

COMPASS



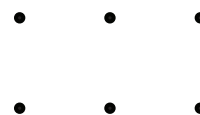
New York City

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Buying Guide

Stribling
AT COMPASS

How to buy in New York City



Why use an agent?

Purchasing a home is an investment in the future. Market knowledge and a depth of market experience are vital when making such an important decision. Ongoing, personalized service and follow-through are equally crucial. This translates into efficient use of your time and effective management of your assets.

New York City offers a wealth of options for residential buyers. From classic prewar co-ops on the Upper East Side to modern glass tower condos in Midtown, and from posh Downtown lofts to beautiful Brooklyn brownstones, the choices seem almost limitless.

Therefore, you must work with an experienced and knowledgeable agent who can offer a wealth of information along with strong negotiating and problem-solving skills. In a city with over 300 residential real estate firms, choosing the right broker makes all the difference.

Why Stribling at Compass?

For over 35 years, the Stribling brand has been synonymous with best-in-class service, transparency, and in-depth knowledge of the New York City real estate market. In joining forces with Compass, the largest independent brokerage in the United States, we are pleased to deliver our buyers and sellers a modern real estate experience driven by unparalleled marketing, tailored support, and transformative technology. With Compass, we are pleased to continue to exceed expectations, providing a standard of excellence that has long defined Stribling to its New York clientele.

Making an Offer

When you have identified a property of interest, you will want to make an offer to purchase that property.



Making an Offer

How the bidding process usually works

1. Your agent will submit an offer on your behalf to the seller’s real estate agent, along with the presentation of your qualifications. This may be done orally or in writing.
2. Remember to inquire about the flip tax, as this is sometimes a negotiating point.
3. The seller may accept or counter your offer as part of a price negotiation.
4. In case of multiple bids, your agent will work with you to submit the highest and best offer that you are comfortable with.
5. The conclusion of the process will result in agreement upon the price, terms & closing date.
6. You and the seller will need to identify and engage capable and experienced New York City–based real estate attorneys early in the process to prepare and review a contract of sale.

If your bid is accepted, you enter the closing and contract stage:

1. Your attorney will exercise due diligence by asking for certain key documents from the seller or their managing agent. These typically include: Proprietary lease or offering plan · The building’s by-laws · Statement of the building’s financial condition.
2. Following your attorney’s review and approval, you will sign the contract of sale. At the signing, it is typical to present a deposit of 10% of the sale price.
3. The contract and deposit are forwarded to the seller’s attorney, who will obtain the seller’s signature.
4. Your deposit is usually held in the seller’s attorney’s escrow account until the closing date. Normally, any interest earned follows the principal.
5. The seller’s real estate agent provides you with the building’s board requirements and application forms, which may include: Application · Signed financial statements · Tax returns · Bank statements · Brokerage statements · Personal and financial letters of reference · Social and professional reference letters · Contract of sale · Bank financing documents (if financing).
6. Your agent will assist you in compiling the board package and will send it to the seller’s agent. They will review it prior to submission to the building’s managing agent, who will present it to the building’s board of directors.

Making an Offer (cont.)

- 7. Upon review, the board may or may not ask for additional information. It may also turn you down. If not, the board will arrange to interview you. Participants should be forewarned that the time lapse between submission of the board package and scheduling of the interview varies greatly from building to building, and from season to season. Generally, condominium buyers are not interviewed.
- 8. With the board's approval, the final step is the closing. This usually occurs in the office of the building's managing agent. The exact date should be flexible to accommodate everyone (you, the seller, the attorneys, the banks and the managing agent). It is best to allow for a potential delay of up to 30 days from the closing date specified in the contract.
- 9. Immediately prior to the closing, your agent will schedule a final walk-through inspection of the property for you.



Closing Costs



Estimated Closing Costs for Cooperative Buyers:

1. Buyer's attorney (this varies): \$2,500
2. Bank fees (if financing: application, credit reports, appraisal, bank attorney, etc.): \$2,500.
3. Mansion tax: For fiscal year 2020, the statewide mansion tax will remain at 1% for property purchased for \$1 million or more. For properties in New York City, however, the new mansion tax will rise incrementally with purchase prices of \$2 million or more, capping out at a total of 3.90% for properties sold at \$25 million or more. That figure includes the 1% statewide mansion tax, as do the rates here.

Purchase Price	Mansion Tax
Less than \$999,999	0.00%
\$1,000,000 - \$1,999,000	1.00%
\$2,000,000 - \$2,999,999	1.25%
\$3,000,000 - \$4,999,000	1.50%
\$5,000,000 - \$9,999,999	2.25%
\$10,000,000 - \$14,999,000	3.25%
\$15,000,000 - \$19,999,000	3.50%
\$20,000,000 - 24,999,000	3.75%
\$25,000,000 or more	3.90%

4. Lien search and UCC filing: \$425
5. Managing agent or co-op attorney: \$750
6. Maintenance adjustment: up to one month*
7. Short-term interest adjustment: up to one month*
8. Move-in deposit or fee: \$1,000
9. Flip tax (if any): generally around 2%**

*Pro-rated for month of closing.

**Flip taxes vary in amount and by whom they are payable (buyer or seller).

Closing Costs



Estimated Closing Costs for Condominiums & Townhouse Buyers:

1. Buyer's attorney (this varies): \$2,500
2. Bank fees (if financing: application, credit reports, appraisal, bank attorney building questionnaires, etc.): \$2,200
3. Recording fees: \$200
4. Mortgage tax: 1.8% of amount of mortgage on loans under \$500,000 or 1.925% of amount of mortgage on loans over \$500,000
5. Mortgage title insurance: approximately \$200 per \$100,000 (if financing)
6. Title insurance fee: approximately \$450 per \$100,000
7. For fiscal year 2020, the statewide mansion tax will remain at 1% for property purchased for \$1 million or more. For properties in New York City, however, the new mansion tax will rise incrementally with purchase prices of \$2 million or more, capping out at a total of 3.90% for properties sold at \$25 million or more. That figure includes the 1% statewide mansion tax, as do the rates here.

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\$5,000,000 - \$9,999,999	2.25%
\$10,000,000 - \$14,999,000	3.25%
\$15,000,000 - \$19,999,000	3.50%
\$20,000,000 - 24,999,000	3.75%
\$25,000,000 or more	3.90%

Closing Costs



8. Miscellaneous title charges: \$500
9. Managing agent's fee: \$500
10. Common charge adjustment: up to one month*
11. Real estate tax adjustment: one to six months**

**Pro-rated for month of closing.*

***Expect to pay eight months' real estate taxes combined between buyer and seller as an adjustment and escrow established by lender.*

When purchasing in a new development from a sponsor, the purchaser will typically be required to pay New York City and New York State transfer taxes (1.825%) as well as the sponsor's attorney's fee. The sponsor may also request a payment, based upon common interest percentage, towards the purchase of a manager's apartment. These and other contributions in excess of the purchase price may be added as consideration before the final tax is calculated.