

BUILDING TYPES

CO-OP VS CONDO

CLOSING COSTS

PREPARATION

INCOME

# BARSHAY



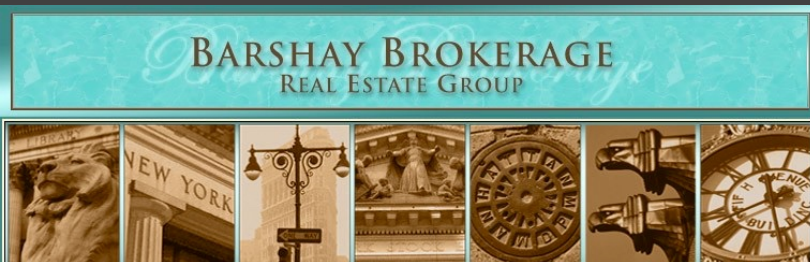
NYC BUYER GUIDE





# WELCOME

Barshay Brokerage RE Group has prepared this informational guide to help you navigate through the New York City Buyer Process.



SIMPLY SERVING NEW YORK CITY...SINCE 2003

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(REBNY)

WHY USE. BARSHAY BROKERAGE TO REPRESENT YOU?

WE REPRESENT YOUR INTEREST ONLY

- WE ARE LICENSED REAL ESTATE BROKERS, NOT SALES AGENTS
- WE ARE WITH YOU THROUGH THE ENTIRE PROCESS ~ FROM THE NEIGHBORHOOD APARTMENT SELECTION THRU CLOSING
- WE HAVE IN DEPTH KNOWLEDGE OF THE APPROVAL PROCESS
- WE HAVE VAST EXPERIENCE IN PREPARATION OF BOARD PACKAGES

MLS DATABASE-  
ACCESS TO THOUSANDS OF LISTINGS IN  
THE METROPOLITAN AREA

OUR PRIORITIES ARE SIMPLE ~ THEY ARE YOURS



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# BUILDING TYPES

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## NEW YORK CITY BUILDING DESCRIPTIONS

### Post War Buildings

These are buildings constructed after World War II. They may have central air, in wall a/c, doorman, parking garages,, and cleaner simpler room layouts without ornamentation that you may not find in a prewar building.

### Pre-War Buildings

These are buildings constructed prior to World War II. The more expensive apartments usually boast detail such as high ceilings, moldings, fireplaces, and detail designs in the wood floors and gracious layouts. They may have doorman services, roof decks and laundry rooms . A prewar building can also be a walk up or townhouse.

### Walk-Up Buildings

These buildings are also built prior to WW II. They are also prewar construction. However, they are smaller buildings that may have up to six floors. These do not have an elevator and you walk up the flight of stairs. Many do not have laundry rooms. They may have a live in super. Some have fire escapes. The rooms vary but they are not very roomy and may not have the grand prewar details found in the larger prewar buildings.

### Townhouses

These were once built as single family homes. Many now offer very interesting and gracious apartments. They usually have charming spaces as well as beautiful details such as fireplaces, high ceilings, detail moldings and decorative wood floors. These are also walk up building and

pre war. Some may offer gardens or terraces. There may not be laundry or live in supers.

### New Construction

These high-rise buildings have been constructed since the late 1980's and have many amenities. Some are built with hotel like features. Many offer concierge services, doorman, roof deck, fitness room; children's play room, meeting room, parking garage, storage room, bike room, pool, and party room.

### Elevator Buildings

These are small buildings that offer elevator service but not a doorman. They usually have laundry facilities and a live in super.

### Lofts

These were once commercial buildings that have now been converted to residential use. Most offer quite large living spaces that are open and airy. They have a very different interior feeling that a traditional apartment. Most offer elevator service but some are also walk up. They may also offer a roof deck, sometimes a live in super. The exterior of the building is usually a prewar built the interior is quite contemporary without the prewar details. These buildings can be found in areas that were once zoned for commercial pace as opposed to residential areas. However, the neighborhoods now have become residential because of the loft conversions. Some neighborhood examples are Soho and Tribeca.



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# CO-OP VS CONDO

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## THE COOPERATIVE

1. The Cooperative ownership (Co-op) is not real property. You own shares in a Corporation.
2. Shares of stock are issued to each apartment. The shares vary upon each unit.
3. The Cooperative owns the entire building, encompassing the apartments & common areas. Usually, the Cooperative will also own the land.
4. The Shareholder (Owner) receives a Proprietary Lease which allows rights to their apartment.
5. Most buildings have a mortgage which is called the underlying mortgage.
6. The Purchaser who finances, obtains a loan from a bank against the shares for the apartment.
7. Maintenance Charge: Monthly fee to cover the following: building real estate tax, building maintenance, payroll and the underlying mortgage payment.
8. Tax Deduction on Maintenance: Your units portion of interest from the underlying mortgage, as well as real estate taxes.
9. Board Approval is required. Typically requires an extensive application package as well as an interview. Exception to the board approval process is purchasing a Sponsor apartment.
10. The Co-op board may require a maximum financing percentage allowed, between 50- 80%. In addition, you must have a substantial amount of assets available after closing.

## THE CONDOMINIUM

1. The Condominium (Condo) is real property. You own a deed.
2. Common Monthly Charge: building maintenance, payroll, management fee.
3. Real Estate Tax: The unit has its own block/lot number of which your taxes are calculated. This is paid directly to the mortgage company if financing, or the Owner pays the city directly.
4. Typically the Owner can finance up to 90% and in some rare cases 100%.
5. No Board Approval or interview required. The Condo has right of first refusal only. In most cases an application package is required.
6. Closing Costs: Higher than a Co-op because this is real property not shares in a Corporation.
7. Closing on the Condominium: You will receive a deed/title as opposed to proprietary lease (Co-op). The title will be filed with the County Clerk.

## WHAT IS A SPONSOR?

In a cooperative a Sponsor is the original owner of unsold shares. In a condo, a Sponsor is the original owner of unsold apartments. A Sponsor sale does not require board approval.



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# CLOSING FEES

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THE FEES BELOW ARE A GUIDELINE TO HELP YOU PREPARE FOR CLOSING COSTS.

Attorney fee: \$2,500 ~ \$5,000  
Bank Attorney fee: \$750 ~ \$1500  
Credit report/Background check: \$100 ~ \$750  
Management processing fee: \$250 ~ \$750  
Mansion Tax: see below  
Move-in deposit/fee: \$500 ~ \$1,000  
UCC-1 filing fee: \$75 ~ \$125

## COOPERATIVE CLOSING COSTS

Financing Recognition Agreement: \$250 ~ \$500  
Flip Tax: 1~ 3% of purchase price or price per share  
Judgement & Lien search: \$450  
Maintenance Adjustment

### Mansion Tax:

\$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%

A purchase above this amount consult with your Attorney.

**Sponsor Purchase:** When purchasing a Sponsor unit the buyer typically pays NYC, NYS transfer fees and Sponsors Attorney fee

Some fees are estimates only. Please consult with your Attorney.



## CONDO & TOWNHOUSE CLOSING COSTS

Common Charge Adjustment  
Deed Recording fee: \$285  
Mortgage Recording fee: \$250  
Mortgage Tile Insurance: approximate \$1 per \$1,000 of the loan amount  
NY State Mortgage Recording Tax:  
Mortgage under \$500k is 1.80%  
Mortgage \$500k & over is 1.925%  
Real Estate Tax Adjustment: Reimbursement to Seller for any prepaid real estate taxes  
Title Closer Attendance fee: \$300  
Title & Municipal Search fee: \$895  
Title Insurance: approximately \$4 per \$1,000 of the purchase price  
Working Capital Fund Contribution: 1 to 2 months common charge



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# PREPARATION

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Prior to embarking on your journey for the purchase of your new home, it is best to prepare in advance.

1. Know what you can afford. Discuss with your real estate broker, accountant, mortgage banker (if financing).
2. Mortgage Pre-approval- Obtain a full documentation pre-approval letter from your mortgage broker or bank which will be submitted with your offer.
3. REBNY Financial Sheet- Prepare in advance and collect your verification financial documents. This form will be submitted with your offer. \*
4. Prepare a personal bio which to present with an offer. \*
5. Have your 10% deposit readily available for contract signing.
6. Have the following documents readily available: 2 years of tax returns/w-2, pay-stubs, employment letter, current financial statements.\*\*
7. Choose a real estate attorney to represent you in the transaction.

\* Co-op and Condo

\*\* Co-op, Condo and Financing

## CO-OP AND CONDO INCOME GUIDELINES

25-30% of your gross monthly income mortgage/maintenance or common charges

Some buildings will entertain a higher monthly % if the buyer has substantial assets.

For additional debt (loans, credit cards)  
5-10% gross monthly income

Post Closing Liquidity-at a minimum  
12-24 months of mortgage/maintenance  
or common charges





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Our Priorities are Simple ~ They are Yours

