



GUIDE TO BUYING

REAL^{NY}

TAKING THE FIRST STEP

Congratulations, this is the first step to walking into your very own home. REAL New York works to make the buying experience enjoyable. This guide will help you navigate the home shopping experience, and make your purchasing process as smooth and low stress as possible.

FINANCES

Determining your financial state before you start your search saves you time and streamlines the buying process. An independent sales agent can arrange a meeting with a mortgage broker who will answer questions about the loan process and identify a suitable price range for your exciting hunt. There are two levels of endorsement during this early stage of the loan process, but obtaining a pre-approval letter is the best bet, as this document is necessary to make an offer on most properties in New York City.

PREQUALIFIED

Based on information you provide during your initial conversation with a mortgage broker, you can qualify for a specific loan amount, once you finalize certain documents.

PREAPPROVED

After your initial conversation with the mortgage broker, you provide information for a detailed background check and financial check (tax returns, credit check and income history). You will then receive a letter from a lender stating how much they would be willing to lend you, valid for approximately 60 days.

CONDO VS. CO-OP

There are a few key differences between condos and co-ops. Owning a condo is like owning a house. Those who buy condos receive deeds and specified pieces of real estate, while those who buy co-ops, maintain shares of corporations that own the buildings where their units are. Condos are typically more expensive from purchase to closing, however co-ops require more post closing reserves to purchase. Your REAL New York agent can help you figure out the right option for you.

CONDO	VS.	CO-OP
Board approval required, but no interview	APPLICATION & APPROVAL PROCESS	Interviews and co-op board approval required
Minimum of 10% down	FINANCING	Minimum of 20% down
1 to 3 months after contract signing	ESTIMATED CLOSING TIME	3 to 4 months after contract signing
Allowed with proper board approvals	RENOVATIONS	Allowed with proper board approvals
"Common charges" based on the square footage of the unit	MONTHLY CHARGES	"Maintenance" based on the number of shares owned in the building
Owner pays typical homeowner taxes	TAXES	Taxes have been rolled into the maintenance fees
Allowed from day one of ownership, though restrictions may apply	SUBLETTING	Every policy is different. In most, it is required to live in the property before subletting. Terms and total term of subletting are restricted by the board.
Free to sell at will	SELLING	Subject to board approval and possibly "flip taxes"

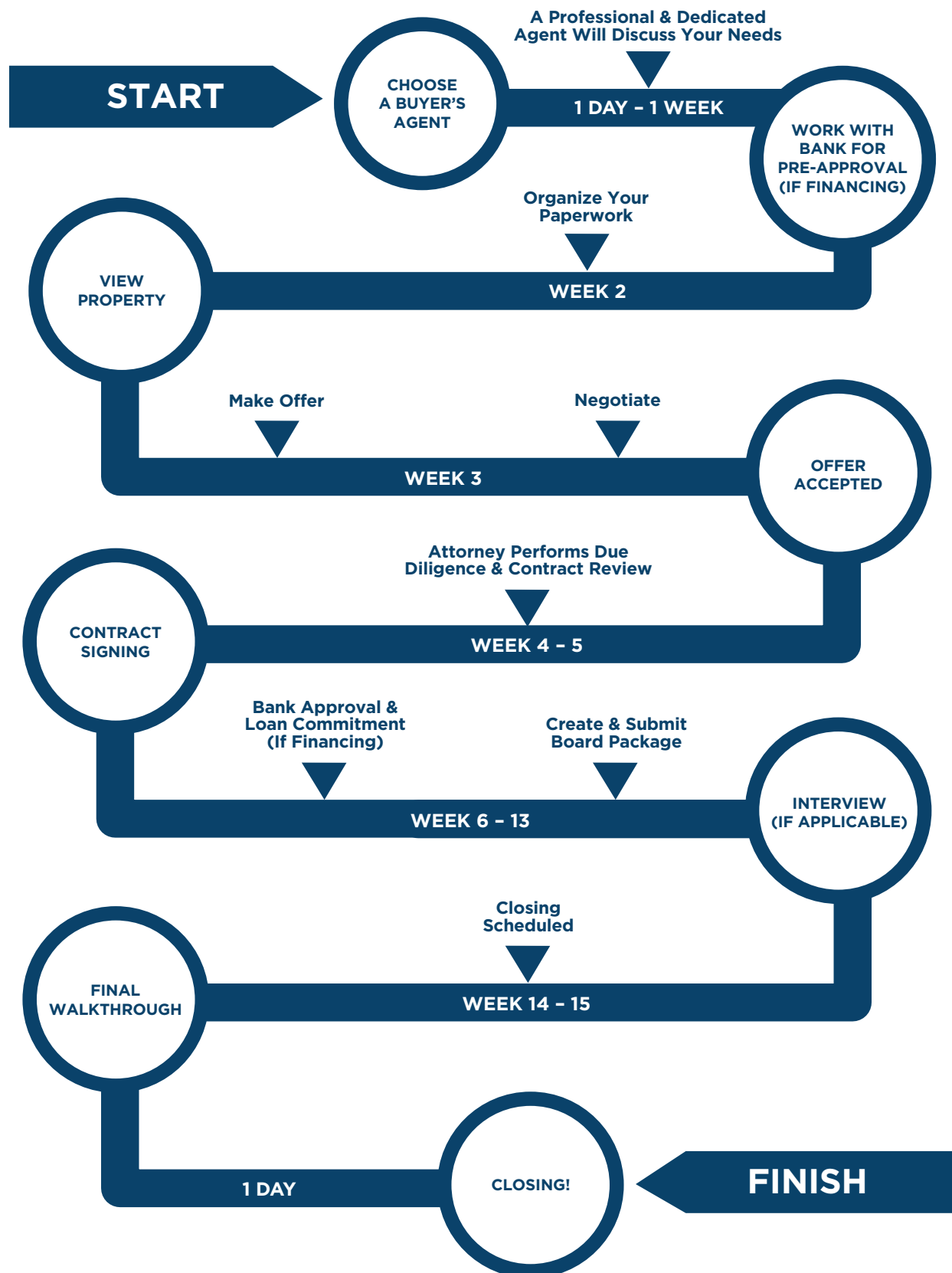
WHY USE A BUYERS AGENT

Whether you're a first-time or seasoned buyer, there are several advantages to enlisting the help of an experienced buyers agent. This list highlights how they can help ease the process for you. For a buying strategy customized specifically to your needs, REAL New York agents are happy to assist.

A BUYERS AGENT CAN...

- 1** Help negotiate your offer for you
- 2** Present homes specific to your needs and eliminate homes that won't work for you
- 3** Complete all necessary paperwork for your new home
- 4** Save you money by running a comparative market analysis
- 5** Advise you on resale potential and pricing trends
- 6** Put your interests above everyone else's, including their own
- 7** Identify and remedy your concerns
- 8** Identify price reductions and/or improvements made on homes that you may have already previewed
- 9** Help you obtain home owner's insurance
- 10** Share knowledge with you about neighborhoods from current residents

BUYING IN NYC: FROM START TO FINISH



CLOSING COST ESTIMATES

Cooperative Apartments

For the purchaser		My approx. cost
Purchaser's Attorney	Varies. \$1,500 - \$2500+*	\$
Managing Agent Fee	\$500+	\$
Move-in Deposit	\$500 - \$1,000+ (usually refundable if no damage)	\$
Mansion Tax	1% of purchase price when price is \$1M or more**	\$
Lien Search	\$350	\$
Maintenance Adjustment	Pro-rated for month of closing	\$
mortgage associated fees	Points - Origination Costs	0 to 3% of loan value
	Application, Credit Check, etc.	\$500+
	Appraisal	\$425+
	Bank Attorney	\$650 - \$1,000+
	UCC-1 Filing	\$75+

Condominium Apartments/Townhouses

For the purchaser		Estimated cost	My approx. cost
Purchaser's Attorney	Varies. \$1,500 - \$2,500+		\$
Building Application	\$500+		\$
Move-in Deposit†	\$500 - \$1,000+ (usually refundable if no damage)		\$
Title Insurance, Title Search & Recording Fees	0.6% of purchase price and up		\$
Title Closer Customary Fee	\$200		\$
Mansion Tax	1% of total purchase price when price is \$1M or more		\$
Common charges, property taxes & Insurance premium	Adjustments pro-rated as of closing		\$
mortgage associated fees	Points - Origination Costs	0 to 3% of loan value	\$
	Application, Credit Check, etc.	\$750+	\$
	Appraisal	\$425+	\$
	Bank Attorney	\$650 - \$1,000+	\$
	Mortgage Recording Tax	1.8% for all mortgages less than \$500,000 & 1.925% for all mortgages of \$500,000 or more, minus \$30 for townhouses	\$
	Real Estate Tax Escrow	0 to 6 months, depending on lender requirements	\$
Exclusive to new developments			
NYC Real Property Transfer Tax	1 - 1.425% of purchase price		\$
NYS Transfer Tax	0.4% of purchase price		\$
Transfer taxes are calculated and added to purchase price (for tax purposes) and then recalculated based on the bulked up price.			
Sponsor Attorney	\$1,500+		\$
Working Capital Fund Contribution	One-time fee equal to 1 or 2 months on common charges, \$ depending on condo		

†Not applicable to townhouses.

*New York State law requires a written letter of engagement if the legal fee will exceed \$3,000. Non New York State residents should procure exemption for state transfer tax forms (TPS584). These are only estimates. Please confirm closing costs for specific transactions with your attorney and/or mortgage broker.

**\$1,000,000 - \$1,999,999 + 1.00%; \$2,000,000 - \$2,999,999 + 1.25%; \$3,000,000 - \$4,999,999 + 1.50%; \$5,000,000 - \$9,999,999 + 2.25%; \$10,000,000 - \$14,999,999 + 3.25%; \$15,000,000 - \$19,999,999 + 3.50%; \$20,000,000 - \$24,999,999 + 3.75%; \$25,000,000 or more + 3.90%

***Additional taxes on capital gain associated with the sale of real estate including Federal, State and the specialized Medicare tax may apply. Please consult your tax professional to ensure compliance with all applicable tax regulations.



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