

The Second Home Buyer's Checklist

The complete due-diligence playbook for buying a Fort Lauderdale second home — HOA rental rules, flood zones, condo financials, short-term rental restrictions, and the carrying-cost math that makes (or breaks) the investment.

What's inside

- **Section 1.** The four questions every second-home buyer must answer first
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Why this checklist exists

Second-home purchases die in due diligence more often than primary purchases. Buyers fall in love with a beach view, write an offer, and then discover the building bans rentals, the unit sits in a high-flood-premium zone, or the HOA has a \$40K special assessment looming. This checklist surfaces those issues before the offer, not after.

1. The four questions every second-home buyer must answer

Before you tour a single property, get clear on these four answers. They determine which neighborhoods, building types, and price points make sense — and which to skip.

Question 1: How will you actually use the property?

- **Personal-only (no rental):** Most lifestyle flexibility. Highest carrying cost out of pocket. Best for buyers with strong cash flow.
- **Personal + occasional rental (less than 14 days/year):** No tax filing required for rental income. Good middle ground.
- **Personal + significant rental:** Must file rental income on Schedule E. Mortgage interest, depreciation, and expenses become deductible against rental income.
- **Investment-only (rented full-time):** Treated as a true investment property. Different financing rules, different tax treatment, different insurance.

Question 2: How often will you actually be there?

Be honest. Most second-home buyers initially say "6+ weeks a year" and end up using the property 2–3 weeks. If real usage is under 4 weeks per year, the carrying cost per week of use can be brutal — at that point, renting a luxury hotel or vacation home for those weeks may pencil better than ownership.

Question 3: Are you willing to manage it remotely?

Even without rentals, a second home needs ongoing attention — landscaping, HOA communications, hurricane prep, plumbing emergencies. Either you'll fly down for issues, or you'll pay a property manager (typically 8–12% of rental income, or a flat \$200–\$500/month for non-rental management).

Question 4: What's your exit horizon?

Fort Lauderdale real estate has appreciated steadily but transactions costs are real (roughly 7–8% combined for closing, real estate commissions, and transfer fees). Plan on holding 5+ years for the math to work. Shorter horizons require above-average appreciation to break even.

2. HOA rental restrictions

This is the single most common deal-killer for second-home buyers. Many Fort Lauderdale condos and gated communities have strict rental restrictions — minimum lease terms, maximum rentals per year, owner-occupancy waiting periods. If you planned to use rental income to offset costs and the HOA bans rentals for the first year, your math is broken. Verify before you offer.

Common HOA rental restriction types

Restriction	How it affects you
Minimum lease term (3, 6, 12 months)	Bans short-term and Airbnb. Long-term rental only.
Owner-occupancy waiting period (1–2 years)	Can't rent at all for the first 12–24 months of ownership.
Maximum rentals per year (e.g. 1 per year)	Limits how many tenants you can have annually.
Total rental cap (% of building rented)	Building-wide cap; if reached, you go on a waiting list.
Application/approval requirement	HOA must approve every tenant. Adds 2–4 weeks per turn.
Pet, vehicle, and guest restrictions	May limit who can stay; affects rental marketability.

How to verify before offering

- 1 **Request the HOA Declaration, Bylaws, and Rules & Regulations** before writing the offer. Olga can request these from the listing agent.
- 2 **Search for the word "lease" or "rental"** in those documents. The relevant section is usually titled "Use Restrictions" or "Leasing."
- 3 **Confirm rental approval status with the HOA management company directly.** Ask: "What's the current rental cap status, and is the building accepting new rental applications?"
- 4 **If rentals are critical to your math, build a rental contingency into the offer.** If you can't get HOA rental approval within 21 days, you can walk with your earnest money intact.

The buildings that say yes vs no

Most Galt Mile beach condos allow long-term rentals (3–6 month minimums) but ban short-term. Most luxury downtown buildings (Las Olas Riverhouse, Icon, etc.) allow rentals with 6–12 month minimums. Most gated single-family communities (Bay Colony, Sunrise Key) have strict rental restrictions or outright bans. Single-family homes outside HOAs have no restrictions at all — Coral Ridge, Imperial Point, Victoria Park, Rio Vista. If rentals matter, this affects which neighborhood to target.

3. Flood zones — verifying before you offer

Roughly 60% of Fort Lauderdale's east side sits in a FEMA Special Flood Hazard Area. If you're financing, flood insurance is mandatory in those zones. Premiums can range from \$700/year to \$6,000+ depending on elevation, zone, and structure. Verify before you offer — surprise flood premium is the #2 second-home deal-killer after HOA rental restrictions.

Flood zones to know

Zone	Risk	Annual flood insurance (typical)
X / X500	Low to moderate. Optional flood.	\$500–\$700 (preferred risk)
AE	1% annual flood risk. Required if mortgaged.	\$1,200–\$3,500
AE (low elevation)	Higher exposure within AE.	\$3,000–\$6,000+
VE	Coastal, wave action. Required if mortgaged.	\$3,500–\$10,000+

How to check in 90 seconds

- 1 Go to the FEMA Flood Map Service Center (msc.fema.gov).
- 2 Enter the property's exact street address.
- 3 Note the flood zone designation displayed.
- 4 If the zone is AE or VE, ask the seller for an elevation certificate.
- 5 If no certificate exists, factor \$500–\$700 into your offer to obtain one during due diligence.

Why elevation certificates matter so much

An elevation certificate documents how high your home sits relative to FEMA's Base Flood Elevation. A home elevated 4+ feet above BFE in an AE zone can have a flood premium 60–80% lower than a home at BFE. Always ask the seller for the existing elevation certificate. If they don't have one, getting one is the single highest-ROI item in second-home due diligence.

4. Reading condo financials

If you're buying a condo, the building's financial health matters more than the unit itself. A beautiful unit in a financially distressed building is a worse purchase than an average unit in a well-funded building. Florida's SB-4D structural inspection law has made this even more important — buildings that have completed inspections and funded reserves are now selling at premiums; those that haven't are seeing 10–25% discounts and special assessments.

The four documents you must review

- 1 **Most recent year-end financial statements.** Look at total reserves, operating fund balance, and any deficit. Reserves under \$200K for a 100-unit building is a warning sign.
- 2 **Most recent reserve study.** This is an engineering analysis of major systems (roof, elevator, plumbing, structural, painting) and how much should be reserved for each. The percent-funded figure is the single most important number in the building.
- 3 **SB-4D Milestone Inspection report** (for buildings 30+ years old, 3+ stories). If completed and clean, the building is in good shape. If not yet completed, the inspection cost and any required repairs will hit owners as a special assessment.
- 4 **HOA meeting minutes from the last 12 months.** This is where you find litigation, pending special assessments, and management drama that doesn't show up in audited financials.

Red flags to watch for

- **Reserve study percent-funded under 50%.** Indicates underfunding. Special assessments likely.
- **Recent or pending special assessment over \$5,000/unit.** Verify whether seller or buyer pays at closing.
- **Multiple HOA management changes in 24 months.** Often signals operational problems.
- **Active litigation against the HOA or developer.** Can void Fannie Mae warrantability — your loan won't close.
- **Deferred maintenance line items in reserve study.** Roof, elevator, painting, structural deferred = future assessment.
- **Owner-occupancy ratio under 50%.** May disqualify FHA and conventional loans, limiting your future buyer pool.

The non-warrantable trap

Fannie Mae and Freddie Mac maintain a list of "non-warrantable" condo buildings — buildings that fail their lending standards. Many older Fort Lauderdale buildings are on this list. If your dream condo is non-warrantable, you'll need a portfolio lender or 25%+ down. Verify with Jim BEFORE you write the offer — a non-warrantable surprise after you're under contract is a deal-killer.

5. Short-term rental rules by neighborhood

If you plan to rent your second home on Airbnb, VRBO, or other short-term platforms, the rules vary dramatically across Fort Lauderdale. Some neighborhoods allow it freely. Others have minimum rental periods enforced by city ordinance. Some HOAs ban it entirely. Get this right before you offer.

The three layers of short-term rental rules

- 1 **Florida state law.** Florida is generally favorable to short-term rentals; the state preempts cities from banning them outright (with some grandfathered exceptions).
- 2 **City of Fort Lauderdale ordinance.** Requires registration and a Vacation Rental Certificate. Specific zones may have minimum-stay requirements (often 7+ nights).
- 3 **HOA / condo association rules.** The most restrictive layer. Even if state and city allow short-term rentals, an HOA can require minimum lease terms of 3, 6, or 12 months — effectively banning short-term rental.

Where short-term rental works in Fort Lauderdale

Neighborhood / Type	STR-friendly?	Notes
Single-family homes outside HOAs (Victoria Park, Tarpon River, Poinsettia Heights)	Generally yes	Subject to city Vacation Rental Certificate registration
Most Galt Mile beach condos	Usually no	Most have 3–6 month minimum lease in HOA docs
Las Olas Riverhouse / downtown high-rises	Usually no	Most have 6–12 month minimum lease
Sailboat Bend, Colee Hammock townhomes	Sometimes	Verify HOA on each property
Gated communities (Bay Colony, Sunrise Key, Harbor Beach)	No	Strict long-term rental or no-rental rules
Coral Ridge, Imperial Point single-family	Yes (no HOA)	Subject to city Vacation Rental Certificate

City of Fort Lauderdale Vacation Rental Certificate

- Required for any rental shorter than 30 days.
- Annual fee (typically \$350–\$650 depending on unit type).

- Inspection required for life-safety items (smoke detectors, fire extinguishers, exits).
- Property must collect and remit Florida sales tax (6%) and Broward County tourist tax (6%) on each rental.
- Posted certificate, occupancy limits, and emergency contact must be visible inside the property.

Realistic short-term rental income for Fort Lauderdale

A well-run 2BR condo in a STR-friendly neighborhood can gross \$35K–\$70K/year on Airbnb. After cleaning, management (20–25% if outsourced), supplies, taxes, and vacancy, net is typically 50–60% of gross. The math only works in genuinely STR-friendly buildings — don't assume any condo qualifies.

6. Second-home financing

Second-home loans differ from primary-residence loans in three important ways: down payment, interest rate, and qualification rules. Knowing this before you offer keeps your purchase math accurate.

Second home vs investment property

There's an important distinction. A "second home" loan requires that you use the property as a personal residence at least part of the year. An "investment property" loan applies when the property is rented out year-round and never used personally. Investment loans have higher rates and more stringent requirements.

Loan type	Min down	Rate vs primary	Use rules
Second home (conforming)	10% (typical)	+0.25% to +0.50%	Personal use part of year
Second home (jumbo)	10%–20%	+0.25% to +0.75%	Personal use part of year
Investment (conforming)	20%–25%	+0.50% to +1.25%	Rented; no personal use required
Investment (jumbo)	25%–30%	+0.75% to +1.5%	Rented year-round
DSCR loan (rental income qualifying)	20%–25%	Varies by lender	Qualifies off rental income, not your DTI

Mortgage interest tax treatment

- **Second home (personal use):** Mortgage interest is deductible on Schedule A up to the combined \$750K loan limit (with primary residence).
- **Second home with significant rental:** Tax treatment depends on personal-use vs rental days. A CPA can split the deductions appropriately.
- **Pure investment property:** Mortgage interest, depreciation, and expenses fully deductible against rental income on Schedule E.

Talk to Jim before deciding the loan type

The choice between "second home" and "investment" loan classification has real tax and rate implications — but you have to declare your intent honestly to the lender. Misrepresenting use to get a better rate is mortgage fraud. Jim helps second-home buyers structure financing correctly the first time.

7. The carrying-cost math

Most second-home buyers underestimate annual carrying costs by 20–40%. The five lines below are where the surprises live. Run these honestly before you offer.

Sample annual carrying cost: \$850K Galt Mile beach condo

Line item	Annual cost
Mortgage P&I; (\$600K loan @ 7.0%, 30-yr)	\$47,900
Property tax (~1.05% × \$850K, no Homestead)	\$8,925
HOA fees (\$1,400/mo × 12)	\$16,800
Homeowner's + wind insurance (HO-6)	\$3,500
Flood insurance (AE zone)	\$2,200
Utilities (when occupied + minimum standby)	\$2,400
Cleaning service / turnover (if rented)	\$3,600
Property management (if outsourced)	\$3,000
Repairs and contingency reserve (1% of value)	\$8,500
TOTAL ANNUAL	\$96,825
TOTAL MONTHLY	\$8,069

How rentals can offset

The same \$850K condo, rented as a long-term lease (\$4,500/month, 11 months/year, 1 month for personal use): generates \$49,500 gross rental income. After 20% management, 5% vacancy/maintenance, and modest variable costs, net rental income is approximately \$35,000/year — covering more than a third of the carrying cost. If short-term rental is allowed and well-executed, the gross can rise to \$60K–\$90K/year, fully covering carry on many units.

Without Homestead, property tax is higher

Homestead Exemption is only available on your primary residence — second homes don't qualify. Your property tax will assess at full market value annually with no Save Our Homes 3% cap protection. Build this into your math; the property tax line for a second home rises with the market each year.

Run the numbers on your specific target

Jim's pre-qualification call for second-home buyers includes a full annual carry calculation: mortgage, taxes, HOA, insurance, expected rental income, vacancy, management. You walk away with the actual annual net cost — not a guess. 15 minutes.

8. Pre-offer due diligence checklist

Before you write an offer on any second-home property, work through this list. Five minutes of verification prevents the most common deal-killers.

HOA & rental rules

- HOA Declaration, Bylaws, Rules & Regulations obtained and reviewed
- Minimum lease term confirmed (months): _____
- Owner-occupancy waiting period confirmed: _____ months
- Rental cap status confirmed (HOA management contacted directly)
- HOA tenant approval timeline documented: _____ days typical

Flood zone & insurance

- Flood zone verified at FEMA Flood Map Service Center
- Elevation certificate requested from seller (if AE or VE)
- Insurance binder quote received (homeowner + wind + flood)
- Hurricane deductible amount calculated: \$_____

Condo financials (if applicable)

- Most recent year-end financial statements reviewed
- Reserve study reviewed; percent-funded: _____%
- SB-4D Milestone Inspection status: completed / pending / not yet required
- Last 12 months HOA meeting minutes reviewed
- Any pending or recent special assessments documented: \$_____
- Active litigation against HOA: yes / no
- Fannie Mae warrantability confirmed (for conventional financing)

Short-term rental viability (if applicable)

- HOA short-term rental rule documented
- City of Fort Lauderdale Vacation Rental Certificate eligibility verified
- Comparable rental rates researched (AirDNA, VRBO, Airbnb data)
- Property management cost quoted: _____% of gross

Financial fit

- _ Loan classification decided: second home / investment / DSCR
 - _ Pre-approval letter dated within 30 days
 - _ Annual carrying cost calculated honestly
 - _ Tax treatment understood (Schedule A vs Schedule E)
 - _ Exit horizon set: _____ years minimum
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Your next step

Every successful Fort Lauderdale purchase starts with knowing your real buying power — not a quick online estimate, but a 15-minute conversation that factors in HOA fees, flood insurance, and Florida property taxes. That's how Jim Blackburn (Stairway Mortgage, NMLS #1072866) opens every buyer relationship before connecting you with Olga Blackburn (The Keyes Company) for the home search.

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Ready when you are

Call or text Jim at (954) 993-1625 to start your 15-minute pre-qualification. No credit pull required for the conversation.