

A Quick Buyer's Guide to Purchasing

There is a **Swarm** of Buyers out there ready to make offers.

But most of them **don't know** how to go about Purchasing a home.

I want you to take away from this that there is a method that will place you in front of the pack.

And that **method** ... is the **Team Approach**.

Team Approach

I've been exclusively a Real Estate Closing Attorney for over 20 years and I am certain that the way you go about buying an apartment in NYC is to have an expert **A Team** in place from the get go.

You want to **find** your dream home; you want to **pay** the proper price for it; you want to **demonstrate** to the Seller that you are a serious and a ready buyer.

How do you do this?

1st – Use a Real Estate Broker

Using a Real Estate Broker brings you into the game with Leverage:

- It demonstrates you have a **commitment** to purchase.
- Your Broker will know **value** and the **marketplace**
- They will know how to **position you** as the proper Buyer for that particular apartment.
- Your Broker will know how to **negotiate** and how low you can go.
- And – The **Seller pays** the Broker.

It is a **misconception** that a buyer will get a better deal without a broker

2nd – Hook up with a Mortgage Broker or Banker

Expert in NYC Co-ops or Condos, is that's what you're buying, Or houses if that's your purchase

- Not Homes in other states
- Expert in Co-ops, and Condos in NYC.

All banks don't lend in all properties

- Over saturation – too many loans in the building.

- Or the building has some characteristics that are not acceptable to the bank
 - Too many sublets.
 - Too many sponsor units.

You want to Work with a NY Mortgage Broker or Banker - who deals with these issues everyday. We Don't want there to be a learning curve in the process of the purchase.

Get Pre-Approved up front and have your pre-approval in hand when you make your offer.

3rd – Have a Real Estate Closing Attorney Ready to Go - - That's who I am.

There are 1000's of attorneys in NY that will do a closing BUT there is a small group of us that **ONLY DO CLOSINGS**.

We charge a flat fee, we know all the players, the management companies, the bank attorneys and the brokers know us.

Having said that, once you have found you home, here's the Closing Procedure:

- Once an offer is accepted a Deal Sheet is prepared, setting forth the essential terms of the deal.
- Seller's attorney prepares the contract, I review the Building if a co-op or condo purchase:
 - Perform a Level of Due Diligence
 - Rev Financials, Underlying Building Documents
 - And Ask a bunch of questions
 - on budget?
 - lawsuits
 - capital projects
 - increases in carrying costs
 - upcoming assessments
 - owners in default
 - Not an Audit but a detailed review to make sure there are no Red Flags out there.

Sign Contract – give 10% deposit

When is Deal Enforceable?

- Not until signed by Seller and delivered to me.
- Either side can pull out at anytime prior thereto.

“As is” – Term of Contract

- Buying used apartment

- Appliances in working order
- Heating, plumbing, Electric

Seller signs – delivers fully executed set to me – WE ARE IN CONTRACT.

Procedure After Contract:

1. If Financing, secure Commitment Letter – point person Banker
 - take pre-approval and put it together with the building
 - Project Approval & Appraisal.
2. Submit Board Package (If co-op or condo) – point person RE Broker
3. Get Bank and building Approved – get ready for closing.

Closing Costs:

1. Bank Fees – Appraisal, Commitment, Interim Interest, etc.
2. Condo: Mortgage Tax (under \$500,000 mortgage - 1.8%; \$500,000 and over - 1.925%)
3. Condo: Title Insurance – Tiered schedule (\$500,000 Purchase with \$400,000 Mortgage - \$2,700.00)
4. Mansion Tax – 1% for \$1 Million and above
5. Flip Tax if on Buyer.
6. Board Application fees – Applications, Move in, Credit, Financing

Close: Signing of Loan (if applicable) and Title docs. Transfer of keys. Smiles all around.