



## ***Buyer's Guide to the Manhattan Real Estate Market***

1. Decide the time is right for you to purchase. The New York City real estate market has been so robust for so long, owning property in Manhattan has proven to be a solid investment. For many purchasers, the time is right when they have the funds on hand to cover the down payment and closing costs. For others the decision to purchase may be related to mortgage rates, home sale prices, or life changing events like marriages, career demands, or children.
2. Find a broker you like and stick with them. As a member of the Real Estate Board of New York (REBNY), Benjamin James has access to virtually all of the apartments on the market. We have many limited and exclusive listings to offer, and we share listings with over 150 residential brokerage firms throughout Manhattan. Consumers no longer have to shake every tree and turn every stone in the city to find a great apartment. Because Manhattan brokers work together and share listings now more than ever before, registering with numerous brokers confuses things when scheduling appointments and touring prospective homes. Let your Benjamin James agent do all of the prep work, and if you notice a listing on the market that interests you, let us know and we can schedule your private viewing!
3. If you plan to finance your purchase, speak with a mortgage professional as soon as you begin your search for a new home. Mortgage brokers and bankers can help you determine what you can afford, and they can often issue pre-qualification letters which indicate what you will be able to borrow based on your financial profile. Consider the monthly loan payment plus the monthly maintenance or common charges when determining what you can afford to spend.

4. Schedule appointments with your agent and visit properties. Our agents show by appointment only, and they have busy schedules. Your agent will need to schedule your tour in advance with cooperating brokers, apartment buildings, managing agents, superintendents, or individual sellers. Ask your agent to arrange customized Open House tours on weekends to demonstrate the variety of homes available in your desired area or price range.
5. Start organizing your financial documents. When applying for a mortgage—and even more when completing a coop or condominium application—you will be asked to prove your annual income along with all of your assets and liabilities. Save recent bank statements, investment statements, and copies of recent tax returns. If you own other real estate or have valuables such as art or antiques, ask your agent how best to demonstrate their value when determining your net worth for these applications.
6. Identify a real estate attorney, preferably one who is very familiar with the Manhattan coop and condo market, to represent you in the sale. You will need an attorney to represent you at closing as well as to review the contract and building financials. In a condominium or building transaction, the purchaser's attorney will also handle the title search.
7. Identify a property and make your offer! Communicate the purchase price, financing terms, and proposed closing dates to your agent, and your agent will prepare and submit the offer to the seller or seller's agent on your behalf. Please note that it is common in Manhattan for sellers to request to see basic financial details about a proposed purchaser (ie income and assets) at the time of the offer. Your agent will be helpful in presenting your offer in the best possible light to a given seller.
8. Negotiate through your agent. Customarily, offers are met with counter-offers. Arriving at an acceptable price for both seller and buyer is only part of the work. In Manhattan, because of strict coop board guidelines, sellers have to consider the financial condition of a purchaser as well as their proposed purchase price. Sellers want to feel confident that the buyer they accept will pass the coop board application and interview. During the negotiation, expect to furnish more personal financial details and individual background information.

9. Go to Contract. Once a buyer and seller have agreed upon terms of a sale, the seller's attorney will prepare the contract of sale and submit it to the purchaser's attorney for review. As part of the review, the purchaser's attorney must review and endorse the financial condition of a coop, a building, or a condo. They will need to consider the offering plan, recent financial statements, and recent minutes of board meetings. When the attorney is comfortable with the contract and other diligence, he will have the purchaser sign the document and pay 10% of the purchase price as a down payment. That deposit is held in escrow by the seller's attorney. Upon receipt of the executed contract and deposit, the seller's attorney should return a fully countersigned document to the purchaser's attorney.
10. Complete the mortgage application. Work with your mortgage broker or banker to fill out and submit an application for a home loan, if you are financing your purchase. Usually, you will have to support your application with bank statements and recent tax returns. Keep copies of your loan application and financial backup information—you will need them for your coop or condo board package.
11. Complete the coop or condo application. Work with your agent to complete the purchase application. Coop boards take application packages very seriously. Your agent will advise you about what to include, how to arrange the package, and can help coordinate the all important *Statement of Financial Condition* included in almost every package.
12. Follow up on your home loan. Stay in touch with your mortgage broker about the progress of your application to borrow. Once your loan is approved, your broker will need to get you a commitment letter from the lender, and you will have to sign and return recognition agreements to the lender before a closing will be scheduled. Copies of the loan commitment letter and your signed recognition agreements must be included in your coop board application to purchase if you are financing.

13. Finalize and submit your board application to purchase. This package will be collated by your agent and submitted first to the managing agent for the building, and then it will be passed on to the board of directors. If a coop board interview is required, your agent will arrange the appointment—usually in conjunction with a monthly coop board meeting—and they can help you prepare for the meeting.
  
14. Schedule a closing. Once the board has approved your application, a closing can be scheduled. Attorneys for both seller and purchaser, the lending bank for the present owner (if there is an outstanding mortgage) and the lending bank for the new buyer must all be present at the closing. You can also expect your agent to attend. At the closing, the purchase price is paid to the seller, and shares or title transfer from the seller to the purchaser. The attorneys will handle any other distributions necessary, including prorated taxes, utilities, and broker fees.