

HOW TO SAFEGUARD AGAINST FRAUD WHEN YOU BUY PROPERTY

Anyone considering buying property should investigate the property carefully. This advice applies to any land purchase, whether a single lot or a large tract.

General advice to the buyer is that decisions should be based on facts, not on get-rich-quick promises. It must be remembered that the value of an improved lot depends on the developer fulfilling promises as well as such other market considerations as location, growth potential, the general economy and resale value.

The prospective purchaser needs to determine what utilities are available, when they will be available, and who will pay for their installation. Buyers should find out the cost of any "special taxing districts" that may have been formed -- to install roads or provide water, for example.

If your plan is to build a home, then financing and insurance costs must be explored. Fire and flood insurance, for example, may be expensive. The buyer must also examine such possible additional costs as property taxes or special assessments levied against the property by private and governmental entities. These costs should be thoroughly understood. An inquiry should be made to determine whether the property is located in a flood area. If so, what safeguards exist? Are there adequate drainage facilities to render the property useable for the purpose for which it was offered? Will flood insurance be required and, if so, at what cost?

Prospective buyers from a developer should not purchase an interest in any subdivision unless they first see and carefully read a public offering statement filed with the Division of Florida Land Sales, Condominiums and Mobile Homes as required by law. A public offering statement is basically a disclosure document for the buyer. The statement is not, however, a recommendation for or against the property but it will disclose the physical characteristics of the subdivided lands and all of its unusual and material circumstances or features. The statement must include the size and location of the land, and information regarding improvements, zoning, and restrictions affecting the use of the land. Any subdivision that is divided or is prepared to be divided into 50 or more lots, parcels or units must be registered. The seller of subdivided land is required by law to deliver a current public offering statement to each prospective buyer prior to the prospective buyer signing a purchase contract. The buyer must be afforded a reasonable opportunity to examine the public offering statement prior to a final settlement, and the buyer can cancel the agreement without cause until midnight of the seventh business day after the purchase contract is signed. The buyer must also sign a receipt for the public offering statement. The prospective buyer should carefully read and fully understand representations contained in the public offering statement prior to signing a contract for purchase agreement. Unwritten promises should never be relied on by the buyer as being correct.

Remember, if you decide to buy land, it is important to read the entire purchase contract carefully, and you should contact an attorney to review the contract before signing it. Also, consideration should be given to obtaining title insurance and a professional survey so that you are aware if anyone else is claiming an interest in

your property. If you have any questions concerning any real estate transaction, you may wish to contact an attorney before making a final decision.

In addition to this general advice about the land itself, there is something to be said about sales techniques. Buyers should not let sales agents pressure them into making hasty decisions, no matter how intense and skillful the sales pitch. Some sales agents operate on the theory that if a prospect has time to think things over, chances are he or she won't be back. Some sales agents attempt to create an atmosphere of buyer hysteria by the use of gimmicks. For instance, on a tour of the site, the two-way radio in the sales agent's car may announce loudly the lot numbers which are sold or deposits taken on certain lots. The sales agent may point out to you that these persons realize that this is a surefire investment and are buying several lots before prices go up or before the choice lots are gone. Buyers are warned against such sales patterns . A reputable sales agent would not pressure a customer with hardsell tactics. Statements regarding future price increases should not be an inducement to purchase. If possible, comparative shopping should be done.

If you believe you are a victim of fraud, misrepresentation or deceit in the purchase of any lot in any subdivision, you should report this immediately by calling the Division of Florida Land Sales, Condominiums, and Mobile Homes at 1940 North Monroe Street, Tallahassee, Florida 32399-1034, or by telephone at (850)488-1122.

If you believe you need legal advice, call your attorney. If you do not have an attorney, call The Florida Bar Lawyer Referral Service at 1-800-342-8011, or the local lawyer referral service or legal aid office listed in the yellow pages of your telephone book.