

LENNY BURDIER & NEST SEEKERS
INTERNATIONAL PRESENT

THE BUYER'S GUIDE

NYC IS A JUNGLE
LET'S FIND YOUR PARADISE

Nest Seekers
INTERNATIONAL

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THE NEST SEEKERS EDGE

- With over 100 professionals in prime neighborhood locations Nest Seekers provides full service brokerage for buyers, renters, and corporate relocations, commercial, financial, and investment consultants.
- Our service is beyond brokerage; we are a financial consultant, educator, and partner to the end user.
- Provide you with a survey commonly known as comparative market analysis, which consists of intimate knowledge and an intense study of property value considering appreciation, supply and demand, presentation, price-per-square foot comparison, and image.
- We have access to over 30,000 property listings, updated continuously; 24 hours a day, seven days a week.
- We will conduct all searches for properties that work with your criteria and will suggest a number of options to satisfy your housing & lifestyle needs, including types of property, different neighborhoods, types of amenities, and layout configurations.
- We manage the preparation of your board package. We will guide you through the process and ensure that you appear before the board at your best. Our senior management team reviews and fine-tunes all board packages.
- We will recommend an attorney, or work with yours to make sure an appropriate contract is prepared and signed promptly.
- If you haven't pre qualified for a loan, we will recommend and coordinate all activities regarding your financing of the prospect property.

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BUYER'S CHECKLIST

- Evaluate your budget – know what you want to spend for a down payment as well as monthly expenditures (i.e.; maintenance or common charges and real estate taxes, monthly mortgage payment, utilities, parking, etc)
- Obtain mortgage pre-approval
- Select an attorney who specializes in New York City Real Estate
- Prioritize your needs – space, light, views, building amenities, etc.
- Identify your timeline for moving
- Explore different neighborhoods to identify your preferred needs
- Research schools in the selected neighborhood(s)
- Evaluate access to transportation in the selected neighborhood(s)
- Evaluate building amenities and house rules in terms of your needs (i.e.; washer/dryer permitted, gym in building, pet policy, storage facilities, etc.)
- Work closely with your broker to gather support materials for you mortgage application and board package
- Once apartment has been selected, review building financials with your broker/ attorney

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BUYER'S TIMELINE

1. Seek pre-approval for a mortgage: Typical time frame: 1 – 2 days

You must know how much you can spend before you spend it. Condominium apartments require at least 10% down; cooperative apartments generally require at least 25% down. However, every building is different. 15% of Manhattan's buildings are condominium buildings and the other 85% are cooperatives.

2. Find an apartment: Typical time frame: 1 week – 2 months

Depending on what you are looking for, the length of your search will vary. The average person sees 20-25 apartments before deciding on one. Internet-savvy buyers save time by doing their 'homework' before their search. The average number of apartments viewed before buying by our internet buyers is 4-5.

3. Negotiate on the Apartment: Typical time frame: 1 day to 1 week

Everything is negotiable so inquire about assessments, fixtures, window replacements, air conditioners, rugs, floors, curtains, appliances, working fireplaces, washer dryers, etc. Apartments are delivered 'swept clean'.

4. Sign a Contract: Typical time frame: 2 days – 1 week

Generally, in a sales transaction, a New York City real estate attorney represents each buyer and seller. The seller's attorney draws up the contract for the buyer's attorney; the buyer's attorney does 'due diligence'-reading minutes, financial statements of buildings etc. The buyers sign the contract and forward the contract with a 10% deposit; the sellers execute the contract. Possible contingencies: financing, board approval, closing dates (see our list of closing costs associated with buying and selling condominiums and cooperatives.). The quicker the contract can be signed, the better. A contract is binding only after both parties sign it.

BUYER'S TIMELINE

5. Apply for a mortgage: Receive Commitment Letter from Lender. Typical time frame: 1 – 3 weeks
Mortgage applications cannot be processed without an executed contract. If an apartment is being financed, the board requires a commitment letter from a lender. These letters are generally the last items to complete a board package/condo application.

6. Complete a Board Package or Condominium Application: Typical time frame: 1 – 2 weeks
Cooperative apartment buildings require board approval before a closing can take place. Condominiums require an information packet to be completed before a closing can take place. In order to review a potential purchaser, the board of directors for a co-op demand extensive information in a board package.

Most boards request the following information: full financial disclosure (net worth) with supporting documentation, employment history, current salary, personal and business references, tax returns for the previous 3 years, credit history, etc. If a purchaser cannot or does not want to supply this information, he or she should buy a condominium.

Board packages and condo applications are given to potential purchasers to fill out after a contract has been executed. If there is no financing, it usually takes about 2-4 weeks to gather the information for the board condominium application.

BUYER'S TIMELINE

7. Submit Board Package or Condo Application for the managing agent's review: Typical time frame: 1-4 weeks

After the buyer's real estate agent completes the board package, he or she will forward the package to the managing agent of the building. The managing agent will inspect the package to ensure it is complete. The package will then be forwarded to the board of director's of the co-op. After the board reviews the package, they will decide if they would like to meet the potential purchaser.

8. Meet the Coop Board for an Interview: Typical time frame: 30 minutes – 1 hour

Co-op boards typically meet once a month, and some boards do not meet in August. Every board is different, but generally a board meeting will be held in the evening on a weeknight. Although a board interview may be granted, this does not guarantee board approval.

9. Receive Approval from Board: Typical time frame: 1 day – 1 week

After board interview, the managing agent will generally alert the seller's broker whether a potential purchaser has passed the board.

10. Schedule a Closing: Typical time frame: 1-2 weeks

After board approval managing agents generally set the date for closings, and lawyers for sellers and buyers coordinate with the appropriate banks on available dates and times.

Typical time frame from the time an apartment is found, to the time an apartment closes: 1 – 4 mos.

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Co-ops

A building owned by a corporation, comprised of the tenant shareholders of the building. Each tenant shareholder owns a number of shares in the corporation associated with his or her apartment rather than owning the apartment itself. The tenant shareholder has the right to occupy the apartment as his or her home by holding a proprietary lease to that apartment. In a co-op, the building and its tenants are subject to rules and regulations set forth in the by-laws of the corporation. If an owner would like to sublease his or her apartment or perform any alterations or renovations to it, he or she must get permission from the board of directors elected by the tenants in the building.

The monthly maintenance charges would include real estate tax, building maintenance and management fees. More than 80% of properties offered for sale in New York City are co-ops.

Condominiums

Condominiums are classified as "real property". You, the buyer would get the deed, just as if you were to buy a house. As the owner, you may rent your apartment to anyone you wish. An approval process is usually required, but it is not as difficult as it is with co-ops. In some cases the process and by-laws are stricter than others but generally condominiums are much more liberal when it comes to financing, leasing rules and regulations.

While in the rest of the country condominiums are very common, in New York City it is a rather new concept. There is still a shortage in affordable condominium apartments especially now that it has become popular with local and international real estate investors.

Real estate tax is charged separately from common charges that represent monthly maintenance fees.

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BOARD APPROVAL

In order to review a potential purchaser, the board of directors reviews extensive information from the buyer in what is called a board package. Most co-op boards typically request financial disclosure with supporting documentation, employment history, current salary, personal and business references, tax returns and credit history.

Preparing Your Board Package.

Review the application and its requirements with your broker. Your broker will assist you in the collecting and assembling of your board package.

Complete the application in its entirety

Clearly and concisely answer all the questions

Submit only the materials that have been requested

Be sure to have reference letters written on either business or personal letterhead

Preparing for Your Board Interview

The interview provides the board with the opportunity to meet you and discuss your application in further detail. Board interviews can range from an informal meeting to a formal interview.

Review your application prior to the interview

Prepare yourself for a wide range of questions from personal to financial

Couples should decide in advance who will answer which types of questions

Arrive promptly and dress appropriately

Clearly and concisely answer all questions. Avoid providing information that is not directly asked of you.

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CLOSING COST

COOPERATIVE APARTMENTS BUYER

PURCHASER'S ATTORNEY: \$1,500 AND UP

BANK FEES: POINTS 0-2.5%

APPLICATION, CREDIT, APPRAISAL, BANK ATTORNEY AND MISCELLANEOUS: \$1,600
SHORT-TERM INTEREST ONE-MONTH MAX

MOVE-IN DEPOSIT: \$1,000

MANAGING AGENT OR CO-OP ATTORNEY (RECOGNITION AGREEMENT FEE): \$600

LIEN SEARCH:\$300

MAINTENANCE ADJUSTMENT: ONE MONTH MAX

MANSION TAX:1% OF PRICE WHEN PRICE EXCEEDS \$1,000,000

***WHERE APPLICABLE**

All costs are subject to change

CLOSING COST

CONDOMINIUMS AND TOWNHOUSE BUYERS

PURCHASER'S ATTORNEY: \$1,500 AND UP

BANK FEES: POINTS 0-2.5%

APPLICATION, CREDIT, APPRAISAL, BANK ATTORNEY, AND MISCELLANEOUS \$1,600

SHORT-TERM INTEREST: ONE-MONTH MAX

TAX ESCROWS: 2-6 MONTHS

RECORDING FEES: \$200

MORTGAGE TAX: 1.75% OF AMOUNT OF MORTGAGE ON LOANS UNDER \$500,000;

1.875% OF AMOUNT OF MORTGAGE ON LOANS OVER \$500,000

FEE TITLE INSURANCE: APPROXIMATELY \$450 PER \$100,000

MORTGAGE TITLE INSURANCE: APPROXIMATELY \$200 PER \$100,000

MISCELLANEOUS TITLE CHANGES: \$300

VIOLATION SEARCH: \$170

MOVE-IN DEPOSIT*: \$500 AND UP

MANAGING AGENT FEE: \$250

ADJUSTMENTS: COMMON CHARGES ONE MONTH

REAL ESTATE TAXES 1 TO 3 MONTHS

MANSION TAX 1% OF PRICE WHEN PRICE EXCEEDS \$1,000,000

All costs are subject to change

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