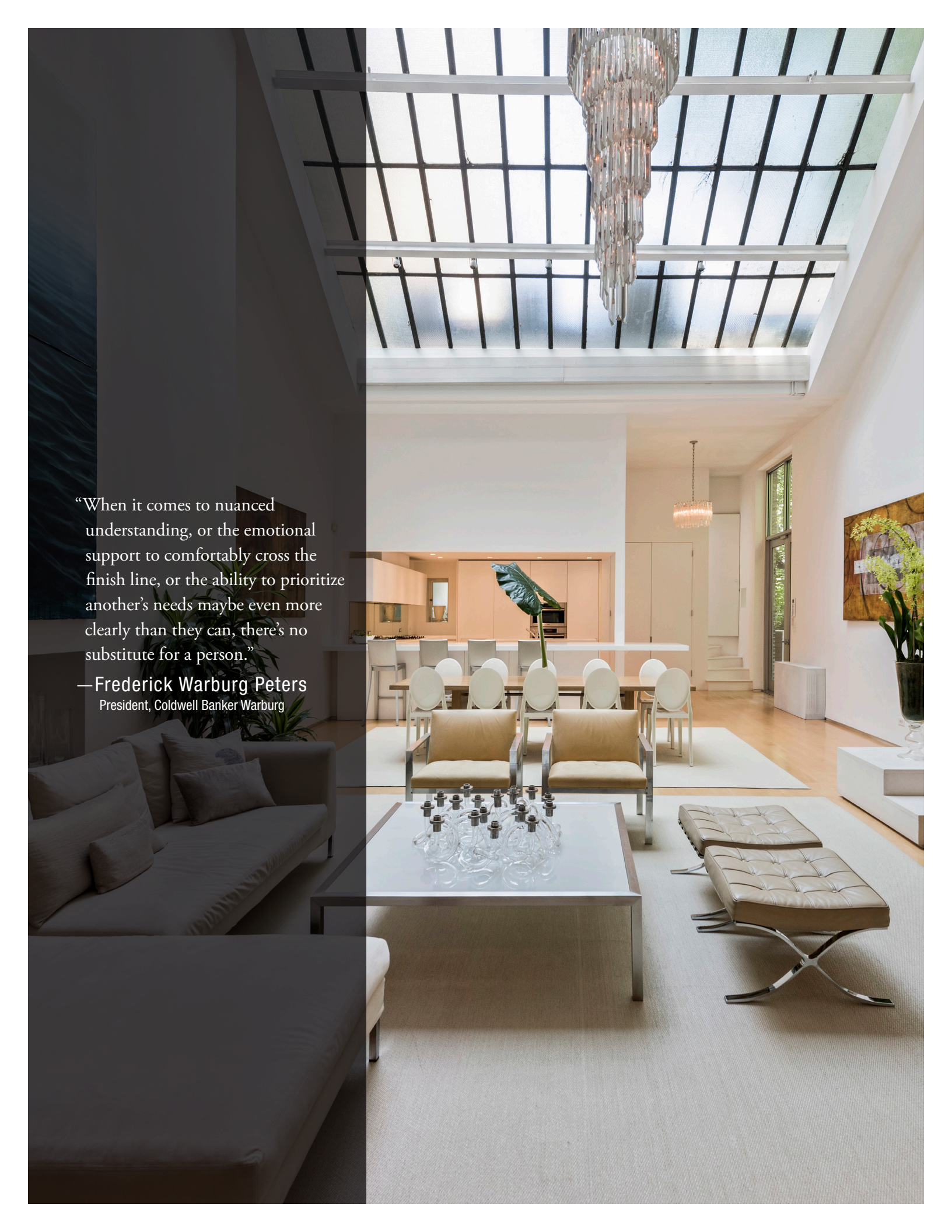




Buying a property in
New York City



COLDWELL BANKER
WARBURG



“When it comes to nuanced understanding, or the emotional support to comfortably cross the finish line, or the ability to prioritize another’s needs maybe even more clearly than they can, there’s no substitute for a person.”

—Frederick Warburg Peters
President, Coldwell Banker Warburg

1

Getting to know you— understanding your needs.

The first step in any search is to know what you are looking for. I strongly recommend that you take time upfront to consider your priorities, and educate yourself about the market.

COMMON CRITERIA TO GUIDE A SEARCH:

INSIDE	OUTSIDE
Size (including beds/baths)	Proximity to schools/ houses of worship
Light and views	Neighborhood
Building amenities	Access to transportation
Pet friendliness	Parks/recreation
Garage & parking access	Dog runs

Priorities often evolve as you begin to look at properties, but the more information you can provide upfront, the more targeted your search can be.

TYPICAL TIME FRAME

You should also identify your timeline - when do you need to move? The length of the search process can vary significantly, as can time between contract and closing, and time between closing and move in.

2

Establishing your price framework for optimal results.

With my help and a bank or financial advisor, you should understand what you have to spend and are qualified to finance. Costs include:

UPFRONT COSTS/MONEY DOWN

- This includes your down payment and additional financing. Generally, the minimum required down payment is 20% for cooperatives and 10% for condominiums.
- I can advise whether a property is subject to additional upfront costs, including taxes or other charges.
- In addition to these requirements, there are certain financial thresholds that a purchaser may have to achieve in order to be approved by a co-op board. I will provide you with information on these specifics which can vary from building to building.

MONTHLY/RECURRING COSTS

- In addition to monthly mortgage payments, you should budget for recurring charges such as maintenance for cooperatives or common charges and real estate taxes for condominiums: utilities, parking, transportation, etc.



OBTAIN A MORTGAGE PRE-APPROVAL

This important step provides clear guidance on how much you will be able to finance, and allows you to rapidly submit a purchase offer for a property of interest. Banks will generally cap lending so that your total monthly payments—including mortgage payment and maintenance/common charges and real estate taxes—are no more than 25-35% of your monthly income.

SELECT A REAL ESTATE ATTORNEY

Generally, both the buyer and seller will have their own attorney. The seller's attorney will draw up the sales contract. The buyer's attorney will conduct "due diligence," including reading the building's minutes, financial statements, etc. Lawyers also play a key role in complex negotiations, so it is vital to work with someone you trust. I can help you find an experienced attorney who specializes in New York City real estate.

3

Understanding New York and its unique housing stock.

New York City's housing stock is just as diverse as its population. The four most common residential properties include:

COOPERATIVE (CO-OP)

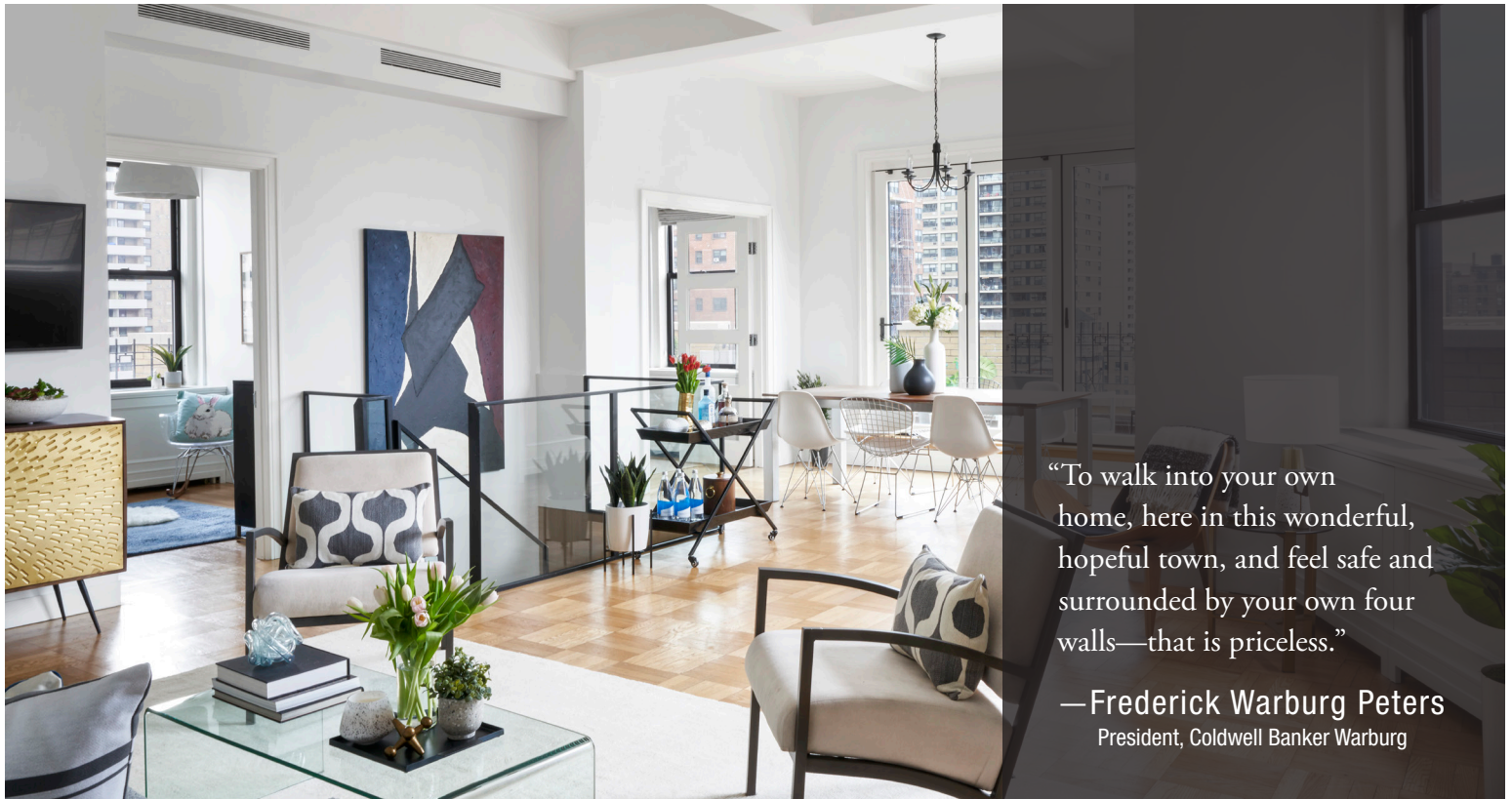
A cooperative is a corporation specifically formed to own units in a building or group of buildings.

- Residents ('tenant shareholders') own stock in the cooperative— rather than owning their apartment—and receive a proprietary lease which gives them exclusive use of their unit.
- The cooperative is governed by a resident board of directors, and shareholders are subject to rules and restrictions which may limit the ability to finance, sublease, or renovate. All NY cooperatives require purchase applications.
- All shareholders pay a monthly maintenance fee which covers all costs relating to the ownership and operation of the building.

CONDOMINIUM (CONDO)

A condominium is a building where the units are held in free ownership, and owners pay common charges for their proportionate share of maintenance of common areas.

- When you purchase a condominium unit, you own the property outright and receive a deed.



“To walk into your own home, here in this wonderful, hopeful town, and feel safe and surrounded by your own four walls—that is priceless.”

—Frederick Warburg Peters
President, Coldwell Banker Warburg

- The condominium association is far more limited in the rules it can apply to owners, making it easier to finance, sublease or renovate. Many NY condominiums require purchase applications.
- Condominium boards have the option to exercise a right of first refusal and purchase a unit themselves for a price which matches or exceeds the offer made.

COND-OP

A ‘Cond-op’ refers to buildings which include elements of both condominium and cooperative ownership.

- Generally, cond-op units are freely held and owned outright like a condominium unit, but building ownership is structured as a cooperative.
- Cond-ops generally operate more like condominiums in terms of rules applied to owners, but may more actively employ a right of first refusal to control who purchases units.

TOWNHOUSE

A townhouse is a freestanding home or row house which the purchaser owns outright.

- In New York, townhouses are generally laid out to accommodate between one (single-family) and four (multi-family) units.
- The owner of a townhouse is solely responsible for all affiliated costs, including maintenance, utilities, and taxes.

4

Negotiating the final deal, with your best interests at heart.

IDENTIFYING THE PROPERTY

Once you find a property of interest, I will investigate key factors which can affect both value and ease of ownership, including building finances and policies and the history of repairs and renovations on the unit. You may also want to bring an architect or contractor in to provide an estimate of renovation costs before making an offer.

MAKING AN OFFER

It is not uncommon for a property to receive multiple offers and in these situations variables beyond price can come into play. These may include degree of financing, perceived strength of a buyer's financial or social credentials, and others. I will work with you and the seller's broker to present the most competitive offer.

DUE DILIGENCE

After submitting and successfully making an offer, your real estate attorney and I will begin the due diligence process. This process allows you to receive and review information on the unit and building including its title, third party reports, inspections and zoning information, among other pieces of documentation.

NEGOTIATION AND THE CONTRACT

Once an offer is accepted, it takes anywhere from several days to several weeks to finalize the negotiation. Everything is negotiable—the price, closing time frame, even the contents of the apartment.



Once the price and terms have been set, the process is generally as follows:

- 1) Seller's attorney draws up the contract.
- 2) Buyer's attorney reviews contract and requests any changes needed.
- 3) Buyer signs finalized contract and forwards to seller's attorney with a 10% deposit.
- 4) Seller signs and the contract is executed (note that the contract is considered binding only after both parties have signed it.)

I am a powerful ally in negotiating. My understanding of the quantitative and qualitative facts, my familiarity with the process (and often the broker on the other side), and my ability to remain focused can significantly aid in a rapid and successful closing.

MORTGAGE APPLICATION

Even if you have been pre-approved, applying for and obtaining a mortgage typically takes between 3-6 weeks and requires submission of proof of income and assets.

5

Preparing a package designed for board approval.

Over 70% of residential buildings in New York are managed by co-op boards, including some of the most desirable buildings and addresses.

A cooperative has the right to control who can purchase shares and the board of directors requires a purchase application (including comprehensive financial documentation) and often an interview.

Increasingly becoming standard are board packages for condominiums. These packages require similar documentation with a different approval process.

THE BOARD PACKAGE

A successful purchase application ('board package') requires diligent preparation of a wide range of information. Requirements generally include: financial statements, employment history and verification, current salary, tax returns, bank statements and personal and professional letters of reference. I will work to collect, assemble, and edit the package to present you in the best possible light.

The time it takes for a board to review a package can vary significantly and once your package is reviewed by the board, they may request further documentation. If the package is approved, the board will generally be in touch to set a date for an interview.



THE BOARD INTERVIEW

The interview provides the board with the opportunity to meet you and to discuss your application further. These meetings can range from an informal chat to a formal interview and require thoughtful preparation. I will assist you with your preparation, sharing knowledge about the interview process and the board itself.

While condominiums rarely hold formal interviews, select buildings have varying interview processes that range from informal to formal.

RECEIVING APPROVAL FROM THE BOARD

Typically, the managing agent will tell the seller's broker whether an applicant has passed the board within 10 days. If approved, a closing date will be set, and the building's managing agent will coordinate the process with each side's attorney.

6

Managing the closing and moving into your new home.

I will provide constant updates on your closing to make the final stage of your home-buying process as seamless as possible. They can also be helpful in connecting you to a variety of service providers to ensure an easy transition into your new home.

CLOSING THE DEAL

Managing agents coordinate the closing process with the buyer's mortgage bank (if financing) and the attorneys for both sides. Buyers and sellers generally attend the closing with their respective attorneys, both brokers, and a closing agent. The closing takes roughly 2- 5 hours.

GETTING THE KEYS

When all the steps of the process are combined, the time from when the home is located until the keys are in your hands is typically two to three months.

Welcome home.



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