

SERHANT.

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Buyer's Guide





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Whether you're a first-time home buyer or someone who already owns multiple properties, buying a home is a major life decision and a substantial investment. With an everchanging range of listings to sort through and an intricate process to navigate, buying a home may seem intimidating. That is why many buyers choose to hire real estate agents guide and represent them.

At **SERHANT.**, our agents work with buyers to find their ideal home and get them the best deal possible. We understand that every buyer is unique both in terms of their preferences as well as their financial goals, and we use every means at our disposal to make our buyers feel comfortable and informed throughout the home buying process.



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SERHANT. Buyer's Guide 2

Table of Contents.

04	Purchasing Timeline & Process
05	10 Ways a SERHANT. Agent Can Help
06	Pre-Search
07	The Search
08	Contract & Board
09	Mortgage & Approval Closing & Move-In
10	Cooperative Buildings Cooperative Boards
11	Condominium Buildings

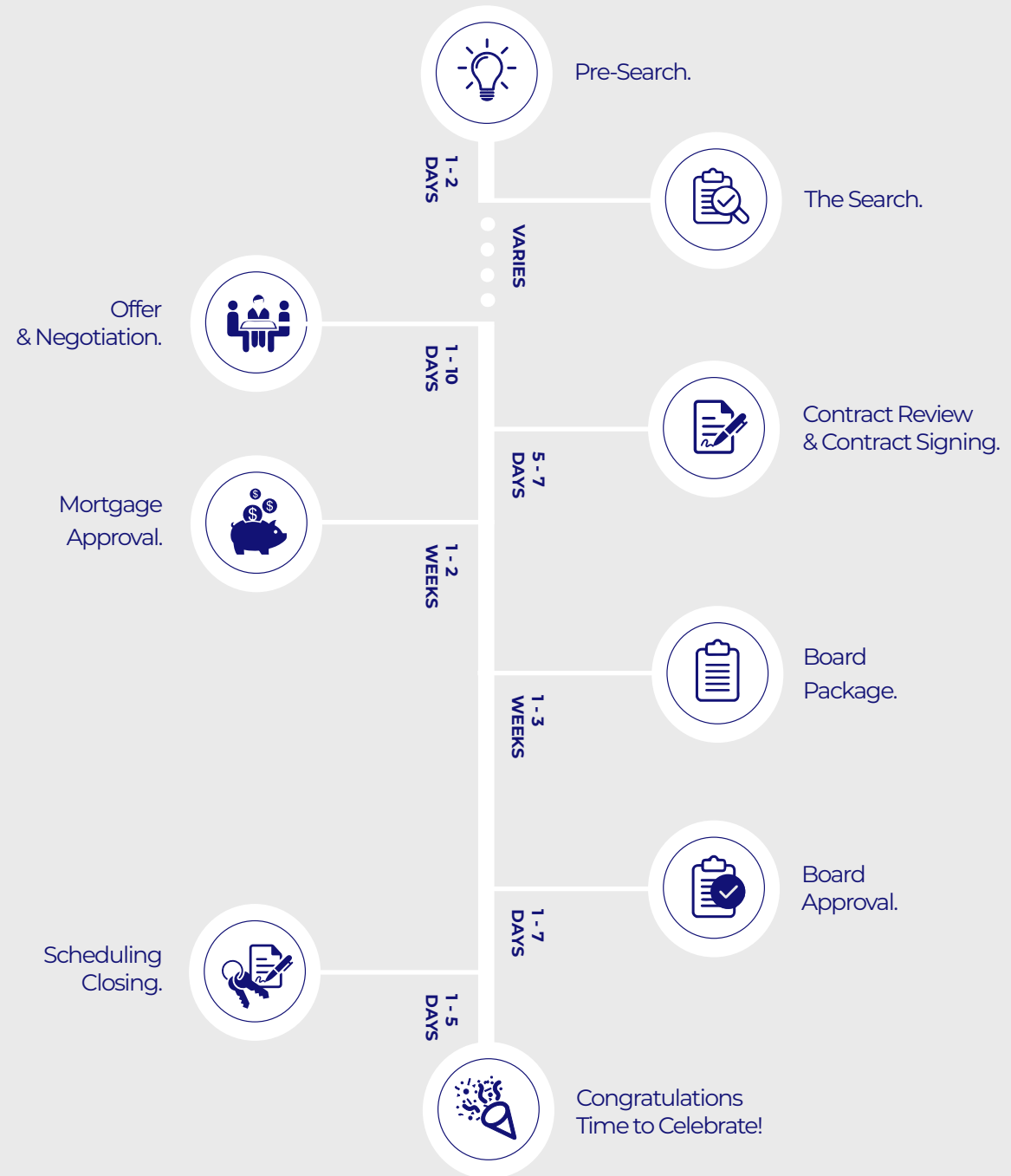


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Purchasing Timeline & Process.





10 Ways a SERHANT. Agent Can Help.

- 01 Be your personal source of knowledge about the buying process, individual homes, condominiums vs. co-ops, new development properties, neighborhood amenities, and market dynamics.
- 02 Help you clarify your real estate goals in relation to the local market and set your expectations on price, home size, and more.
- 03 Provide you with access to a network of agents, sellers, mortgage brokers, real estate attorneys, and developers and keep you updated on off-market properties that have not been listed.
- 04 Schedule showings that align with your schedule and keep you informed about open houses.
- 05 Attend showings with you in order to facilitate a smooth showing process and give you a different perspective than that of the selling agent.
- 06 Submit offers on your behalf and negotiate with the seller/seller's agent to get you the best possible deal.
- 07 Manage the contractual process and the back-and-forth negotiation between you, the seller, and the attorneys that represent each side.
- 08 Give support and guidance in filling out applications for financing and co-op/condo buyer packages. If purchasing in a co-op building, prepare you for board interviews.
- 09 Coordinate your closing and final walk-through.
- 10 Be a future resource to you should you ever want information about the market or ever consider selling your home.



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The Purchasing Process.



Pre-Search.

It's important to know how much you can comfortably spend and be able to back that up with verification from a bank or lender. Condominium apartments require at least 10% down while cooperative apartments generally require at least 25% down.

In addition to that, buyers must also work with a real estate attorney to assist with the contract and closing processes of a home purchase as there can be many moving parts during a negotiation. **SERHANT.** agents work with the most experienced attorneys and lenders in the business to ensure that our clients feel protected in their investment.

You should also be aware that there are closing costs associated with every transaction in NYC for both buyers and sellers. These costs differ between condominiums and cooperatives and depend on the contract price. Your agent and real estate attorney can help you understand the expense associated with mansion tax, title fees, mortgage recording tax, etc.



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SERHANT. Buyer's Guide 6



The Search.

Aside from knowing the specifics of the apartment you want (i.e. how many bedrooms, bathrooms, etc.), you should create a list of the top two or three neighborhoods that you want to live in. Think about your potential commute to work, where your friends live, and neighborhood amenities like restaurants, schools, transportation, and grocery stores.

Your agent will help advise you throughout the search and can set up a schedule to show you the homes that are the best fit for your criteria. Once you find a home you love, you are ready to make an offer!

Offers are made in writing and your agent will relay your offer to the seller/seller's agent. In your offer, you should have your pre-approval letter (if you are financing), a REBNY form, which shows your assets and liabilities, and your attorney information.

Once your agent puts in an offer on your behalf, know that not everything will be negotiable. The seller may send you a counteroffer, which then begins a back-and-forth process until both parties come to an agreement.

SERHANT. agents will fight hard to get you the best deal possible. With older apartments, consider inquiring about assessments, fixtures, window replacements, air conditioners, rugs, floors, curtains, appliances, working fireplaces, washer/ dryers, etc. Apartments are typically delivered empty — “swept clean” — unless negotiated otherwise.



Contract & Board.

From this point on, it typically takes between two and four months to complete the purchase of your home. During a sales transaction, a New York City attorney representing a seller will draw up a contract for the buyer's attorney. The buyer's attorney then does what's called due diligence – reading minutes, financial statements of buildings, etc. – to make sure that the building is in good standing. The buyers sign the contract once due diligence is resolved and forward the contract with a 10% deposit. The sellers then countersign the contract, and the money is held in escrow until closing. It is important to remember that the seller can entertain other offers while contract negotiations are taking place but cannot do so after signing the contract.

All condominium and cooperative buildings (except for New Development buildings) require the purchaser to complete a purchase application. For condos, the application is a formality — the board cannot deny you the right to purchase. For co-ops, the application is what the board will use to determine if they wish to interview you and, in conjunction with the interview, decide whether to grant you approval or not.

Be sure to ask your agent and attorney what closing costs are associated with the transfer of the property. Closing costs differ for buyers and sellers and between condos and co-ops.



Mortgage & Approval.

If you are financing, you should already have your pre-approval letter from your mortgage banker. 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. If the board reviews the board package and is satisfied with it, they will issue an approval more formally known as the First Right of Refusal.

For your board package/condo application, be prepared to provide financial statements, three years of tax returns, bank statements, and personal and professional references (this can vary depending on the building). If it is a co-op, an interview will be conducted before the board decides whether or not they want to issue an approval. **SERHANT.** agents will help you put your package together and, if required by the board, will prepare you for the interview.



Closing & Move-In.

After board approval, managing agents generally set a closing date and buyer and seller attorneys coordinate with the appropriate banks on available dates and times. After closing, you've officially purchased your new home. Your search has finally come to an end and it's time to celebrate!

Cooperatives & Condominiums.



Cooperative Buildings.

Cooperatives, also known as co-ops, are owned by an apartment corporation made up of tenants. Tenant-owners of co-op apartments own shares in the corporation, and this entitles them to a long-term proprietary lease. The corporation pays the total amount of the building's mortgage, real estate taxes, employee salaries, and other expenses for the upkeep of the building.

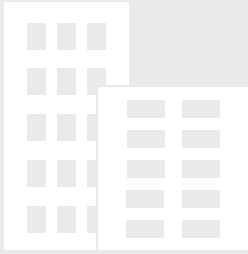
The tenant-owner, in turn, pays a portion of these expenses as determined by the number of shares the tenant owns in the corporation. Some of these maintenance fees are tax-deductible. Share amounts are dictated by apartment size and floor level. Approximately 80% of available apartments for purchase in New York City are in co-op buildings.



Cooperative Boards.

Purchasing in a co-op requires approval by the building's Board of Directors. The board is elected by tenant-owners of the co-op and interviews all prospective owners. Co-op boards look for people who are financially qualified and will have no issue paying both the monthly maintenance fees and the mortgage to the bank.

While each board has different criteria, having a debt-to-income ratio of around 25%, 1.5 to 2 years in liquid assets to cover monthly maintenance and mortgage liquidity post-closing, and steady employment and income all help make you a favorable candidate. Your personal background is also important. Boards want to know who will be living in their building to make sure that they are a good fit.



Condominium Buildings.

A condominium apartment in Manhattan is real property. Buyers get a deed just as if they were buying a house. Since they are real property, there is a separate tax lot for each apartment. This means buyers pay their own real estate taxes for the property. Owners will also pay common charges on a monthly basis. Common charges are similar to maintenance fees in a cooperative.

However, they will not include real estate taxes since these are paid separately, nor will they include the building's mortgage and interest given that a condominium, by law, cannot have an underlying mortgage.

Financing and approval for purchasing a condominium are much more lenient and flexible than purchasing a co-op. There is also greater opportunity when it comes to sub-leasing. However, since there are fewer condominiums than cooperatives, they are generally more expensive.



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Contact us today to find out how SERHANT. can help you find your home!

It is important you have someone you can trust guiding you throughout the home buying process. Having the right team alongside you during your purchase can make what is typically a stressful experience much more exciting!



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SERHANT. Buyer's Guide 12

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We'd love to hear from you!

E-mail hello@serhant.com or call **646.480.7665**
to speak with a SERHANT. agent today.



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