DouglasElliman

Buyer's Guide
New York City

Let Us Turn What You Love **Into Where You Live**

Buying a home is one of the most important financial—and personal—decisions many of us will make in our lives. Whether or not it's our first time, we all begin the home-buying journey with a vision, a picture in our minds of a place that looks and feels like our idea of home.

At Douglas Elliman, we are committed to helping you turn that vision into reality. As New York City's #1 residential real estate brokerage, we have created this overview of the purchasing process in one of the world's most exciting and competitive real estate markets.

Step One
Partner with a Professional

The Elliman Advantage

By empowering our agents to go above and beyond for our clients, we have established a decades-long reputation as New York City's leading brokerage. Douglas Elliman agents are not just full-service partners on the way to closing a deal–they are also ongoing resources for professional referrals, personal recommendations and knowledge of the city.

The Agent **Advantage**

Buying a home can be a wonderfully rewarding experience, especially if you're doing it for the first time. It is also a complex process, with a sequence of steps that requires knowledge, patience and attention to detail. A licensed agent provides the experience and steady guidance to manage the process and enable you to focus on the journey.

Reasons to Partner with a Professional

An agent will always act on your behalf.
From navigating paperwork to negotiating offers, your best interest is always the priority.

An agent will guide you with data.
You get the inside track on market trends and timely opportunities, including unlisted properties.

An agent will provide services at no cost to you.
The seller pays the full sales commission, which is split between the seller's agent and buyer's agent.

Step Two
Becoming a Buyer

The Ownership **Advantage**

While there are many benefits to renting a home in New York City, owning your home comes with powerful advantages.

Build Your Equity

When you pay a monthly mortgage, you increase your equity, or ownership stake, in your property. The greater your equity, the more you can capitalize on your home's value as it increases over time.

Fix Your Costs

Unlike paying rent to a landlord or property manager, which can increase your rates year over year, securing a fixed-rate mortgage ensures you won't have to worry about rising monthly housing costs.

Create Your Space

Want to retile a bathroom or open up the kitchen by removing a wall? It's your home. As long as you abide by your building's guidelines and NYC codes, you have the freedom to personalize your space.

The Elliman Advantage

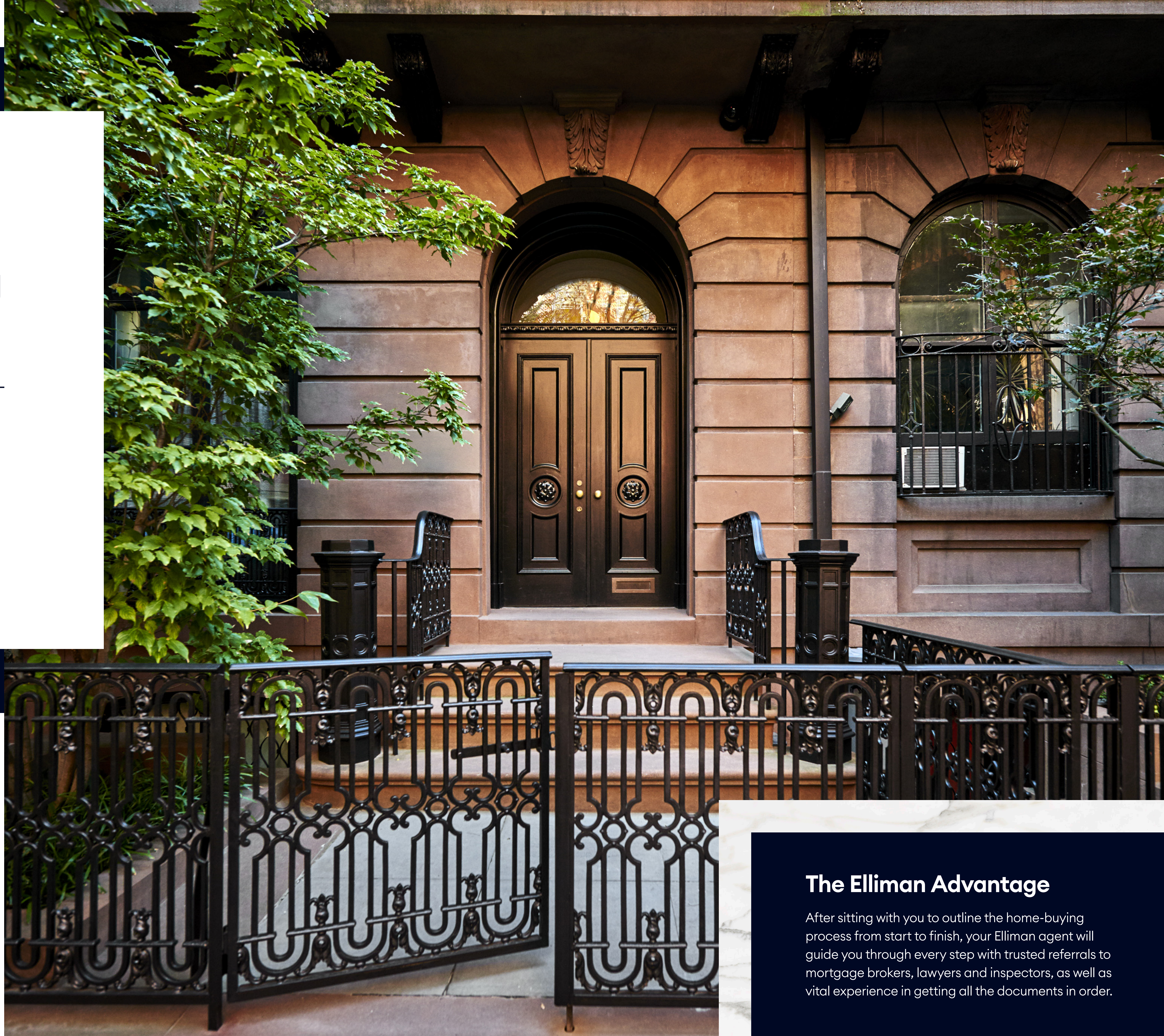
Douglas Elliman's expertise spans New York City's buying, selling *and* rental markets. With exclusive access to data-driven insights from industry-leading sources like Douglas Elliman's *Market Report* and *Wealth Report*, our agents can help you decide when the time is right to go from renting to owning.

Step Three
The Buyer's Journey

Mapping Out Your **Home-Buying Journey**

The process of buying a home in New York City involves a series of steps in three phases:

1. The Finances
2. The Search
3. The Close



The Elliman Advantage

After sitting with you to outline the home-buying process from start to finish, your Elliman agent will guide you through every step with trusted referrals to mortgage brokers, lawyers and inspectors, as well as vital experience in getting all the documents in order.

Preparing Your **Financial Profile**

Clean Up Your Credit
Credit scores help banks evaluate the risk of lending to individuals. Use a reputable website to access your credit details without damaging your score and explore ways to improve it, if necessary.

Calculate Your Savings
Expect to pay as much as 20% of the sale price for a down payment, along with associated closing costs. For a complete breakdown of costs, refer to pages 33-36 and connect with your real estate attorney.

Get Pre-Qualified
To help you estimate your price range, a loan officer will inquire about your employment status, income, assets, debts and projected down payment to determine if you qualify for a loan and at what amount.

Get Pre-Approved
After getting pre-qualified, you can work with a lending institution to receive a pre-approved loan statement (typically valid for 60 days), which estimates the amount that you will be able to borrow. You will be asked to submit additional financial documents, including pay stubs, bank statements and tax returns.

Conducting **Your Search**

As you begin your search, your agent will help bring your vision of home into clearer focus by surveying the market landscape, setting parameters based on price, location and inventory, and establishing an initial timeline.

Co-ops, Condos and Townhouses

The housing stock in New York City primarily consists of cooperatively-owned buildings, condominium buildings and, to a lesser extent, townhouses.

Co-ops account for approximately 75% of available NYC apartments at any given time. Condos make up the bulk of the remainder, while townhouses represent around 2%.

	Co-op	**Condo**	**Townhouse**
Approval Process	The board interviews all prospective owners and has the right to approve or reject any applicant	No interviews are required. Application is not as rigorous as the co-op board process	No condo or co-op board involved in the purchase or sale, creating a much faster transaction from contract signing to closing
Financing	Be prepared to put down at least 20% of the purchase price, plus closing costs	Be prepared to put down at least 10% of the purchase price, plus closing costs	Be prepared to put down at least 10% of the purchase price, plus closing costs, depending on the loan-to-value ratio determined by your bank
Monthly Fees	Maintenance fees based on the number of shares the tenant owns (typically dictated by apartment size and floor level)	Common charges, for services and amenities shared by residents, and property taxes	All maintenance costs and property taxes
Subletting	Must be approved by the co-op board	Typically permitted	Permitted
Selling	Buyer must be approved by the co-op board	Can be sold at will	Can be sold at will

From Offer **to Contract**

Making an offer and signing a contract are pivotal moments when leveraging your agent's skills and knowledge is especially critical.

Negotiating the Offer

Your agent will help you determine an appropriate offer amount and terms, and will convey the offer to the seller (via the seller's agent or directly) and prepare to negotiate the best possible price, terms and closing date.

Reviewing the Terms

Your attorney will examine the contract of sale, by-laws and financial condition of the building to conclude that everything is satisfactory before you sign.

Signing the Contract

Upon signing, the contract and deposit (typically 10% but up to 20% of the offer price) will be safeguarded in an escrow account until closing. Keep in mind that the seller can still entertain and accept other offers until the contract is fully executed.

From Contract **to Close**

At this stage of the buying journey, your agent will help you assemble the remaining documents and finalize the necessary approvals.

Loan Application

Once your application is complete, your financial institution will schedule a third-party appraisal to verify the value of the property.

Co-op Board Application (If Applicable)

In addition to helping you assemble your bank statements, tax returns and letters of reference (personal, professional and financial), your agent will help you navigate the nuances of winning board approval.

Scheduling the Close

Once you've received approval (if applicable) and the bank provides clearance to close, your agent will coordinate a final walk-through and closing date.

The Home **Stretch**

In this penultimate phase of the process, your agent will join you on a final visit to assess the property and compile a punch list of outstanding items to be resolved prior to the close.

Final Walk-Through Checklist

Kitchen

- Turn oven and microwave on and off
- Check vents and lighting
- Check each gas burner on the stove for leaks and ensure igniters work
- Check the hinges and slides on the cabinets and drawers
- Run hot and cold water and test the garbage disposal

Doors, Windows & Exterior

- Check that all doors open and close without obstruction
- Check all knobs and handles
- Check that all windows open and close smoothly and seal properly
- Test the doorbell, intercoms, concierge phone and alarm system

Bathroom

- Run hot and cold water and test water pressure
- Flush all toilets
- Check seals, caulking and grout for damage or mold

Electrical Outlets

- Bring an outlet tester, phone charger or night light
- Test all light switches
- Check that all outlet plates are straight and secure
- Test all light bulbs

HVAC

- Check thermostat and test heating and air conditioning in various modes

Walls & Floors

- Check for stains, marks or damaged boards/tiles
- Check walls and paint for dents, marks or discoloration

Appliances

- Begin cycling the appliances to run during the walk-through
- Run dishwasher (15 minutes)
- Run washer/dryer (5 minutes to test belts)

The Elliman Advantage

With a personal approach that puts you first, our agents are here to help you find your way home.

The next move is yours.

Your Vision, **Your Home**

The deal is closed. The keys are in hand. You are now a homeowner.

Time to settle in, make your home your own and begin to love where you live.

Appendix

Real Estate **Terms**

Appraisal
Process of determining a property's market value.

Closing Costs
Expenses over and above the price of the property, paid at the closing.

Common Charges
Monthly charges paid by condo owners that cover the costs of shared building amenities.

Contract of Sale
A legal agreement between a buyer and seller that outlines the terms of purchase or transfer for a property.

Co-op Board
A group of residents elected to represent all shareholders within a co-op building. The board determines the rules of the building, addresses building issues and reviews new buyer applications.

Final Walk-Through
A property inspection that takes place a few days before closing so that the buyer can ensure the space's condition is true to what is specified in the contract.

In-Contract
An offer has been made and accepted on a property. The buyer has paid a deposit, and both seller and buyer have signed the offer. The listing is no longer available on the market unless the deal falls through.

Maintenance Fee
Monthly charges paid by co-op owners to cover operating expenses of the building, including taxes, insurance, etc.

Mortgage
Loan that a bank or lender gives you to buy a house. A mortgage payment is made up of principal, interest, taxes and insurance.

Pre-Qualified
An estimate of the loan amount you will likely be pre-approved for.

Pre-Approved
Confirmation from your bank or lender that you are approved for a specific loan amount.

Closing **Costs**

Typical Estimated Closing Costs: Condominium Apartments

For the Purchaser

Buyer's Attorney	Consult your attorney
Bank Fees	$750-$1,000
Application Fee	$350-$650
Processing Fee	$330-$500
Appraisal Fee	$500-$2,000
Credit Report Fee	$45-$100+
Bank Attorney	$650-$1,000
Tax Escrow	2-6 months
Recording Fees: Nassau & Suffolk	Appr. $1,200-$1,700 Deed Fee (Nassau) - $200 verification fee + $355 per block Deed Fee (Suffolk) - $200 per lot per document Verification Fee (Nassau) - $355 per instrument, per block Verification Fee (Suffolk) - $200 per instrument, per block Mortgage Fee (Suffolk) - $300 per mortgage or mortgage type document
Recording Fees: NYC & Westchester	Appr. $250-$750
Fee Title Insurance	Variable by transation
Mortgage Title Insurance	Variable by transation
Municipal Searches	$350-$500
Working Capital Fund Contribution	An amount equal to 1 -2 months common charges
Flip Tax	Varies building to building, consult your agent

Mortgage Tax

Property Type	**Mortage Tax: NYC**	**Mortage Tax: Yonkers**	**Mortage Tax: Nassau, Suffolk, Dutchess & Orange Counties**
Residential Condo Unit up to $499,999.99	2.05% (0.25% paid by lender; 1.8% by mortgagor)[1]	1.8%[1]	1.05%[1]
Residential Condo Unit $500,000 and up	2.175% (0.25% paid by lender; 1.925% by mortgagor)[1]		
Commercial Condo Unit up to $499,999.99	2.05%[2]		
Commercial Condo Unit $500,000.00 and up	2.80%		

Additional Expenses

Maintenance Adjustment	Pro-rates for the month closing
Short-term interest	Equal interest for the balance of month in which you close

* Mansion Tax is paid by purchaser on transactions that are 100% residential and the purchase price is $1M or above. See separate Mansion Tax sheet.
[1] Minus $30 for 1-2 family
[2] Four family residence requires MRT to be calculated at the commercial rate
This closing-cost guide is designed to give you the general costs associated with the purchase or sale of a condominium property. Please note that these are estimates and that potential buyers and sellers should consult their real estate attorney or financial advisor for specifics. Kindly note, we do not represent that these are the entirety of potential costs, but are only to be used as a guide. All transfer taxes and filing fees are subject to change by government agencies in each location.

Closing **Costs**

Typical Estimated Closing Costs: Co-Operative Apartments

For the Purchaser

Buyer's Attorney	Consult your attorney
Bank Fees	$550-$1,000
Application Fee	$350-$650
Processing Fee	$330-$500
Appraisal Fee	$500-$2,000
Credit Report Fee	$45-$100+
Bank Attorney	$650-$750
Lien Search	$350-$450
UCC-1 Filing Fee	$20-$40 in all counties except Nassau
UCC-1 Filing Fee (Nassau)	$340 ($40 to file + $300 per block)

Additional Expenses

Miscellaneous Co-op Charges	Varies by building
Recognition Agreement Fee	Approx. $250
Flip Tax	Please check with building
Maintenance Adjustment	Pro-rates for the month closing
Short-term interest	Equal interest for the balance of month in which you close

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Closing **Costs**

Typical Estimated Closing Costs: Townhouse And Single Family Homes

For the Purchaser

Buyer's Attorney	Consult your attorney
Bank Fees	$750+
Application Fee	$350+
Processing Fee	$330+
Appraisal Fee	$500-$2,000
Credit Report Fee	$45-$100+
Bank Attorney	$750-$1,000
Tax Escrow	2-6 months
Recording Fees: Nassau	Appr. $1,200-$1,700 Deed Fee (Nassau) - $200 verification fee + $355 per block Deed Fee (Suffolk) - $200 per lot per document Verification Fee (Nassau) - $355 per instrument, per block Verification Fee (Suffolk) - $200 per instrument, per block Mortgage Fee (Suffolk) - $300 per mortgage or mortgage type document
Recording Fees: NYC & Westchester	$250-$750
Fee Title Insurance	Variable by transation
Mortgage Title Insurance	Variable by transation

Mortgage Tax

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<tr><td>Single Family Residence $499,999.99 and below</td><td>2.05% (0.25% paid by lender; 1.8% by mortgagor)[1,2]</td><td rowspan="4">1.8%[1]</td><td rowspan="4">1.05%[1]</td></tr>
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This closing-cost guide is designed to give you the general costs associated with the purchase or sale of a condominium property. Please note that these are estimates and that potential buyers and sellers should consult their real estate attorney or financial advisor for specifics. Kindly note, we do not represent that these are the entirety of potential costs, but are only to be used as a guide. All transfer taxes and filing fees are subject to change by government agencies in each location.

New York State **Mansion Tax**

Mansion Tax (1% of purchase price) is paid by the purchaser on transactions that are 100% residential and the purchase price is $1M or more. In the five boroughs of New York City, the rate increases based on the sales price, as follows:

Property Price	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%
$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%

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The Next Move Is Yours