

THE SOUTH FLORIDA FIRST-TIME HOMEBUYER'S COMPLETE GUIDE

From Pre-Approval to Keys in Hand

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"You Didn't Talk To Tex."

CHAPTER —

A Message from Tex

Buying your first home is one of the most significant financial decisions you'll ever make — and in South Florida's dynamic market, it can also feel like one of the most overwhelming. I've helped hundreds of first-time buyers navigate this process, and I've seen the same questions, fears, and mistakes come up again and again.

That's why I created this guide. Not to sell you anything, but to give you the honest, straightforward information you need to make the best decision for your family and your financial future. Read it cover to cover. Take notes. And when you're ready to take the next step, call me. I promise you'll get straight answers — not a sales pitch.

"Real estate isn't just about buying and selling property — it's about helping families build a foundation for their future. That's what gets me out of bed every morning."

— **Tex Guignard, REALTOR®**

CHAPTER 1

Is Now the Right Time to Buy?

Understanding the South Florida Market

South Florida — encompassing Miami-Dade, Broward, and Palm Beach counties — is one of the most resilient real estate markets in the United States. Unlike many regions that experienced dramatic boom-and-bust cycles, South Florida's market has been underpinned by several structural advantages: no state income tax, year-round warm weather, a growing international buyer base, and a steady influx of domestic migration from high-tax states like New York, California, and Illinois.

As of 2025–2026, the South Florida market remains competitive. Median home prices across the tri-county area have appreciated significantly over the past five years, and while the pace of appreciation has moderated from the frenzied 2021–2022 period, values remain strong. Inventory, while improving, is still below historical norms in many desirable communities.

Key Market Indicators

Community	Median Price	YoY Change	Avg Days on Market	List-to-Sale
Boca Raton	\$685,000	+8.2%	10 days	99.1%
Coral Springs	\$520,000	+6.1%	13 days	98.4%
Delray Beach	\$595,000	+9.1%	11 days	99.3%
Boynton Beach	\$445,000	+7.4%	15 days	97.8%
Parkland	\$750,000	+5.8%	14 days	98.7%

The Rent vs. Buy Decision

One of the most common questions first-time buyers ask is: "Should I keep renting or buy now?" The honest answer is: it depends on your personal situation. However, the financial case for buying in South Florida is compelling for most people who plan to stay for at least three to five years. Consider this: the average rent for a 3-bedroom home in Boca Raton is approximately \$3,200/month — \$38,400 per year, every dollar of which builds your landlord's equity, not yours. A comparable home purchased at \$550,000 with 10% down would carry a total monthly cost of approximately \$4,100/month. The difference is roughly \$900/month — but that \$900 is building your net worth through equity, and you're protected from rent increases.

CHAPTER 2

Getting Your Finances Ready

Credit, Savings, and Affordability

Know Your Credit Score

Your credit score is the single most important factor in determining your mortgage interest rate — and even a small difference in rate can mean tens of thousands of dollars over the life of your loan. Before you start house hunting, pull your free credit reports from all three bureaus at AnnualCreditReport.com. Dispute any errors you find — they're more common than you'd think.

Credit Score Range	Rating	Typical Impact
760 and above	Excellent	Best available rates
720–759	Very Good	Near-best rates
680–719	Good	Competitive rates
640–679	Fair	Higher rates, some restrictions
Below 640	Poor	Limited options, significantly higher rates

How Much Can You Afford?

Lenders use two key ratios to determine how much they'll lend you. The **Front-End Ratio** (Housing Ratio) states that your total monthly housing costs should not exceed **28%** of your gross monthly income. The **Back-End Ratio** (Debt-to-Income) states that all monthly debt payments combined should not exceed **43%** of gross monthly income.

Quick Affordability Formula: Annual income ÷ 12 = Monthly gross. Monthly gross × 0.28 = Max housing payment.
 Max housing payment ÷ 0.0065 ≈ Approximate purchase price.
Example: \$100,000/yr → \$8,333/mo → \$2,333 max payment → ~\$359,000 purchase price

Down Payment & Closing Costs

Loan Type	Min. Down Payment	Credit Req.	Key Feature
Conventional (3%)	3%	620+	No upfront MIP; PMI removable at 20% equity
FHA	3.5%	580+	Flexible credit; MIP for life of loan
VA	0%	Varies	Veterans only; no PMI; best overall terms
USDA	0%	640+	Rural areas; income limits apply

Loan Type	Min. Down Payment	Credit Req.	Key Feature
Jumbo	10–20%	700+	Loans above \$766,550; common in South FL

Florida closing costs typically run 2–4% of the purchase price. On a \$500,000 home, budget \$10,000–\$20,000 at closing. Key items include lender origination fees (0.5–1%), title insurance (\$1,500–\$3,500), home inspection (\$350–\$600), appraisal (\$500–\$800), and documentary stamp tax (0.35% of purchase price).

◆ **TEX'S TIP**

In a buyer-friendly market, you can often negotiate for the seller to contribute toward your closing costs (called a 'seller concession'). This can significantly reduce your out-of-pocket expenses at closing. Ask me about this strategy.

CHAPTER 3

The Mortgage Process Explained

Pre-Approval, Loan Types, and Rate Strategy

Pre-Qualification vs. Pre-Approval

Pre-Qualification is an informal estimate based on self-reported information. It takes 15 minutes, requires no documentation, and carries almost no weight with sellers. **Pre-Approval** is a formal underwriting process where a lender verifies your income, assets, employment, and credit. It typically takes 2–5 business days and requires documentation. A pre-approval letter tells sellers you are a serious, qualified buyer — and in a competitive market, it can be the difference between getting your offer accepted and losing the home.

◆ TEX'S TIP

Get fully pre-approved before you look at a single home. It will save you heartbreak, and it will make your offers significantly stronger.

Types of Mortgage Loans

Conventional Loans

The most common type. Not government-backed. Require higher credit scores (620+) but offer competitive rates. 20% down eliminates PMI entirely.

FHA Loans

Insured by the Federal Housing Administration. Only 3.5% down with 580+ credit. Trade-off is mandatory mortgage insurance premiums (MIP) for the life of the loan.

VA Loans

Available to eligible veterans and active-duty military. 0% down, no PMI, competitive rates — arguably the best mortgage product available. If you qualify, use it.

Jumbo Loans

Required for loan amounts exceeding \$766,550 (most FL counties). Require stronger credit (700+), larger down payments (10–20%), and more cash reserves. Common in Boca Raton and Parkland.

Fixed vs. Adjustable Rate

A **Fixed-Rate Mortgage** keeps your rate and payment the same for the entire loan term — the most popular choice for buyers who plan to stay long-term. An **Adjustable-Rate Mortgage (ARM)** is fixed for an initial period (typically 5, 7, or 10 years) then adjusts annually. ARMs can offer lower initial rates but carry the risk of payment increases. They can make sense for buyers who plan to sell or refinance within the fixed period.

CHAPTER 4

The Home Search Process

What to Look For — and What to Watch Out For

Defining Your Must-Haves vs. Nice-to-Haves

Before you start touring homes, create two lists: your absolute non-negotiables (must-haves) and your wish list (nice-to-haves). Common must-haves include minimum bedroom/bathroom count, school district, maximum commute time, HOA preference, and flood zone status. Nice-to-haves might include a pool, updated kitchen, or specific architectural style. Knowing the difference will help you make faster, more confident decisions.

The Flood Zone Reality

This is one of the most important — and most overlooked — considerations for South Florida buyers. Florida has more properties in FEMA-designated flood zones than any other state, and flood insurance is NOT included in a standard homeowner's insurance policy. Properties in high-risk zones (AE, VE, A) require mandatory flood insurance if you have a federally backed mortgage. Flood insurance can add \$1,500–\$5,000+ per year to your housing costs.

◆ **TEX'S TIP** Always ask for the flood zone designation and current flood insurance costs before you fall in love with a property. I include this in every showing.

What to Inspect During Home Tours

System	What to Check	Replacement Cost
Roof	Age, condition, last inspection. FL roofs last 15–25 years.	\$15,000–\$40,000+
HVAC	Age and condition. FL systems last 10–15 years.	\$5,000–\$12,000
Water Heater	Age (8–12 yr lifespan). Signs of rust or leaks.	\$800–\$2,500
Windows/Doors	Impact-resistant? Non-impact = higher insurance.	\$10,000–\$30,000+
Electrical Panel	Federal Pacific/Zinsco panels = fire hazard, uninsurable.	\$3,000–\$8,000
Water Intrusion	Ceiling stains, warped floors, musty odors.	Varies widely

CHAPTER 5

Making an Offer & the Contract

How to Win in a Competitive Market

What Makes an Offer Strong

In South Florida's competitive market, the highest price doesn't always win. Sellers care about certainty of closing, timeline, and contingencies. A larger Earnest Money Deposit (EMD) — typically 1–3% of purchase price — signals commitment. Shortening the inspection period from 15 to 10 days while still conducting thorough inspections can make your offer more attractive. Accommodating the seller's preferred closing date can also tip the scales in your favor.

The Florida AS-IS Contract

Florida's most commonly used residential contract is the "AS-IS Residential Contract for Sale and Purchase." This does NOT mean you're buying the home without recourse — it means the seller is not obligated to make repairs. However, you retain the right to inspect the property and cancel the contract for any reason during the inspection period and receive your full deposit back. This is actually a buyer-friendly contract structure.

Key Contract Contingencies

Contingency	What It Protects	Typical Period
Inspection	Right to inspect and cancel for any reason	10–15 days
Financing	Protects deposit if loan falls through	20–30 days
Appraisal	Protects if home appraises below purchase price	Tied to financing
HOA Review	3 days to review HOA docs; cancel for any reason	3 days (FL law)

CHAPTER 6

South Florida Neighborhoods

Finding the Right Community for Your Family

South Florida offers a remarkable diversity of communities, each with its own character, price point, and lifestyle. Here's an overview of the areas where Tex specializes:

Community	Entry Price	Why Buyers Choose It
Boca Raton	\$600,000+	Luxury living, world-class shopping at Mizner Park, top-rated schools, pristine beaches.
Coral Springs	\$450,000+	Award-winning schools, 200+ parks, low crime, excellent family value vs. Boca.
Delray Beach	\$400,000+	Vibrant Atlantic Avenue, award-winning beaches, strong investment market.
Boynton Beach	\$350,000+	Best value for coastal proximity; revitalized downtown; strong appreciation.
Parkland	\$700,000+	Safest city in FL, top-rated schools (MSD 10/10), equestrian estates, privacy.

School District Overview

Community	Flagship High School	Rating	Notable Feature
Parkland	Marjory Stoneman Douglas	10/10	Consistently top-ranked in FL
Boca Raton	Boca Raton Community High	9/10	Strong AP & IB programs
Coral Springs	Coral Springs High	8/10	Award-winning arts program
Delray Beach	Atlantic High	8/10	Strong athletics & academics
Boynton Beach	Boynton Beach Community High	7/10	Growing STEM programs

CHAPTER 7

The Closing Process

From Contract to Keys

Typical Under-Contract Timeline

Days	Milestone
Days 1–3	Sign contract, wire earnest money, order home inspection
Days 3–10	Complete all inspections, negotiate repairs or credits
Days 10–15	Submit mortgage application, lender orders appraisal
Days 15–25	Lender processes loan, title search conducted, respond to underwriter conditions
Days 25–35	Receive Clear to Close, review Closing Disclosure (3 days before closing)
Closing Day	Sign documents, wire closing funds, receive keys

Florida-Specific Inspections

The **4-Point Inspection** covers the four systems most critical to insurability: roof, electrical, plumbing, and HVAC. Many insurance companies require this for homes 25+ years old. Cost: \$150–\$200. The **Wind Mitigation Inspection** documents your home's wind-resistant features and can qualify you for significant insurance discounts — often saving \$500–\$2,000+ per year. Always get both. Cost: \$150–\$200 each.

◆ **TEX'S TIP**

Wire fraud is the #1 real estate scam. Always verify wire instructions by calling your title company directly using a phone number you independently verified — never use contact info from an email.

CHAPTER 8

Homeownership After Closing

Protecting and Growing Your Investment

The Florida Homestead Exemption

If you own and occupy your home as your primary residence on January 1st, you can apply for the Homestead Exemption, which provides a \$50,000 reduction in assessed value (saving ~\$500–\$1,000/year in taxes) and the **Save Our Homes** cap — limiting annual increases in your assessed value to 3% or the rate of inflation, whichever is lower. This is a powerful long-term protection against rising property taxes in an appreciating market.

◆ **CRITICAL DEADLINE**

You must apply for the Homestead Exemption by March 1st of the year following your purchase. Apply at your county property appraiser's office. This is one of the most commonly missed steps by first-time buyers.

Building Equity Three Ways

Method	How It Works	South FL Context
Appreciation	Home value increases over time	Historical avg: 4–6%/yr; recent years higher
Principal Paydown	Each payment reduces loan balance	Grows over time as loan amortizes
Forced Equity	Renovations that increase value > cost	Kitchen/bath remodels, pool additions

Maintenance Budget Planning

Budget 1–2% of your home's value per year for maintenance and repairs. On a \$500,000 home, that's \$5,000–\$10,000 annually. In South Florida, where humidity, salt air, and hurricane season accelerate wear on certain systems, budgeting toward the higher end is prudent. Build an emergency fund of at least 3–6 months of housing costs for unexpected repairs.

CHAPTER 9

Your First-Time Buyer Action Plan

Step-by-Step Roadmap to Homeownership

Step	Action	Timeline
1	Check credit, pay down debts, start saving for down payment & closing costs	6–12 months before
2	Get fully pre-approved (not just pre-qualified) from 2–3 lenders	1–2 months before
3	Hire your buyer's agent (call Tex — it costs you nothing)	Before you start looking
4	Define must-haves vs. nice-to-haves; set up MLS alerts	Before you start looking
5	Tour homes strategically (max 5–7/day); move quickly when you find the one	Active search
6	Make a strong, competitive offer with Tex's guidance	When ready
7	Order all inspections immediately; review HOA docs; check flood zone	Under contract
8	Review Closing Disclosure; verify wire instructions by phone; do final walk-through	Closing week
9	Apply for Homestead Exemption by March 1st of following year	After closing

READY TO TAKE THE NEXT STEP?

Whether you're 6 months away from being ready or want to make an offer this weekend, I'm here to help — with no pressure and no sales pitch. Just honest guidance from someone who genuinely cares about your outcome.

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