

A GUIDE TO BUYING A HOME IN MANHATTAN

with LAURIE GILMORE

TOWN
RESIDENTIAL

Buying a home in New York City is an exciting decision and accomplishment. Laurie and the TOWN Team can guide you through the unique New York City landscape with their market knowledge, strong real estate community relationships, best-in-class network of experts, and complimentary full service concierge for life. This informative guide will empower you with the knowledge needed to make confident decisions when purchasing a home in the world's most loved city.

IN THIS GUIDE YOU WILL LEARN ABOUT

- *Qualifying*
- *Mortgage Options*
- *Down Payment*
- *Co-Op vs. Condo*
- *Timeline for Purchase Process*
- *Co-Purchasing with Parent*
- *Inventory*
- *Making an Offer*
- *Board Approval (how to)*
- *Closing Costs*

THE DIFFERENT FORMS OF PROPERTY OWNERSHIP

Before you start looking, it is important to understand the different types of ownership available to purchasers of Manhattan property.

COOPERATIVE

In Manhattan, cooperatives have been the traditional way to own an upscale apartment for nearly a century, and comprise two thirds of all apartments available for purchase. Co-ops are owned by an apartment corporation. When you purchase an apartment in a co-op building, you are buying shares of the corporation that entitle you as a shareholder to a "proprietary lease." Typically the larger your apartment, the more shares of the corporation you own.

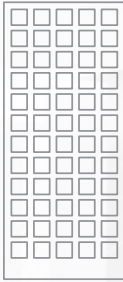
Co-op shareholders pay a monthly maintenance fee to cover building expenses like heat, hot water, insurance, staff salaries, real estate taxes and the mortgage debt of the building. Portions of the fee are tax deductible and shareholders can deduct their portion of the building's real estate taxes.

Approval to purchase shares of a co-op must be granted by a board of directors, who also have the authority to determine how much of the purchase price may be financed and minimum cash requirements. All prospective purchasers must submit a "board package" containing a purchase application, personal and professional letters of recommendation plus detailed information on income and assets. The board will also require an interview so they can meet you and ask any questions regarding the information you provided. They can approve or deny any applicant without stating a reason.

Purchasing a co-op can be an intricate process, and subletting can be challenging. Each co-op has its own rules and should be considered carefully. Laurie is an expert in this area and is well equipped to help you decide whether a co-op, and which one, is best for you.

THE DIFFERENT FORMS OF PROPERTY OWNERSHIP

CONDOMINIUM



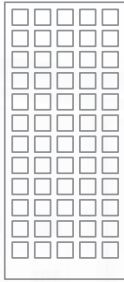
Each individual apartment in a condominium receives a separate tax bill from the city. There is still a monthly common charge similar to the maintenance charges in a co-op, which is paid to the condominium association to pay for such items as payroll, building maintenance and supplies, management fees, and building repairs. These charges do not include your real estate taxes and are not tax-deductible. They also tend to be lower than in co-ops because there is no underlying mortgage for a condominium building.

Unlike a co-op, a condominium apartment is real property, and a purchaser is given a deed as if they were buying a house. The difference between owning a condo and a house is that in addition to owning the apartment, you also own a small percentage of the common elements of the building like the halls, stairwells, basement, etc.

The straightforward nature of buying a condo, plus the fact that in some cases you can finance up to 90% of the purchase price and sublet your apartment at will, makes this form of ownership a top choice for flexibility, especially among investors, foreign buyers and parents purchasing for their children.

THE DIFFERENT FORMS OF PROPERTY OWNERSHIP

COND-OP



A cond-op is a residential cooperative where the ground floor (typically commercial units) is converted into a separate condominium that's either owned by an outside investor or the original building sponsor. So while the residential units are a co-op, the commercial units are owned as a condominium by an entity other than the co-op.

The co-op does not receive the benefit of the income from these units. People often refer to cooperatives that operate under condominium rules as cond-ops, though this is inaccurate.

TOWNHOUSE



Owning a townhouse provides the owner with a "fee simple" ownership of real property. There are single-family and multi-family townhouses which can be lived in or rented out at will. In either case, the owner is responsible for payment of all real estate taxes, maintenance and repairs of the property. The sale of the property may be conveyed to any party without prior approval by anyone other than the homeowner.

TIMELINE FOR BUYING A HOUSE

Now that you're ready to start your search, here is a general timeline of events. The first step is to preview properties and schedule appointments with Laurie. Once you decide to make an offer on a home, in most cases it can take an average of 60–120 days to complete the closing process.

STEP	DURATION
Prepare the offer	<i>1 day</i>
Negotiate the offer and acceptance	<i>2-5 days</i>
Loan application and appraisal, loan approval and commitment letter, sign contract/escrow deposit	<i>2-4 weeks</i>
Co-op board package and interview/condo application	<i>4-6 weeks</i>
Bank and attorney prep closing	<i>1-2 weeks</i>
Final walk through	<i>Day of closing</i>
Transaction closing	<i>3 hours</i>

GET PREPARED WITH YOUR FINANCING



Learning about financing options, and what you can afford before you start looking for a home will save time and streamline the buying process. Laurie will arrange a meeting with a mortgage broker who will answer your questions about the loan process and determine a comfortable price range. During this early phase of the loan process there are two levels of endorsement:

PRE-QUALIFIED



Based on the information you provide during your initial conversation with a mortgage broker, you are potentially qualified for a stated loan amount, assuming full and accurate disclosure.

PRE-APPROVED



You will next provide your mortgage broker with information for a detailed background and financial check (including tax returns, credit check & income history).

You'll then get a letter from the lender stating the amount the lending institution would loan you. This commitment is valid for about 60 days. As a note, most sellers require buyers to provide a pre-approval letter with an offer letter.

CLOSING COSTS: COOPERATIVES

COSTS FOR THE PURCHASER	
Cooperative Application Fee	\$500-\$1,000
Judgment and Lien Search	\$250-\$350
Recognition Agreement Fee	\$150-\$250
Maintenance Adjustment	<i>Pro-rated for the month of closing</i>
BANK FEES (ONLY APPLICABLE IF PURCHASER IS OBTAINING A LOAN)	
Includes items such as discount points, appraisal fee, origination fee, credit report fee, document preparation fee, courier fee, application fee	<i>Variable depending on lender and loan product</i>
Bank Attorney Fee	\$700-\$950
UCC-1 Filing Fee	\$75-\$125
GENERAL	
Move-In Deposit (refundable)	\$500-\$1,000
Move-In Fee (non-refundable)	\$250-\$1,000
Purchase Application Fee	\$500- \$1,000
Mansion Tax	<i>1% of purchase price if > \$1,000,000</i>
Purchaser's Attorney Fee	<i>Consult your attorney</i>
NEW CONSTRUCTION	
Sponsor Attorney's Fee	<i>Consult your attorney</i>
Sponsor's NYC and NYSTransfer Taxes	<i>Calculated and added to the purchase price (to arrive at the tax) and then recalculated based upon the grossed-up price (may trigger Mansion Tax)</i>
Working Capital Fund Contribution	<i>1-2 months of maintenance</i>

CONDOMINIUMS & TOWNHOUSES

COSTS FOR THE PURCHASER	
Title Insurance - Owner's Policy	<i>Approximately \$4 per \$1,000 of insurance (fee regulated by statute) plus various search and recording fees totaling an additional \$1,000</i>
Title Insurance - Mortgage	<i>Only applies if the purchaser is obtaining financing; variable depending on loan amount</i>
Real Estate Tax and Common Charge Adjustment	<i>Not really a 'closing cost'. Purchaser reimburses seller for the portion of the common charges and / or real estate taxes that the seller has pre-paid.</i>
New York State Mortgage Recording Tax	<i>1.80% if mortgage amount is < \$500,000 1.925% if mortgage amount is > \$500,000</i>
Title Closer Gratuity	<i>\$250</i>
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RECENT BUYER CLIENT REVIEWS

“Laurie is as delightful as she is brilliant. She grasped immediately the kind and feel of apartment we were looking to buy, didn't at all impose on us her sense of what we should want, and tenaciously got to work until she found us the right place--and so much more quickly than we ever thought possible. She knows the area and the market, she's kept us on track during the process on so many occasions we felt we were going off the rails, she responds (often hilariously) immediately, and she's a crack negotiator. We're actually hoping she'll remain our friend! “

–Greenwich Village Co-op Buyer

“From our first conversation, I wanted Laurie to be the one to help my husband and I find our apartment. Laurie is easy to talk to and a great communicator, both via email and in person. She's detail-oriented, organized, and tech savvy. Laurie really knows and appreciates the city, which is making the search that much easier...and dare I say it: fun. Laurie is the best! She is smart, engaging and fun and made my first experience in buying NYC real estate a joy.”

–West Village Condo Buyer

“Laurie knows the market very well and was able to efficiently help me hone in on areas / properties that aligned with my interests. Having a very demanding job with little discretionary time to visit properties, I greatly valued Laurie's ability to quickly understand my interests and to translate that to the target market. Laurie has a collaborative working style and is highly responsive. Whether phone, email, or text, Laurie was on top of things and routinely provided me updates and new information, as appropriate -- Clearly a key attribute for the fast pace NYC real estate market. Laurie is great. Look no further”

–Chelsea Co-op Buyer



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LAURIE GILMORE is known for combining an innovative, artistic mind with a determination to deliver top-level results. Laurie is a hardworking and loyal representative who goes above and beyond to find the most agreeable outcome for every buyer and seller she represents. Clients appreciate her sterling work ethic, but also her friendly, creative approach, as she always ensures there's a little bit of fun in the real estate process.

A resident of New York City for the past 20 years, Laurie knows the neighborhoods of downtown Manhattan inside and out, and always stays abreast of new developments in the market. She treasures living and working in the West Village, which makes it easy for her to remain up-to-date on the landscape there, and in surrounding neighborhoods. Laurie keeps in constant contact with every client she represents, always eager to share new information, while her insightfulness and follow-through ensure that her clients are always equipped to make well informed decisions.

Laurie holds TOWN Neighborhood Expert Certifications in Greenwich Village/West Village; SoHo/NoHo; East Village; Chelsea/West Chelsea and FiDi. Laurie also holds the designation of Certified Negotiation Expert.

To learn more about Laurie, please visit her profile on townresidential.com