. Lastly, the developer can control pricing somewhat. Real estate is all about supply and demand. A developer as large as The Villages® who dominates the new housing market in the area can control supply, during down times they can throttle back their production of new homes to keep inventories lower, therefore, maintaining pricing levels. They also can protect home values by bundling for their clients. During the housing crash in 2008, rather than lower the prices of their homes significantly, they would give new homeowners credits towards new furniture or golf carts.

Investment real estate in The Villages® is driven by the rental market which is strong most of the year and amazing during peak season. Rentals from January through April are sold out up to a year in advance at premium rental rates.

Has COVID-19 affected the market here? Yes, it has, but positively, the YTD (through September 2020) number of homes sold and the average price of homes sold are both up by about 5%. Inventory levels determine if we are in a strong buyer's or seller's market. The metric often used is months of inventory – at the current pace of sales, how long would it take to deplete the existing inventory of homes. A balanced market is 6 months of inventory. The Villages® over the last 3-4 years months of inventory has been hovering around 3. It is a very strong seller's market. I believe the market numbers would be even stronger with more inventory. I know it has been difficult for buyers to find homes at the higher end of the market.

Anecdotally, what we are witnessing in buyer/seller motivation also aligns with a strong market. While we are hearing some people wanting to move closer to their kids and grandkids, this effect is greatly offset by two other behaviors. People deciding to take early retirement packages and people wanting to move here permanently. There are many snowbirds (homeowners who travel with the seasons between their home up north their home here) are selling their northern homes and Villages® homes and upgrading to something larger.

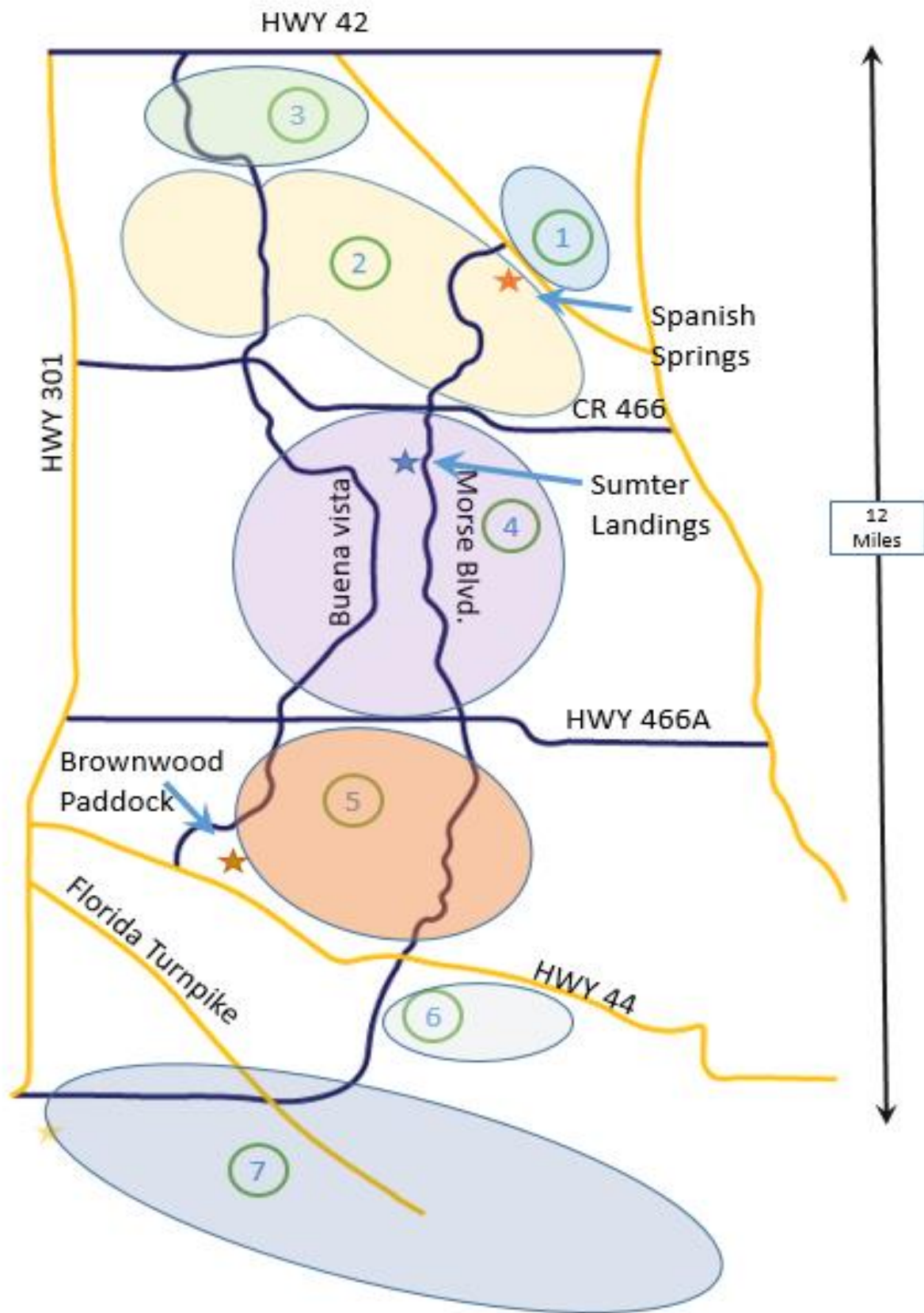
It is still a very strong market!

GEOGRAPHICAL/STATISTICAL VIEW OF THE VILLAGES®

In this section, we will cover details about each main area of The Villages. The goal is to give you an understanding of each area – general knowledge, look and feel, proximity to amenities, and relative costs of homes. MANY OF THE STATEMENTS ARE GENERALITIES in this section, there are always exceptions. I state this in another section, there are no bad locations in The Villages. All locations are within minutes from shopping and at least one town square, except maybe the Fenney area where you may have to drive a bit to get to most amenities. “All locations have the best, friendliest, and supportive neighbors,” I say this as a very high-level statement, not all locations can be the best. But, when talking to most Villagers that’s what you hear – our neighborhood is so supportive and friendly. The analogy is like asking a college kid what is the best school. Off course, it’s the school they go to.

Prior to discussing the individual areas of The Villages® here are some high-level stats and observations. The Villages’ name is plural because the community is made up of several Villages, approximately 186. Each Village is broken up into neighborhoods called units. Each unit is comprised of like type homes – villas, designers, and premiers. There are approximately 60,000 homes in The Villages today and approximately another 60,000 zoned for development over the next 15-20 years. The Villages® was developed north to south and the resale home prices increase the further south you go, and the homes get newer. In general, as you go south there are more rec centers and golf courses per capita. The Villages has 12 Championship Golf courses with 34 9-hole “sides” as most have 3 9-hole courses. On top of that, there are an additional 35 9-hole, mainly par three courses. There are approximately 90 recreation centers. 3 Town Squares – Spanish Springs, Sumter Landing, and Brownwood Paddock. There are walking trails and approximately 100 miles of multi-modal trails – golf cart/bike/walking. You can get to anywhere in The Villages by golf cart – practically distance may prevent some trips. More details on that below.

I am going to describe the areas designated on the map from the previous page. As far as relative cost, we use per square foot costs of homes that are not on the water or a golf course. Since there is a higher percentage of homes on golf courses and water in the Sumter and Brownwood areas, the average price per square foot was impacted quite a bit, so it made sense to take those homes out of the equation. You can follow along on the map here we go:



Orange Blossom is West of HWY 441

Map Section: 1

County: Lake County

Years of Construction: 1975-1991

Average cost per square foot: \$131/sqft

Types of Homes: Mainly manufactured homes, recently there has been tear down activity and designer type homes being built on some lots.

Realistic Town Square Golf Cart Access: Spanish Springs, Sumter Landing

Market: Homes are resale only, with no new construction.

Overview: The area called Orange Blossom is where The Villages® started. Howard Schwartz, the first developer/founder of The Villages®, purchased a manufactured home, golf course community with the vision of making it a retirement destination.

Advantages: No Bonds. One of the best locations in The Villages, a very nice golf course, great views, resorts style pool at the clubhouse, a very low price point of entry – low cost of homes with the same lifestyle as anyone else. It is situated right on HWY 441, so it is extremely close to shopping and restaurants. Great for investors and flippers. Flippers like it because the homes affordable and very easy to work on since the homes are not on a cement slab. Also, clients are starting to buy a home/plot, tear down the manufactured home, and building designer style homes in this area.

Disadvantages: Limit selection of home styles, mainly manufactured homes. The homes are over 20 years old. The Brownwood Paddock Square maybe a bit far by golf cart – approximately 45-50 minutes.

Spanish Springs, Villages North – East of HWY 441, north of CR466.

Map Sections: 2 and 3

County: Section 2 is in Sumter County, Section 3 is in Marion County

Years of Construction: 1991-2003

Average cost per square foot: \$181/sqft

Types of Homes: Designer, Patio Villa, Courtyard Villa

Realistic Town Square Golf Cart Access: Spanish Springs, Sumter Landing

Market: Homes are resale only, with no new construction.

Overview: The first real expansion of The Villages in the “format” that we see throughout the Villages today. Increased amenities – more pools, golf courses (executive and championship), and recreation centers

Advantages: Lower bond values if not already paid off. This area is sandwiched between the two major shopping and restaurant roads – HWY 441 and CR466. More home choices, mature landscaping, and for single-family homes this area is the least expensive in The Villages. Flippers love this area since the homes are still relatively new, less expensive, and with some modern upgrades, it is easy to add profit or equity.

Disadvantages: There are some older style floor plans, lower popcorn ceilings. However, many homes are being renovated so you can find great deals with an upgraded look. The homes are between 15-20 years old, with 15-20 year old roofs. If you are looking to buy in this area, it may be difficult to get homeowner's insurance (or it is very expensive) due to the older roofs. See the section about insurance and roof issues to learn more about the challenge and workarounds. Again, Brownwood may be a bit far by golf cart, depending on how north you live in this section.

Sumter Landings, Central Villages. South of CR 466 and north of CR 466A in

Map Section: 4

County: Sumter

Years of Construction: 2003-2010

Average cost per square foot: \$198/sqft

Types of Homes: Premier, Designer, Patio Villa, Courtyard Villa

Realistic Town Square Golf Cart Access: Sumter Landings, Brownwood Paddock, Spanish Springs

Market: Homes are resale only, with no new construction.

Overview: The Villages® expanded the number of models, brought in more open floor plans, introduced larger premier homes. You start to see many more homes with golf cart garages. The number of pools, rec centers, and golf courses also have a major uptick. The landscaping is maturing.

Advantages: Most people consider Sumter Landing to be their favorite town square area, but with its central location all the town squares are easily accessible. As always the location is great, but a few more minutes from shopping areas on HWY 441. It does border CR 466 with many stores and restaurants, and CR 466A where there has been a large increase in commercial development. Homes start to have more modern finishes and the floor plans become a bit more open/modern.

Disadvantages: There are not too many disadvantages in this section. Maybe landscaping is not quite as mature and the homes are about 10-15% more expensive than north of CR 466.

Brownwood, Southern (of Main Villages) South of CR 466A and north of HWY 42 in

Map Section: 5

County: Sumter

Years of Construction: 2011-2018

Average cost per square foot: \$210/sqft

Types of Homes: Premier, Designer, Patio Villa, Courtyard Villa, apartments coming soon!

Realistic Town Square Golf Cart Access: Sumter Landing, Spanish Springs, Brownwood Paddock

Market: Homes are resale only, with no new construction.

Overview: Brownwood area boasts the newest homes in the main section of The Villages®.

Advantages: The advantages are very similar to the Sumter area above. New homes, a great number of pools, golf courses, and rec centers. Currently, it is the most southern point of the main Villages®, however, once the bridges to the Fenney area are completed Brownwood will be the central part of The Villages®. Most convenient to HWY 75 and the Florida Turnpike.

Disadvantages: Not as mature landscaping, a bit further from the main HWY 441 shopping areas, however with new commercial construction on CR 466A and pending commercial development on HWY 42, this issue should be temporary. While the entire main body of The Villages® is golf cart accessible, Spanish Springs Town Square may be a bit far by golf cart.

Fenney Area/South of HWY 44. While Fenney is just one Village of the current five Villages south of HWY 44, it is still referred to as the Fenney area. The most southern point of The Villages® South of HWY 44 and near the Florida Turnpike.

Map Section: 6 & 7

County: Sumter

Years of Construction: 2017-2020

Average cost per square foot: \$185/sqft

Types of Homes: Premier, Designer, Patio Villa, Courtyard Villa

Realistic Town Square Golf Cart Access: Brownwood Paddock (Currently on Villages of Bradford and Chitty Chitty have access to main part of the Villages)

Market: New or resale homes.

Overview: This the latest phase(s) of new construction in The Villages®. Currently, it is not connected to the main body of The Villages®, however, this is a temporary issue as the golf cart bridges should be open by the end of 2020.

Advantages: New Construction! Very modern fixtures and floor plans. Future plans for a Riverwalk type area and medical facilities (years away, no definite timeline yet). Some unique amenities like a natural grass 18-hole miniature golf course. Currently, there is no town square, but there is an outdoor eating area with food trucks that people enjoy as there is live music in a tree-canopied park setting. As of October 2020, the first golf cart bridge, Chitty Chatty Bridge, now connects the Villages of Bradford and Chitty Chatty to the main section of the Villages. From the bridge, it is approximately 25 minutes to Brownwood.

Disadvantages: Not as mature landscaping. While this may seem like an opinion, when you drive around the area it seems as if the developer has lowered their budget for landscaping for homes. You only see tropical plants and palm trees in common areas, unless the homeowners has upgraded themselves. The area is 20 minutes by car from the main HWY 441 shopping areas, however, with new commercial construction on CR 466A and pending commercial development on HWY 44, this issue should be temporary. Only one par-3 golf course and no town square. Spanish Springs and Sumter Landings may be too far by golf cart for most, 40 minutes to Sumter Landing, and 1 hour to Spanish Springs. The Villages south of the Florida Turnpike still are waiting for golf cart access to the rest of the community. There can be some car noise from the Florida Turnpike.

Pricing – Comparative Market Analysis

Pricing your home correctly is crucial. Just 5% off in either direction can be the difference between success and failure. 5% too high and you may not get any showings, 5% too low and you may leave a lot of money on the table. While you can adjust the pricing after it's been on the market, the highest traffic a listing sees from other agents and people who are searching online is when it first hits the market. Often buyers set a price range for automatic searches and they are alerted when a new listing hits that range. If you miss that range, they may never see it. Even if you lower the price, their search may be set to only show new listings.

The challenge is that valuating a home is subjective at best. The saying goes, "How much is the house worth, what someone is willing to pay for it." However, since The Villages® is pretty homogenous, putting a value on a home is not as difficult. When you develop a price for a home, you compare prices to similar homes, in similar locations, with similar features, and they are either active on the market, pending or sold recently. Ideally, you want to use as many homes as possible for comparisons to get an accurate price. However, as an example, I will use one home to generate a price for the home I would like to list. The house next door is the identical model that just sold for \$300,000. It is in the same location, it has a closed-in Lanai, while the listing home does not, but the listing home has a golf car garage and the comp home does not. You always adjust the price to the compared home, add value to the house when it is lacking a feature that is on the listing home, and subtract value when the comp has a feature the listing home does not. In this case, the house just sold for \$300,000, make no change for location, add \$15,000 for a golf cart garage, but subtract off the value of the lanai, \$10,000. In this example, you could list the home for \$305,000. Again this very simplistic, we only looked at a few features and only used one home for this comparison.

	Subject Property	Comparable Property		
	Features	Features	Action	Price Change
Starting Price				\$300,000
Square Foot	1950	1950	No Change	\$0
Number of Beds	3	3	No Change	\$0
Golf Cart Garage	YES	NO	Add to Comp	\$15,000
View/Lot	Interior	Interior	No Change	\$0
Lanai/Pool/Spa	Enclosed L.	Not Enclosed	Subtract From	-\$10,000
List Price of Subject Property				\$305,000

Again, this is a simplistic view, only using a few variables and only one comparable property. I typically will use 10-30 properties and factor many other variables. This process will yield a range of potential prices for the home. The tighter the price range after the adjustments, the more confident you can be in the pricing. Your agent should present the range of prices and discuss other factors like your timing requirements. If you would like to sell faster, we price on the lower end of the range, if you want top dollar we price near the top of the range. Pricing a home is not an exact science but if your agent does their homework, you should be at a fair market value for your listing price. To give you a feel for pricing, here are the major items/features/conditions we take into consideration and the relative values use when arriving at a price for your listing.

Features That Impact Pricing Let's discuss what factors have the most significant impact on home prices in The Villages® market. To keep things as simple as possible with this complex issue we are only going to look at price examples of a **STANDARD DESIGNER** home like a Gardenia, Iris, Lantana, etc. The first rule – DO NOT TRUST Z-ESTIMATE from ZILLOW. They only look at square foot costs in the area. It does not factor in most of the items we are about to discuss.

Location – The further north you go the less expensive the homes get. Typically this is due to the condition/age of the homes, floor plan options are not as modern, and may properties need upgrades such as new roofs. The difference in price between similarly sized homes north and south of Highway 466 can be as high as \$50,000+. There are definite positives to buying a home north of 466 – closer to shopping, lower bond balance (or completely paid off), more mature landscaping, to name a few.

Location – Homes closer to town squares typically are more expensive. If you are within a 5-minute golf cart ride of one, you will see homes \$10,000 to \$20,000 more expensive.

Location – Inside The Villages® vs. outside The Villages® which we discussed in the first section of this guide.

Lot – Over 90% of homes in The Villages® are back to back with the neighbor behind, aka Kissing Lanais. So, homes that have unique lots do command a premium. All these lot types provide either additional space for expanded bird cages, pools and lanais, provide additional privacy, or both. Here the types of lots in ascending order by price impact.

Corner Lot – typically they are a bit larger and can accommodate a pool. Depending on the type of home and location the values can vary as much as \$10,000-\$20,000.

Lots that back up to a road – These lots are considered “private backyards”. You will see a premium of \$10,000-\$15,000.

Lots that back up to a wall - Courtyard Villa units are walled/fenced off to provide a backyard courtyard. This means that some homes will end up backing up the villas or the wall. There is a premium of about \$10,000 for these lots.

Cul de sac lots – These lots tend to be wedged shaped with the backyard being larger. Often these lots will have more room for a pool. Depending on where you are on the cul de sac, which will dictate the size of the backyard, your premium should be between \$45,000-\$65,000.

Preserve View Lots (limited view) – Some lots that back to the preserve will have expansive views which would have a premium similar to a water view. Some lots will mainly be looking a trees. These lots will carry a premium about \$60,000.

Retentions Pond Views – otherwise known as maybe/maybe not ponds. The water level of the ponds is not regulated and relies on rain fall to fill them. Last summer (2019) they were overflowing (in a good way) and they remained filled during the winter dry season. This summer (2020) we did not see as much rain fall, so this winter they may be dry. The these lots still command a premium of about \$100,000.



Golf Course, Water Views , Expansive Preserve View

- Often setting a price on a home with a view is a bit more complicated since most have larger lots which can accommodate extras like pools, larger birdcages, spas, summer kitchens etc. Let me give you an example of homes in the middle of the villages. We can pick a designer home like a Gardenia or Lantana near the Village of Hadley. It is not near a town square so, we don't have to factor in the location. You can have this home can be on one side of the street with a kissing lanai, and the home would run in the \$375,000 range. Take this same home and place it across the street but it backs up a nice water or golf course view, this home can easily command a price of \$550,000+. Again, often we find other extras like a pool on these lots that can push the price to \$700,000+.



Cosmetic Upgrades vs. Décor –The major points to get from this section:

- If you are a seller – make sure the house is staged and decorated appropriately. We will discuss this in more detail in the staging section below.
- If you are a homeowner/seller – be aware of the investment you are making in your home if you plan on selling. Not all improvements have a return on investment.
- If you are a buyer – look at the details of the house, not the furniture, wall colors, etc. What will require extensive renovations to meet your tastes? Why does this house look great, bad, or average? It is due to the features of the house or the décor that will leave with the seller?

Having shown 1000s of home and watching buyer reactions I can tell you that most buyers know as soon as they step in the door if they want the house or not, they feel it! For this reason, how a home is decorated is as important, or more important, as the cosmetic upgrades. Well decorated homes command almost as much of a premium as a house that has every upgrade like granite countertops, crown molding, etc. So, if you are a buyer, you need to be able to look past décor (good or bad) and try to determine the value based on what is in the home, not what the furnishings look like as they leave with the seller. For the homeowner or seller, be careful not to over-improve if you plan on selling your home anytime soon. It is perfectly ok to install crown molding, but if you spend \$5000 on the upgrade, you may only get back \$1000 when you sell. Here are some real examples.

A seller has made every improvement to their home, spending about \$75,000 – granite counters, luxury vinyl plank floors, enclosed Lanai, California closets, hardscape everywhere, crown molding, wider baseboards, stainless steel appliances, new washer and dryer, enclosed lanai, cornices, etc. The house was decorated nicely. Their home sold for \$400,000. Here is the more interesting part, the people who bought their home had an identical model two streets over, practically the same location. They had almost no upgrades, but their home had great neutral colors and the décor was very up to date. Their home sold for \$375,000. The second couple was able to “pick up” \$75,000 of upgrades for \$50,000 less than they would have if they made the same upgrades to their existing home. The point of this example is that cosmetic upgrades do not have the greatest ROI. In my opinion, a bulk of the difference in the selling prices came from functional upgrades like the enclosed lanai.

Another buyer who walks into a beautifully decorated home and almost immediately says, “this is the house, let’s make an offer”. Even after pointing out that the home had few if any upgrades and was not structurally any different than the last four less expensive homes he had looked at, he purchased this house anyway. During our final walkthrough, all the décor was taken out, the buyer’s comment, “This is NOT the same house I bought.” Don’t be fooled by awesome or bad décor. Always try to look just at the house.

We will cover more concepts of how well a home shows in our section on staging/decorating.

Desired External Features – On a designer home, a golf cart garage can add \$15,000 to a home. Block and Stucco can add up to \$30,000. **Hardscapes** done nicely can add \$10,000, more if additional functionality is added like a furnished patio.

Condition of Functional Elements – For most home buyers, they expect the basics to be included. So, they will not pay a premium for the basics. An AC that is brand new does not add value to the house, it is a basic function. An AC that is 15 years old may cause a buyer to hesitate or ask for a credit at closing for a new AC. But a new AC is just a checkbox. Another example: Most of the homes north of HWY 466 are between 15-20 years old, which means it is time to replace the roof. Many homeowners believe that if they spend \$10,000 to replace the roof they can charge \$10,000 more for the house. Again, buyers expect a functioning home, and a new roof is a basic function. You **MAY** be able to recover some of the costs. While there is not an ROI (return on investment) the home may not sell without a new roof.

Seasonality – You hear that the best time to buy a home in The Villages is in the offseason because there are fewer buyers, so people believe prices relax (go down) in the offseason. Prices do NOT go down when the snowbirds go back north in April, but buyer behavior does change. One thing you notice is the open house traffic drops off in the offseason however, the people who do come through the open house are more serious buyers, rather than curious renters. Often buyers are making special buying trips in the late spring, early summer. They come here in the winter, love the area, go home and decide they do want to buy in The Villages®. The advantage of looking in the summer is less urgency as homes tend to take longer to sell in the summer. Also with fewer buyers, you see fewer multiple offer scenarios where you get into a bidding war with another buyer. Homes tend to go for just below list in the offseason and in-season you see more full-price or above list price offers.

Turn-Key homes tend to sell more quickly because they attract home buyers and investors. Investors like turnkey homes, because they don’t have to “stock” the home with basics before they rent out the property. Turnkey homes also appeal to renters who come down to enjoy The Villages® like a vacation. “We love it here, lets look at a house.” The fact that they could buy a home and move in the next time down without the hassle of furnishing the home is very appealing to this crowd. However, selling turnkey does not affect the actual cost of the house significantly. The maximum added value to the home \$10,000-\$15,000, depending on the quality of the furniture and accessories. Anything over, the \$15,000 and buyers will just buy their own furnishings.

Staging vs. Decorating

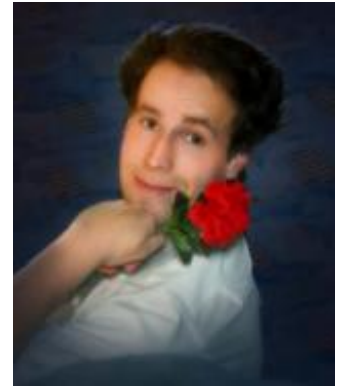
My favorite part of working with sellers (I am being sarcastic) is having this conversation. I have gone on several listing appointments where the seller has told me before I have seen the house that their house is gorgeous and shows great. However, when you show up, 75% of the time the taste is way too individualized. I am not saying that the homes have bad décor, I am saying the décor does not appeal to a wide audience. I caught myself the other day listening to a playlist on my phone thinking, "Wow I have great taste in music." Well duh, all the music was "great" because it's a list of my favorite songs. I tend to like classic rock, corny 70's singer/songwriter songs, etc. Now, if someone who likes classical music picks up my phone and listens to my playlist they are going to think, "wow this guy has pedestrian tastes in music." Tastes are subjective and personal.

Decorating is arranging your house for your taste, budget, and lifestyle. It also is decorated to live in and to have items convenient for use, like a toaster on a counter. When you stage a home you want to appeal to the largest possible audience, and they want to be able to envision themselves with their stuff in the house and they don't want to see projects. A simple example, if the lawn is mowed the thought is, "wow that's a nice lawn." If the lawn is not mowed, the thought is, "wow that looks like a lot of work." Appealing to a large audience does not happen if the décor is not neutral, the house is cluttered, the house is dirty, or the house is outdated. Remember what was stated in the section of pricing a home, a well-decorated home often gives the illusion that the house has more upgrades than it does. If you are going to sell your home, it is not practical to start major home improvement projects, but it is practical to do the following:

1. Apply a fresh coat of paint on the inside. Paint a nice light neutral color. It will make the home look larger, cleaner, brighter, and it will allow most buyers to envision their belongings in the home. Remember how a home is decorated can be as important as installed features. The paint color is both. It has a huge impact visually on the décor, and it's part of the house. While it is easy to change, buyers have a hard time seeing past it, and if they do, they see a chore. The cost (DIY \$250, Hired out it may cost \$2000 to hit the most important rooms).
2. Mow and pull weeds. Again, you don't want the buyers seeing chores – no cost
3. Declutter – Remove knick-knacks, remove items from the top of kitchen cabinets, remove most items from all countertops, etc. Declutter closets, clean out the garage if possible (but not the highest priority). It is amazing to see the reaction of sellers when we declutter for them. They walk in and almost don't want to put the house on the market. Think about how distracting it is to work at a cluttered desk. Then think about how it feels when you finally clean that desk. It is the same for the homeowner, it is like a weight has been lifted. No cost.
4. Remove any unnecessary furniture to open up space. That large pot that is taking up half the foyer is cutting down the view and making the foyer look smaller. No cost.
5. Remove personal pictures – especially anything provocative. You want the buyers walking away from the house talking about the merits of the home, not the 1980s Glamor Shots in the bedroom, especially if you are male. I am speaking from experience here. While showing a home recently, the homeowner had a



male Glamor Shot on his nightstand. As a realtor and someone who can look past such things, I felt the home was the best-valued home for my buyer. When reviewing with my buyers at the end of the day, I gave them my opinion that the home at 1234 Main Street was their best option. The question I got back, “what house is that one?” My reply, “The Glamor Shot House.” They could not remember one detail about that house – not the large lanai, modern kitchen, large bedrooms. But, they did laugh at the picture again.



6. Clean the house thoroughly. Again, you don't want people to see chores. You want them to envision enjoying the home, not working in it. A clean home also makes it show much better. Shiny car vs. dirty car, which looks better? No cost, but consider hiring out.
7. Odor – This is tough because most people go “nose blind” and do not know what their house smells like, especially if you have pets. If you have carpets, even if they look clean, they should be professionally cleaned to reduce odor. In our home staging guide, we have tips on how to make your home smell appealing, not just eliminate bad odors. When your house is on the market be careful of the meals you cook – no fish, no garlic, etc. You never know if you will get a call to show your house in an hour and cooking odors are hard to remove quickly.
8. Work with an agent who knows how to stage like my wife and me. Or, hire a staging company. Costs vary depending on if they just rearrange, remove junk, declutter, bring in new furnishings, etc.

Not only does staging help you sell your home faster but you can command a higher dollar amount home. I will give you an example. Recently, I sold an Iris that had a water view for \$589,000 in 14 days. The house was nicely decorated, had a great view, nice furnishings, it showed like a model. A few months later, I was working at an open house and met this couple who was interested in listing their home. It was a Lantana with a water view. The Lantana is the bigger brother of the Iris. “We just had the house painted, they did such a wonderful job, the house has custom cabinets...” I show up expecting to list the home in the \$625,000 range. Well, the house was gorgeous, the view was better than what the Iris had, but the new paint had an out of date color palette. Even though they just had the paint redone, we had to have the touchy conversation that they would be better off repainting in a neutral color. They were not willing to make the change. To make a long story short here is a summary of the transaction: The Lantana was bigger, it had a better view, similar exterior, same floors, and both with golf cart garages. There are always different factors that affect the price of the house such as owners' timelines, the luck of the type of buyer, the ability to negotiate, etc. But, in this transaction, the major differences were the paint color and maybe the décor which resulted in a \$7,000 difference, when the home should have sold for more than the Iris. SEE TABLE ON NEXT PAGE

	Iris	Lantana	
Year Built	2011	2012	Slightly Newer
Square Foot	1923	2015	Bigger
Exterior	Stucco	Stucco	Same
Floors	Tile	Tile	Same
View	Water	Water/Golf	Better
Garage	Golf Cart	Golf Cart	Same
Upgrades	About Equal		Same
Paint Color	Neutral	Yellow/Red	Much Different
Décor	Modern	Up to date	About the Same
List Price	\$595,000	\$615,000	More
Days on Market	14	52	Longer to Sell
Sales Price	\$589,000	↔ \$582,000	(\$7,000)

It is worth reiterating that staging is not decorating. Decorating is arranging your home to your personal tastes and functional use of the home. Staging is presenting the home for sales, it is appealing to the largest audience. You are trying to present a clean canvas for the buyer. The next time you visit a model home note what you are seeing. Usually, the walls and furnishings are neutral and the color is mixed in with décor pieces. Also, notice how non-functional the home is. Screens are off the windows, toasters off the counter, nothing in closets, and even some interior doors are removed to give the illusion of more space. You would never live this way, nor would we recommend some of these specific items for staging. I am just pointing out that a staged home is not always practical. But, it does help you command top dollar.

Lastly, **DO NOT TAKE STAGING ADVICE PERSONALLY!** Even the most beautifully decorated homes require some minimal staging.

The Bond, CDD Maintenance fee, Amenity Fee, Property Taxes

Here is the quick summary

1. Bond – Pays for the original infrastructure of the districts and individual villages.
2. CCD Maintenance fee – Pays to keep things clean, functioning, and up to date.
3. Amenity Fee – Pays for the fun stuff.



While working in open houses, I get more questions about the **bond** than any other topic. It is simply a tax, but it can be paid off over time or in full at any time. What exactly is the bond? The bond was a device used by the developer to help finance the original infrastructure – roads, sewer, water, land excavation, etc. The money was provided to the developer by the county, then the county is paid back by the property owner. Traditionally, a developer gets a construction loan and pays back the bank from the

proceeds of selling properties, and or homes. The cost of the land and development is bundled into the cost of the home. Here in The Villages®, it is unbundled. There is no way to get around this, it is extra profit for the developer. You may not agree with the process, but you should not let it affect your purchasing decisions since most homes still carry a bond.

Most bonds are amortized over 20 years however, in some areas it is amortized as long as 30 years. Since the homes north of HWY 466 are almost 20 years old, many of the homes have bonds that are about paid off. If you are looking south of 466 (Sumter/Brownwood/Fenney) and you take the stance that you will not buy a home with a bond, then you significantly limit your choices. My suggestion is that you look at the bond as just an additional tax. For peace of mind look at the monthly cost, not the balance. As an example, if your bond is \$1600 annually, then your monthly tax is \$133/month, this is less than the amenities fee.

Here are some common questions asked.

1. Should I pay off the bond? It depends. First, it is not debt, it is a tax you pay annually. So, don't think of it as paying off debt. If you are more comfortable with smaller annual or monthly expenses and have the cash it may be a personal preference to pay it off. The second consideration is how long you will live in the home. If you are planning on living in a home only less than 8 or 9 years do not pay it off, allow the balance to flow to the next owner of the home. While you hear a lot of people say they would not buy a house with a bond, it rarely deters someone if they find the home they want.
2. Do you pay interest on the bond? Yes, the interest rate does vary based on the prime rate when your area was developed – the rates are usually between 4-6%. If you have a higher interest rate you may want to consider paying it off but only if you are going to live in the home for a while.
3. How do I find what my bond balance is? You can find it here by unit number (the section of the district your home is in):

<https://www.districtgov.org/departments/Finance/amortization.aspx>

If you don't have the unit number, you can either look at the tax bill's legal description of the property:
LOT 142 OF THE VILLAGES OF SUMTER UNIT NO 232 PB 14 PGS 21-21K

You can find tax bills at either of these sites:

<https://sumter.county-taxes.com/public>

or

<https://www.mariontax.com/>

or

<https://lake.county-taxes.com/>

The bond amortization sheet will show the balance, the interest rate of the bond, and the amortization table for the bond.

The **CDD (Community Development District) maintenance fee** is exactly what it sounds like. It pays for infrastructure upkeep – landscaping, roads, and common area maintenance. There are 12 CDDs in The Villages. They are a quasi-government entity that is in charge of infrastructure. How much you pay on this fee is determined by the district you are in and the unit/type of home you are in – Designer, Villa, or Premier.

The **amenities fee** (Currently \$162) – allows you to play golf for free on all Executive (9 Hole) Courses, Swimming, Tennis, Pickleball, Bocce Ball, 2000 organized activities every week through The Villages Recreation Department, sports, pools, fishing lakes, waterfront parks, fitness trails, 24-Hour community watch service, AND MORE!

Property Taxes

Each county has different tax rates but here are some key terms and concepts on each tax bill.

Ad Valorem Taxes – Tax based on the assessed value of your home.

Non-Ad Valorem Taxes – Flat rate taxes.

Assessed Value – The current county assessed the value of your home.

Taxable Value – Assessed value minus Homestead Exemption (discussed in the next section)

Millage Rate – The rate of taxes paid per \$1000 of taxable value. As an example, if the millage rate is 6.7 on a home that has a taxable value of \$250,000 the tax would be calculated as such: \$250,000 divided by 1000 or \$250 times the millage rate of 6.7 would equal \$1,675. My cost of living calculator will calculate specific tax rates. For a copy, email me at davemontysales@gmail.com.

Homestead Exemption

One of the benefits of being a full-time resident of Florida is that you can get a break on your property taxes through a homestead exemption. Most of the homes in The Villages® (based on value) qualify for a \$50,000



exemption. Meaning, that you can subtract \$50,000 from the assessed value of your home before taxation is applied. The actual savings on taxes is approximately \$500 annually. This varies by the tax rates of the county, by the type of tax (School taxes only get a \$25,000 exemption). Here are some of the other most used exemptions.

\$500 Widow or Widower

\$500 Legally Blind

\$500 Personal Disability

\$5000 Military Service Disability, less than 100%

Total Exemption for at 100% military service-related disability.

When do you apply for the Homestead Extension? When you buy a home in Florida, you have until March 1st of the year following the purchase to file for homestead exemption. For example, if you bought a home in 2020, you'll have until March 1, 2021, to file your homestead exemption.

This is not a complete list. The applications for the homestead exemption(s) and details about these exemptions can be found at:

https://floridarevenue.com/property/Pages/Taxpayers_Exemptions.aspx

Or, the tax collectors' service centers are located throughout the different counties can assist you via telephone or in-person. The locations and numbers are listed in the section below about obtaining a driver's license.

Making a Winning Offer

How do you make a compelling offer? How do you win in multiple offer situations? Many people believe that the best price wins the deal. This is not always the case, other psychological factors enter into the equation, especially risk. Think back to the last time you sold a home and moved. You get a solid offer in hand. Now you buy a new home, hire movers, pack, etc. The last thing the seller wants to have a deal fall through. I would cause a massive mess. Even with the solid offer, there is still anxiety, “what if it falls through?” Yes, sellers want a great price for their home, but they also want a solid offer they are confident about so they can move forward with peace of mind. Here are the important items to address when making an offer, some of these require up-front work on your behalf. When I work with a new buyer, I go through all of this before we start looking at homes. This way if you find a home you love, you are prepared to move quickly, and you are not trying to understand these items when you are under the pressure to win that perfect home.



1. Price – a good agent will run a comparable price analysis on the home you wish to buy. Hopefully, it is in the ballpark of the listing price. If not, your agent is armed with the analysis to negotiate on your behalf. Like I said price is only one element.
2. Cash offers are always king! They provide greater ease of mind for the seller - Closings can happen faster. They eliminate the possibility of mortgage underwriting issues, delays, etc. And for you, the buyer, your closing costs are MUCH LESS. See the closing costs section. If you are making a cash offer, make sure you have proof of funds. If you are concerned with sharing account information, I recommend that you create a separate account, and move money into that account that is equal to your maximum budget. After the entire transaction is complete, you can cancel the account.
3. Financing contingencies – often sellers will not accept offers that are contingent on financing. Most sellers are fine with the buyer using financing, but they want to make sure that you are pre-approved. So, if you are financing, make sure a pre-approval letter is submitted with the offer. This is different than pre-qualification. Prequalification is based on what you **TOLD** the loan officer. Pre-approval means the lender has **VERIFIED** all your financial data.

In the financing section of the standard Florida purchase offer contract(s) the first checkbox, Cash Offer, often confuses sellers and buyers. This checkbox can be used even if you are financing to make your offer stronger: Here is what it says.

Buyer will pay cash for the purchase of the Property at Closing. There is no financing contingency to Buyer's obligation to close. If Buyer obtains a loan for any part of the Purchase Price of the Property, Buyer acknowledges that any terms and conditions imposed by Buyer's lender(s) or by CFPB Requirements shall not affect or extend the Buyer's obligation to close or otherwise affect any terms or conditions of this Contract.

This clause says the buyer will pay cash, OR, the buyer is paying with a loan. If the loan falls through then you still must close on the house with other means, or forfeit the escrow/deposit. So, if you consider this option, I highly recommend that you have your agent speak directly with the loan originator you are using to ensure that your application looks rock solid.

4. Deposit or Escrow money. In The Villages, deposit money typically ranges between 5%-10% of the offer price. The higher the dollar amount, the more secure the seller is that you will not try to back out of the deal. Before making an offer make sure you have the funds in a liquid account. This can be any checking account since you can use a personal check for escrow deposits. At offer time you have three options. 1. Have the deposit accompany the offer. 2. Show proof of funds and deliver check within 2-3 business days. 3. Show proof of funds, write a \$1000 check and deliver the rest of the deposit within 2-3 business days.
5. There are two standard purchase offer contracts in Florida. The main difference between the two is how inspections (inspections discussed in more detail later in the document) are handled. The regular contract allows you to have the home inspected and the homeowner must fix damage up to a designated dollar amount. Even if you don't like what the inspector finds, if it is under that dollar amount, you are still bound to the contract. The other contract is the AS-IS contract. You still have the right to an inspection, but you can walk away for any reason up to a certain number of days. The standard contract says you that you must inspect and request repairs within a certain number of days. The AS-IS contract says that you have x number of days to inspect and decide to move forward, or not. If not, you do get your deposit back.

The challenge with the two contracts is that each has its merits to the buyer and seller which you can address with your agent when you are making an offer. With either contract, the shorter the inspection period the more peace of mind you offer the seller.

ONLY FOR THE BOLD, or someone who is as handy as a contractor. The strongest contract is writing an AS-IS contract with no inspection. I DO NOT recommend this, but if you absolutely love the house and you feel there may be multiple offers, you MAY consider this option. Highly recommend that you thoroughly inspect the home yourself before making an offer— at least make sure the AC seems to be working and is of decent age - less than 10 years old, the roof is no older than 15 years old, look for water damage, all the appliances work, toilets are not leaking, electrical outlets work, each window operations effectively...hit the expensive items in the house. In The Villages, it's not unheard of since the homes are no more than 20 years old and there are no foundation issues since homes are built on a slab.

As your agent, before writing up an offer I will generate a market analysis on the subject property, and talk through the pricing and terms with my buyers before putting anything in writing. I will call the listing agent before I send over an offer:

1. I want to let the listing agent know as soon as possible that our offer is on the way. Just in case there is another offer on the table, I want the listing agent to wait for our offer before accepting another. I am feeling out if they are expecting any other offers. I want to know if the house has scheduled showing activity. I want to know what the competing buyers are potentially doing.
2. I let the agent know what the highlights of the offer (the items above). I will float a lower number than what my buyer is willing to make as their initial offer. I want to get the agent's reaction – “maybe, my seller is motivated”, or “oh, hell no, that would never fly.”
3. If the market analysis on the house is much lower than the listing price, I want to ask the other agent why.
4. What is motivating the seller to move, is there an ideal closing date, etc? I want to know the elements of an offer that are most important to the seller.
5. I am also building rapport with this agent to make negotiations run more smoothly.

So we discover that it is a multiple offer situation. All too often these situations lead to a bidding war, and buyers get caught up in the frenzy and end up overpaying for a house. How can you put your best foot forward and protect yourself from getting lost in “auction mode”? Start with making an offer with all the above items solid – the offer is near the list price, as non-contingent as possible, has a reasonable close date, and there is a solid deposit of 10%. This is what most agents do, so how do you gain a competitive edge?

1. A nice note to the seller telling them how much you love their home, and how they would be leaving it with someone who is going to take care of it. The seller may not care, but often sellers don't like leaving their home and this little touch can help.
2. Often these homes do go above list. Rather than shooting in the dark with a high number, I advise my clients to use an **ESCALATING OFFER**. How does it work? You offer close to list price, then you set a dollar amount as to how much you will bid over the highest offer that is on the table. Often, the amount is \$500-\$1000. Lastly, you set a limit to how high you will go. Here is an example: you are making an offer on a house with a list price of \$300,000. Your agent (me) does a comparable market analysis and determine that on the high end, this house could be priced at \$330,000. In this scenario, your budget is only \$315,000, or this is as high as you are willing to go. First, make an offer near the list price, say \$295,000. You will beat the next highest offer by \$1000, up to \$315,000. Possible outcomes:
 - a. You already have the highest bid, you get the home for \$295,000.
 - b. The next highest bid is \$306,000, you get the home for \$307,000.
 - c. The next highest bid is greater than \$314,001. You do not get the home.

The questions that I most often hear. What stops the listing agent from just saying that they have a \$314,000 bid to max out your offer at \$315,000? They must show us the next highest offer. What if there is another escalating offer? The bid goes to the potential buyer who has the highest limit.

What I like about this approach is that it allows my buyer to make a logical decision before the offer is submitted. Before the emotions of a bidding war take over, you are setting limits based on the facts of the house and the realities of your budget. It stops buyers from getting into a must-win at any price mentality. I won't get into the psychology of why this happens, but just know there are powerful psychological factors at play here that stop almost anyone from making a logical decision. If you want to watch something fun that highlights this psychological issue: <https://www.youtube.com/watch?v=pA-SNscNADk>. When the fear of losing kicks in, all bets are off.

Home insurance and Roof Issues

It is getting practically impossible to get insurance on homes where the roof is older than 15 years old, and if you can get it, it is more than expensive. There is a little bit of a back story as to why this happening now. Over the last 10 years, some less than scrupulous roofing companies have taken advantage of insurance companies. They canvas neighborhoods and “inspect” roofs for storm damage, but they present normal wear and tear issues as damage to the insurance companies. The purpose of insurance is to fix accidental or storm damage, not replace old roofs. So, insurance companies, instead of punishing the “sketchy” roofing companies, have tightened their rules with homeowners.



The expensive insurance can scare away many potential buyers. But often, buyers will make an offer anyway and then as they are getting ready to close learn how expensive the insurance can be. A few things can happen at this point, the buyer can request the repair of the roof and if the seller will not, or can't afford to replace the roof then they buyer will walk away. Now that this is a publicly known issue, the seller most likely will need to fix the roof, but again time and money are an issue. To save this deal with the buyer there is an option. They can use proceeds from the sale of their home and pay for the repair after the new owners take possession. If the buyer is paying cash, this is a simple refund of money at closing or reduction in the sale price. If the house is being financed, the lender will want to protect their investment and will want to ensure that the roof is replaced. Your agent should know this, but you can work with that lender and the title company to do what is called an **escrow hold back**. Here is a high-level description of how this works:

1. The Seller must agree to this, and it should be put either in the main purchase contract or an addendum to the contract.
2. Get a quote for the replacement of the roof.
3. Write into the contract or addendum: *“All parties agree to escrow holdback funds for a new roof of 150% (FHA/VA is 150% and Conventional loan is 120%) of the written estimate replacement cost of \$xxxx, for a total of \$xxxx to be withheld from sellers (or funded by the buyer) proceeds at closing. The roof replacement work must be started no later than 2 weeks after the closing date on the contract and completed no later than 30 days after the closing.”* Either the seller or the buyer can provide the funds to be held in Escrow.
4. The loan officer will require a copy of the ROOFER'S BID as well as a letter from the roofer stating they will START the roof no later than 2 weeks after closing and be completed no longer than 30 days after the closing date.
5. Typically escrows are held by the title company. The appraiser will go back out after work is completed and will submit a completion report. The additional cost is \$160 over and above the appraisal cost.
6. Once the appraisal is done, the escrow funds are paid to the roofer, and any leftover escrow funds are paid back to the seller, or buyer.

This process has saved many deals for sellers of homes with older roofs. So, if your house is on the market with an older roof talk to your agent about this process.

Inspections

There are two major categories of inspections of the Full Home Inspection and a 4-Point inspection.

Four-point inspections are the tools that insurance underwriters and insurance companies use to determine risk. The systems inspected are 1) Electrical, 2) Plumbing, 3) Roof and Structure, and HVAC system.

A home inspector has the option to list the age, condition, material, and basic type for each of these categories. There is no option for the inspector to add information about the house (such as mitigating circumstances), as the underwriters just want to know if the house has any features that have been known to increase risk.

A **full home inspection**, or a buyer's inspection, is a lot more thorough. When a home is under contract, there is a clause allowing the buyers to get a full home inspection. There are two types of sales contracts in the State of Florida – Standard Contract and an AS-IS contract. The standard purchase contract requests an inspection of the subject home and allows the seller of the home to make repairs up to a certain dollar amount. Over that dollar amount, the seller has the option to make the repair or walk away from the contract(sale). An AS-IS contract means that the seller does not have to fix any issues that arise in an inspection, but it allows the buyer to back out if the inspection finds any damage they are not comfortable with. Because a four-point inspection only looks at 4 points (the ones mentioned above), it doesn't legally satisfy the inspection clauses of these contracts. Therefore, even if the four-point inspection shows that the roof is leaking, the buyers may not be able to get out of their contract.

However, it's best not to view buyer's inspections as a legal requirement, but as a buyer relying on a professional home inspector's educated and professional ability to help protect the buyer's interest in the property. It's part of the old adage, "buyer beware."

As a side note, in either contract, if a significant repair is required, often the seller ops to fix the problem because now that the issue is public knowledge it has to be disclosed in future transactions.



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Closing Costs and Immediate Actions After Closing

The two most common closing disclosure forms are the ALTA Settlement Statement and the HUD-1 Disclosure Statement. They both cover the same information, just in different formats. As a Realtor®, I can not represent myself as a Title Officer or a Title Examiner. This information is to provide you a higher-level understanding of the closing statement. If you have more detailed questions, please feel free to call a local title company and they will assist you with any questions. Whether you are closing soon or not, they are helpful. Let's dive in:



Seller Closing Costs–

Title work and Title insurance - This varies based on the price of the home. There are some fixed costs as well. All-in cost, title search, title insurance, closing, etc for a \$200,000 home is about \$1700.00, on a \$400,000 home is about \$2700. These charges are itemized on the closing disclosure statement(s). The closing disclosure statements are not the easiest to read, and these specific charges seem to cause a lot of confusion. Since the title insurance is on the home, it makes sense that the insurance is purchased by the new homeowner. But, it is common practice for the seller to pay these costs because they need to provide a clear title. What you see on the statement is the seller pays the buyer, then the buyer pays the title company.

Commissions to both the listing and selling agents.

County Tax (stamps): Currently this is 7 mills (\$7 per \$1000) which is calculated by taking the sale price dividing it by 1000, then multiplying it by 7.

Property Taxes are prorated between seller any buyer. Each county has different rules which govern when taxes are paid. Some require taxes to be paid in arrears and some pay in advance, or it's a mix. As an example in Sumter county, Ad Valorem taxes (based on the value of your home) are paid in arrears, and the fixed taxes like the bond, CDD maintenance are paid in advance. Paid in arrears means paying after the fact - like paying for a meal after you have eaten. 2019 Taxes are due January 2020. What does this have to do with closing costs? If taxes are paid in arrears the buyer will own the home at the end of the year, but they are only responsible for the time they lived in the home. The seller pays their portion of the tax bill at closing for the time they owned the house. Simplified here, but if the closing is at the end of April – the seller would owe the buyer 4 months of taxes at closing.

Buyer Closing Cost – it is much less expensive to close a home with a mortgage in Florida.

When closing without a loan: The buyer can expect to pay about \$500-\$700 in closing cost. This would include buyer broker transaction fee, survey (optional), and in The Villages® amenity and mailbox fees. Homeowners insurance is typically paid directly to the insurance company.

When the buyer has a mortgage: it can get expensive. Here are the additional charges at closing

Lending fees: application fee, processing fee, underwriting fee (\$1000-\$1500)

Survey: Required by the lender to protect their interests. (\$200-\$300)

Appraisal of the Home: Required by the lender to protect their interests. (\$350-\$500)

Intangible Tax: This is 2 mills (\$2 per 1000) on the loan amount. If you have a \$250,000 LOAN, then

you would pay \$250,000 divided by 1000 times 2 = \$500

Transfer Tax: Again paid on the loan amount at 3.5 mils, on a \$250,000 loan that would be \$875.

Escrow/Impounds: The lender makes sure that you pay your property taxes and homeowner's insurance. So, they will hold your property tax and homeowners insurance in escrow. The initial funding of this escrow is collected at closing.

The Villages® Fees - If you are buying in The Villages® you will also see closing costs for keys, amenity fee, mailboxes, IDs and gate passes. The Villages® actually will collect a bit more than you owe them, but they reimburse you any overpayment on your first monthly bill.

Again, the information is for high-level purposes only.

What to do after closing

If you are buying a home whether you are already a Village's resident or a new resident you will need new ID cards and Gate passes. Each sales center in Sumter Landing, Spanish Springs, and Brown has an office where you can complete this task. Typically, it's a walk-in service but I always advise clients to call ahead. (Currently, Due to COVID-19, these are by appointment only). You can call the main number 352-753-2270 and ask for a Client Relations Representative (CRR).

If you are selling a home you must turn in your gate and ID cards to one of the sales centers within 30 days of closing. You can be fined up to \$30 for the gate pass and \$100s for the IDs. You can either turn in the items to one of the three sales centers, or you can ask the title company at closing to return these items for you. To avoid an extra errand, remember to bring them to closing.

Garbage and Waste: For information on Garbage pickup, schedules, holiday schedules, yard waste, hazardous materials, etc.

<https://www.districtgov.org/community/sanitationFaq.aspx>

The main step in becoming a Florida resident is to get your driver's license.

Driver's License –

You can get your new driver's license at either of these tax collector locations. At any of these centers, you can talk to a representative about applying for your homestead extension.

Sumter County North of 466, or near Sumter Landing the most convenient location:

8033 Co Rd 466, The Villages, FL 32162
Phone: (352) 689-4645

Sumter County South of Sumter Landing:

7375 Powell Rd, Wildwood, FL 34785
Phone: (352) 689-4540

Sumter County near Fenney, you may either choose Powell road or this location:

220 E McCollum Ave, Bushnell, FL 33513,
Phone: (352) 569-6740

Marion County

17860 SE 109th Ave. Suite #602, Summerfield, FL 34491
Phone: (352) 368-8200

Lake County

1720 North, Citrus Blvd, Leesburg, FL 34748
Phone: (352) 343-9602

I recently got my license and had to make several trips back and forth to the DMV because I did not have the required documents. The DMV is a stickler for making sure you have proof of insurance, 2 forms of ID (specific requirements), and proof of residency. For a full list of requirements and to learn the process you can call one of the numbers above, or you can visit Florida's DMV website: <https://www.flhsmv.gov/>.

Important Numbers

Realtor® Dave Monty (Couldn't Resist).....	352-571-9705
Auto Registration.....	352-689-4645
Building Department (Permits)	352-689-4460
CenturyLink – Internet/Television/Phone.....	352-751-3547 or 800-726-6592
Xfinity – Internet/Television/Phone.....	800-510-8757
Driver’s License, Title, Registration (Northern Part of Villages).....	352-689-4645
Driver’s License, Title, Registration – Central Villages.....	352-689-4540
Driver’s License, Title, Registration – Fenney Area.....	352-569-6740
Driver’s License, Title, Registration– Marion County.....	352-368-8200
Driver’s License, Title, Registration– Lake County.....	352-343-9602
Progress Energy (Electrical).....	800-700-8744
Sumter Electric Cooperative (SECO).....	352-237-4107
Fishing & Hunting Licenses.....	352-689-4645
TECO – Natural Gas.....	877-832-6747
Homestead Exemption.....	352-569-6800
Social Security Administration.....	352-787-2624 or 800-772-1213
Physician Information.....	352-751-8959
Sumter County Animal Control.....	352-569-1960
Trash Collection, Recycling Pick-up.....	352-748-0109
Trash Collection/ Billing.....	352-750-0000
US Post Office.....	800-275-8777
Veteran’s Services.....	352-689-4450
Voter Registration.....	352-689-4660
Water and Sewer.....	352-750-0000

What I Bring to the Table for You!

I am going to start with the headline of the very first review I received as a Realtor®, **“What an agent should be!”** While most agents talk about marketing, or how many homes they have sold, I like to focus on my client's needs. Yes, I have sold many homes, have a great marketing plan, and can negotiate with the best of them. But, there is so much more to the transaction than the end result. There is a process, there are emotions, and there are often complications along the way. You want an agent who will educate you on the entire process, over-communicate throughout, solve problems in a calm logical manner, have a sense of humor to help keep a smile on your face when issues arise, and someone who will help any way possible to help make the entire transaction as easy as possible for you. That agent is me!



My goal is not to have my clients just give me great reviews, I hope that after you have moved in, or out, that I can count you as a friend. I will share a couple of reviews below, but as I was writing this document, I believe I was paid the biggest compliment as an agent. I get a call, “Dave, this is Gail Smith (not real name) you helped my Dad (Mr. Smith, not real name) sell his home and find a new one this past March. He ended up in the hospital last night (nothing serious), he would like to get a few items from his home delivered to him at the hospital. He said that he trusts you in his home, would you mind...?” I replied, “Of course I would not mind.” Gail, “He said you would say that.” While you are not looking for an errand boy, this example is meant to show you that I will earn your trust and without hesitation, I will help you with any aspect of the sale and beyond. I would be honored to help you with your next real estate transaction.

Reviews

What a Realtor Should Be

I cannot say enough about my experience with Dave and would recommend him to anyone. I have worked with realtors several times in my life. They were all professional, courteous, and very knowledgeable. But the experience always felt as if they were only providing the bare minimum to sell your home. There was little concern about my situation or that of my family. They would offer "guidance" but no "assistance" or provide "Direction" without taking "action". They were "agents" not "representatives". Right from the beginning, Dave was about assistance, action, and representation. He made a true effort to understand us on a personal level so he could provide us the best experience possible. To me, that is what differentiates him from the average realtor. I was left with the impression he was selling our home as if it were his own. It's not often you can say that about a realtor. If you contract with Dave he will do more than just sell your home. He will literally HELP YOU sell your home.

Exceptional Agent

If possible I would give Dave Monty 10 stars. His knowledge of the business and willingness to go the extra mile puts him ahead of the crowd. He is like a good friend that you can always count on. I am not just speaking as a client but as a former agent that knows what an agent should be.

Exceptional Agent!

While at a vacation rental in The Villages this past January, we were immediately smitten with the community, the amenities, & the climate. After only a few days in the rental, we decided to look at some properties. Dave spent the time and asked what we were looking for, our price range, what areas we would consider. He was very patient and showed us homes on nearly a daily basis. Dave knew we were interested in finding something before returning to our home state and made every effort to help us find the right place. Long story short Dave made the effort and tirelessly helped us in our search. Thanks to Dave's efforts, we now own a home in The Villages that we can enjoy for years to come.

Conclusion

I hope you found the information in this document helpful. This is a work in progress, so if you have any suggestions for improvement, please do not hesitate to let me know. If you have any specific questions about your unique circumstances feel free to email me at davemontysales@gmail.com, or call me at 352-571-9705.

Also available – Comprehensive Cost of Living in The Villages® Calculator

Currently In development - Closing Cost Calculator

Currently in Development - Staging Guide



Please visit my YouTube Channel my video series” Everything Villages®”

<https://www.youtube.com/c/davidmonty>



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