



NEW YORK
BUYERS
GUIDE

KELLER NEWYORK

Our mission is to build lasting client relationships through ethical behavior, best business practices and superior market expertise.

Our goal is to help you to achieve your real estate dreams from first contact to signed contract to closing.

You couldn't be in better hands. 

Buying in Westchester and the Bronx is different than buying in other parts of the world. There are a variety of properties for purchase: cooperatives (co-ops), condominiums (condos), single family homes, multi-family homes and investment properties.

We can help you select the right type of property, secure the best price, educate you on the process and finalize your purchase.

Here's an expert's guide to buying.

Please feel free to reach out with any questions you may have.

We can answer them **all**.

This Buyers Guide Will Explain

- Financing Your New Home
- Evaluating The Right Space
- Property Types
- What Sellers Want
- International Buyers
- Documentation for Buyers
- Buying Timeline
- Glossary of Terms
- Closing Costs

Financing Your New Home

Your budget will be the single most important factor in your journey to buying a home. The price of a property depends on a variety of factors – size, location, building type, condition, amenities, etc. We can assist in helping you to determine your financial state and develop the best strategy for securing the best property within your budget. We will happily introduce you to a mortgage broker in order to determine if you are eligible for a loan, wherein they would determine if you qualify for a specific amount and provide you with the details of that loan.

Evaluating The Right Space

- Choose a neighborhood with accommodations that are important to you, i.e. dining options, nightlife or proximity to work
- Decide on how many bedrooms you would need and the approximate size of those bedrooms
- Determine which apartment amenities and building features are important to you, i.e. having a pool, doorman, pet policy or fitness center
- Determine which property type works best for you, i.e. condo, co-op, single family home.

Property Types

Condominiums (Condos)

With a condominium, a purchaser owns the apartment plus a percentage of the common areas of the building. The purchaser takes the title by the form of a deed, which is then recorded in the county clerk's office. If you intend to obtain a loan to purchase an apartment, you will sign a mortgage, which will be recorded in the county clerk's office. By purchasing a condo, you have now joined an association. The association provides functions such as general maintenance to the common areas, building support staff, city compliance in exchange for a monthly fee. A condo is real property, meaning you will pay your property taxes separately or inclusive with your mortgage payments.

Property Types

Cooperatives (Co-ops)

Cooperatives are a unique form of ownership where the buyer purchases a stake in a building/corporation. Each owner is allocated a percentage of shares based upon the size of the apartment they occupy as well as its relative desirability (views, position in the building etc.). The corporation pays the total amount of the building's mortgage, real estate taxes, employee salaries, and other expenses for the building maintenance. The tenant-owner, in turn, pays a portion of these expenses as determined by the number of shares the tenant owns in the corporation.

Property Types

Single Family Homes

Single family homes are freestanding often 1-4 units. The actual homes can vary from narrow and low-rise two unit row houses to large and elaborate homes that can have a living area of up to 10,000 sq. ft. Similarly the prices of these types of homes differ dramatically depending on location, size, condition as well as their legal status.

What Sellers Want

- For co-ops, an applicant who can meet the requirements for board approval and generally have a debt to income of less than 28% and 2 years worth of post-closing liquidity
- Meet the required down payment minimums or cash
- Qualified real estate agent and attorney
- Required documentation including:
 - 2 months of most recent bank statements
 - A minimum of two years worth of tax returns
 - Any brokerage statements or list of assets
 - Recommendation letters

International Buyers

We always welcome global buyers and foreign investors to purchase within the New York market. We have the ability to leverage global presence to help you save time and effort in your search for the right property. We have deep knowledge of international financing, taxation and ownership laws. We have multilingual capacities and can facilitate your transactions in whichever language you prefer.

Documentation

Whether it is a condo application or a co-op board interview, here is a list of must-haves to successfully receive building approval:

- Copies of your tax returns for the required period
- Financial Statement highlighting your assets and liabilities
- Paycheck stubs, bank statements, and statements for any 401(k), mutual funds, and stocks you may own
- Letters of recommendation: personal and professional
- Documents/references to verify your current employment and your history of employment

Buying Timeline

1. Clarify purchase requirements with real estate broker
2. Preapproval for Mortgage
3. Bid Preparation
4. Property Search
5. View Properties
6. Submit Offers and retain an attorney
7. Negotiations
8. Deal Acceptance
9. Deal Sheet
10. Contract Review/Due Diligence
11. Sign Contract/Deposit
12. Loan Approval/Purchase Appraisal
13. Submit Board Package
14. Board Interview
15. Clear to close loan/ Loan contract finalized
16. Schedule closing
17. Walk though
18. Closing

Glossary of Terms

Below are common terms and definitions you might come across when looking for an apartment in New York City. Some of these may be used differently in other parts of the country so please make sure you familiarize yourself with them and avoid any unnecessary confusions.

Agency:

A legal relationship between a principal and his agent arising from a contract in which the principal engages the agent to perform certain acts on the principal behalf.

Appraisal:

An opinion or estimate of the value of a property.

Assessment:

The amount of tax or special payment due to a municipality or association. This is applicable in condo buildings and co-ops where assessments can often amount to significant monthly expenses.

Counter Offer:

A rejection of an offer to buy or sell, with a simultaneous substitute offer.

Deed:

A written document, property signed and delivered, that conveys title to real property. It is usually signed and handed over during closing.

Equity:

Interest or value that the owner has in real estate over and above the liens against it. **Grantee:**

The party to whom the title to real property is conveyed is the grantee or the buyer.

Grantor:

Anyone who gives a deed is the grantor.

Glossary of Terms

(Continued)

Inspection:

A physical scrutinizing review of property or of documents.

Lien:

A charge against property making it security for the payment of a debt, judgment, mortgage, or taxes. A lien is a type of encumbrance. A specific lien is against certain property only, while a general lien is against all of the property owned by the debtor.

Market Value:

The theoretical highest price a buyer, willing but not compelled to buy, would pay and the lowest price a seller, willing but not compelled to sell, would accept.

Points:

Fees paid to lenders to induce them to make a mortgage loan. Each point equals 1% of the loan principal. Points have the effect of reducing the amount of money advanced by the lender.

Purchase and Sale Agreement:

A written agreement between seller and purchaser in which the purchaser agrees to buy certain real estate and the seller agrees to sell upon terms of the agreement. Also called offer and acceptance, contract of sale, and earnest money contract.

Zoning:

legal mechanism for local governments to regulate the use of privately owned real property by specific application of police power to prevent conflicting land uses and promote orderly development. All privately owned land within the jurisdiction is placed within designated zones that limit the type and intensity of development permitted.

Estimated Closing Costs

Closing Costs – Condominium Apartments

For the Purchaser

Purchaser's Attorney	\$1,500-\$3,000+
Bank Fees (if applicable)	
Points	0 to 2% of loan amount
Application/Credit Check Fees	\$500+
Bank Attorney	\$500+
Short Term Interest	Prorated; Up to 1 month
Tax Escrows	2-6 months
Recording Fees	\$365+
Mansion Tax	1% of purchase price for Sales \$1,000,000 or more
Mortgage Tax	2.05% of mortgage amount of loans under \$500,000 2.175% of mortgage amounts \$500,000 or more
Title Insurance Fee (for owner)	Amount set by law based upon coverage
Mortgage Title Insurance Fee (for lender)	
Municipal Searches	\$400-\$500
Managing Agent Fee	\$250+ (some managing agents may not charge)
Common Charges Adjustment	Prorated; Up to 1 month
Real Estate Tax Adjustment	Prorated; 1 to 6 months

Estimated Closing Costs

Closing Costs – Co-op Apartments

For the Purchaser

Purchaser's Attorney	\$1,500-\$3,000+
Bank Fees (if applicable)	
Points	0 to 2% of loan amount
Application/Credit Check Fees	\$500+
Bank Attorney	\$500+
Short Term Interest	Prorated; Up to 1 month
UCC-1 Filing Fee	\$40+
Recognition Agreement Fee	\$250+
Lien Search	\$400-\$500
Mansion Tax	1% of purchase price for residential sales of \$1,000,000 or more
Move-In Fee	\$250+
Maintenance Charges Adjustment	Prorated; Up to 1 month

Estimated Closing Costs

Closing Costs – 1-3 Unit Homes

For the Purchaser

Buyer's Attorney*	\$1,500 - \$3,000
NYC Transfer Tax	Up to 500K 1% or 500K or more 1.425% Above \$3,000,000 \$3.25 per \$500 (New Construction)
NYC Transfer Tax Commercial	Up to 500K 1.425% or 500K or more 2.625% (New Construction & 4-6 Family incl.)
Admin Fee	Non-Deed \$50; Residential Deed \$75; Commercial \$165
NYS Equalization Fee	\$75
New York State Transfer Tax*	\$4 per \$1000 of price
Recording fees - Deed/Mtg/PoA	\$200 - \$500
Attendance fee to closer	\$100+

Estimated Closing Costs

Closing Costs – Continued

For the Purchaser

Title Endorsements	\$75 - \$100
Municipal Searches	\$400 - \$500
Bankruptcy and Patriot Searches	\$30 Per Name
Survey, if applicable	\$150 for inspection or \$500+ (depending on lot size)
Bank Attorney	\$850 - \$1250

Mortgage Tax

For the Purchaser

Outside NYC, Except Westchester, Rockland & Ulster	1.05% for all properties and all amounts, minus \$30 for a 1-2 Family Residential dwelling. .8% paid for Borrower for a 1-5 Residential or Condo Unit .25% paid by Lender 1.05% paid by Borrower on all other properties
Yonkers	1.8% for all properties and all amounts, minus \$30 for a 1-2 Family Residential dwelling. 1.55% paid for Borrower for a 1-5 Residential or Condo Unit .25% paid by Lender 1.8% paid by Borrower on all other properties
Rockland and Westchester, except Yonkers	1.3% for all properties and all amounts, minus \$30 for a 1-2 Family Residential dwelling. 1.05% paid for Borrower for a 1-5 Residential or Condo Unit .25% paid by Lender 1.3% paid by Borrower on all other properties
Ulster	.75% for all properties and all amounts .5% paid for Borrower for a 1-5 Residential or Condo Unit .25% paid by Lender .75% paid by Borrower on all other properties
Dutchess County	1.3% for all properties and all amounts
NYC	2.05% for 1-3 Family Residential, or Condo minus \$30 for a 1-2 Family Residential dwelling less than 500K. 500K or more 2.175% 1.8% paid for Borrower. .25% paid by Lender for less than 500K. 1.925% paid for Borrower. .25% paid by Lender for more than 500K. 1.05% paid by Borrower on all other properties 2.05% on all properties less an 500K. 2.8% on all other more than 500K

Notes



KELLER NEWYORK