



GET TO KNOW THE BEST

We value your investment as much as you do and we're behind you every step of the way



The decision to purchase a home is one of the most significant decisions of one's life, with many options and details to consider. Whether you're buying for yourself or for your family, as a first-time buyer or as a veteran homeowner, MNS can help you simplify these choices in order to make your housing search as uncomplicated and anxiety-free as possible.

MNS wants to help you choose the home that is right for you. Let us guide you through the home-buying process and answer any questions you may have. We want our clients to be able to buy with no uncertainties and to know that we are behind them in every step of this very important investment.

WE'RE IN YOUR CORNER

As you begin looking for your new home, you must first think about your wants and needs, which we will carefully consider as we find properties that suit your lifestyle.

Once we've established what your priorities are, we will research all available properties that fit your criteria including, but not limited to, those that are listed on the MNS website and database, new developments, exclusive properties of other brokers and those that are for sale by owner. We have access to every listing within the entire brokerage community, which we will scour as we help you conduct your search. We will leave no stone unturned; if it's out there, we have access to it.

Once we've narrowed down your options to the properties that appeal to you most, we will schedule appointments to view them and accompany you on all property showings. Prior to you making an offer to purchase, we will also provide you with pertinent market information that will help you make an educated decision.

If you're a first-time buyer, one of MNS' many skilled agents will explain New York's real estate procedures and assist you in selecting and acquiring the professional assistance you may need (e.g., banker, attorney, appraiser, architect, engineer, etc.). He or she can also assess the investment value of a potential purchase and predict how it will appreciate or depreciate over time.

When you've chosen a property as your future home, we will aid you in preparing and presenting your purchase offer terms and all other necessary documents that may deem you a more qualified buyer than others in the eyes of the seller. MNS will draft and present a written offer to the seller or seller's agent, and the seller's attorney will subsequently prepare a sales contract establishing price and other relevant negotiable terms. We will help you to assemble and prepare a board package, which will be presented to the board of directors for review prior to an interview in the case of a co-op. Upon approval and before closing, we will schedule a walk-through appointment, during which we will ensure that all required repairs have been made in accordance with the contract, that the property has been properly maintained and that all items promised in the contract (such as appliances) are present.

The closing itself is the formal process by which ownership passes from the seller to the buyer. Here you will sign tax documents, applicable loan forms and, in the case of a co-op, a stock certificate and proprietary lease. If you're purchasing a condominium, you will sign a deed instead of a stock certificate and, in either case, you will receive the keys to your new home!

CONDOS

The most desirable form of ownership for condominium investors is fee-simple interest in a particular unit plus an undivided interest in common elements of a complex.



Owning a condo is like owning a house; that particular piece of real estate is exclusively yours and you will receive a deed to the property, which is considered "real property."

When purchasing, condominiums are always preferred by savvy investors and foreign nationals, since they offer very flexible house rules and they don't have specific financial requirements like co-ops. As an owner, some condos now require your subletter to fill out a complete application disclosing financial and credit information in order to rent in the building.

With all the new developments built in the last few years in New York City, condominium inventory is becoming increasingly popular and catching up to co-ops.

CO-OPS

Co-ops are a very unique form of ownership and, in certain areas of Manhattan, they represent up to 70% of the inventory.



All prospective purchasers must interview with the co-op board and pass a rigid financial screening. Prior to the interview, buyers will have to present a financial statement with supporting documents. If approved, buyers will become shareholders, and their shares will be represented by the occupied residence.

Buyers will become tenants, and all tenants own shares of stock in a corporation that owns the building. Such shares are considered "personal property" and enable the buyer to have a "proprietary lease."

Different house rules and financial requirements are regulated by the board of directors, which has control of the corporation and its shareholders' rights.

Subletting is restricted and, although co-ops require potential buyers to financially overqualify and deposit large down payments, they are less expensive than condominiums and have lower closing costs.

CONDOPS

Savvy New York apartment shoppers know the difference between a co-op and a condominium. However, there is some confusion, it seems, when it comes to understanding the difference between a co-op and a condop.



When the term condop is used in the legal sense, it describes a building (or a complex of buildings) that is part co-op and part condo.

Usually the entire residential portion of the building (which contains co-op apartments) is legally one condo unit, while the commercial and professional spaces are owned as one or more additional condo units.

With the legal ownership of the building divided that way, the residential condo, is essentially a co-op that owns its building. Apartments in such a building, are managed, marketed, bought and sold as co-ops.

Condops are always referred to as “co-ops with condo rules” since they have flexible house rules, especially regarding financing and subletting.

A BUYER'S GUIDE TO CO-OP BOARD PACKAGE PREPARATION

One of the most important aspects of purchasing a co-op apartment is completing a purchase application and assembling a board package—a comprehensive presentation of financial documents and references. The primary purpose of the board package is to assure the corporation of your financial ability to support the apartment and to give them confidence that you will be a “cooperative” shareholder and welcomed member of their community. Each co-op has its own set of requirements and application forms, which we will obtain for you from the managing agent of the building. The most common elements are the following:

Purchase Application

This should be typed. Fill in all blanks and answer all questions (even with, if necessary, “not applicable”).

Credit Release Form

This allows the managing agent to obtain a credit check for each applicant.

Financial Statement

This is a statement of all assets and liabilities and supporting documents. It is very important that the sums of the statement reconcile with the attached supporting documents. Every item on the statement (except personal property) must be documented. Don't forget to add earnest money (deposit on contract) in the asset column.

Reference Letters

A combination of personal and business reference letters are needed. These letters give the board an opportunity to know you. Have your friends and associates write wonderful things about you—but do ask them to include some basics: How long have they known you? In what capacity did you meet? Why do they think you will make a great neighbor? If they live in a co-op or have served on the board at their building, it is a good thing to mention. Letters should be addressed to the board of directors on official letterhead, with their contact information.

Tax Returns

Most co-ops require two years' worth of tax returns including all schedules and W-2 forms.

Bank Reference Letter

Just ask a banker at your local branch. They do this all the time and they will know what you are talking about.

After you've gathered together all your documents, we will have them copied and submitted to the managing agent for you. As a rule, if you are applying for a mortgage, managing agents do not accept any papers without a written commitment letter from the bank.

BREAKING DOWN THE BUYING PROCESS

Speak to a mortgage broker, bank or financial advisor 1-2 days

Know what your budget is before you even begin your search. Financial requirements vary from building to building, so keep that in mind.

Find an apartment 1 day-3 months

Negotiate on the apartment 3 days-2 weeks

Sign a contract 3 days-2 weeks

Both the buyer and seller are represented by real estate attorneys. The seller's attorney draws up the contract for the buyer's attorney and, upon receipt, the buyer's attorney performs "due diligence" (i.e., reading minutes, reviewing financial statements of the building, etc.). Once all terms are agreed upon, the buyer signs the contract and returns it to the seller's attorney with a 10% deposit, after which the seller executes the contract. Possible contingencies may include financing, board approval and closing dates.

Apply for a mortgage and receive a commitment letter from your lender 3-6 weeks

Mortgage applications cannot be processed without a fully executed contract, and if an apartment is being financed, the board requires a commitment letter from the lender.

Complete your board package or condo application 1-2 weeks

Your real estate agent will ensure that your board package is thorough and completed in a timely manner.

Submit a board package or condo application to managing agent 4-6 weeks

Once the board package is complete, it is given to the building's managing agent. The package is then forwarded to the board of directors, who decides whether or not an interview will be granted.

Meet with the Co-op board for an interview 30 minutes-1 hour

Every co-op board is unique to its building, but they typically meet once a month on a weeknight evening, though some may not meet in August.

Receive approval from the board 1 day-1 week after the interview

The managing agent will let the seller's agent know whether or not you've been approved by the board.

Schedule a closing 1-2 weeks after board approval

The managing agent sets the closing date, and the buyer's and seller's attorneys then coordinate with the appropriate banks for available dates and times.

CONDOMINIUM CLOSING COSTS*

For the Purchaser

Purchaser's Attorney \$1,750+

Bank Fees

- Points** 0-3% of loan amount
- Application, Credit Check, etc.** \$500
- Bank Attorney** \$450-\$650
- Short Term Interest** Up to one month
- Tax Escrows** Two to six months

Recording Fees \$150

Mortgage Tax 2%* of amount of mortgage for loans under \$500,000;
2.125%* of amount of mortgage on loans of \$500,000+

Title Insurance Rates vary by NY law as insurance increases

Violation Search \$250

Managing Agent Fee \$250

Common Charge Adjustment Up to one month

Real Estate Tax Adjustment One to five months

Mansion Tax 1% of price where price is \$1,000,000+

Title Closer Fee \$100-\$150

New York State Transfer Tax 1% of price for purchases of \$500,000 or less; 1.425% of price for purchases of \$500,000+ (paid only by buyer in the purchase of a new construction, new development or "sponsor sale")

New York City Transfer Tax 0.4% of price (paid only by buyer in the purchase of a new construction, new development or "sponsor sale")

For the Seller

Broker Commission 6%

Seller's Attorney \$1,750+

Managing Agent Processing Fee \$450-\$650

Move-out Deposit \$500

New York City Transfer Tax 1% of price for purchases of \$500,000 or less;
1.425% of price for purchases of \$500,000+

New York State Transfer Tax 0.4% of price

Miscellaneous Title & Recording Fee \$100

Mortgage Satisfaction Fee \$150-\$300

*Note Some of the above fees are estimates. All information is subject to errors, omissions and changes in facts and/or circumstances.

COOPERATIVE APARTMENT CLOSING COSTS*

For the Purchaser

Purchaser's Attorney \$1,750+

Bank Fees | Points 0-3% of loan amount
Application, Credit Check, etc. Approximately \$500
Bank Attorney Approximately \$450-\$800
UCC-I Filing Fee \$25

Short Term Interest Up to one month

Move-in Deposit \$500-\$1000

Recognition Agreement Fee \$250

Lien Search \$250

Maintenance Adjustment Up to one month

Mansion Tax 1% of price where price is \$1,000,000+

New York State Transfer Tax 1% of price for purchases of \$500,000 or less; 1.425% of price for purchases of \$500,000+ (paid only by the buyer in the purchase of a new construction, new development or "sponsor sale")

New York City Transfer Tax 0.4% of price (paid only by buyer in the purchase of a new construction, new development or "sponsor sale")

For the Seller

Broker Commission 6%

Seller's Attorney \$1,750+

Co-op Attorney/Managing Agent \$400-600

Flip Tax Varies

Stock Transfer Tax \$0.05/share

Move-out Deposit \$500-\$1,000

New York City Transfer Tax 1% of price for purchase of \$500,000 or less; 1.425% of price for purchase of \$500,000+

Transfer Tax Filing Fee \$25 recording fee

New York State Transfer Tax 0.4% of price

Payoff Bank Attorney \$300

UCC-3 Filing Fee \$25

*Note Some of the above fees are estimates. All information is subject to errors, omissions and changes in facts and/or circumstances.

REAL IMPACT ANSWERS

What are the advantages to buying a home?

First and foremost, you're not renting! Real estate is an appreciating asset that provides tax benefits, an increased sense of stability and security, pride in ownership and freedom to make improvements as you like.

How long will it take to find the right home?

It varies from person to person, as everyone is different and has their own unique needs and desires. Mr. and Mrs. Jones might be able to buy an apartment over the phone, while Mr. and Mrs. Smith may have been looking for the perfect home for years. However, it's most common for buyers to find what they're looking for in two or three months. On average, buyers look at 20-25 apartments before purchasing.

What should I do at showings and open houses?

You should take thorough notes and pictures to keep each property fresh in your mind. Evaluate the pros and cons to determine whether or not it could work for you.

Where can I find out about schools in New York City?

A couple of online resources you might want to check out are NYC.gov and InsideSchools.org, where you can search for specific academic institutions or run a broader search by grade or location.

I'm transferring to New York City. What should I do differently in this case?

As a transferee, you should try to get a feel for the entire city as well as its individual neighborhoods. This will help you find the area you're most comfortable in, which will narrow down your search. If you like, we can give you a preliminary tour of the city before beginning your actual housing hunt.

What should I know about the sales contract and/or the offer to purchase?

The offer is non-binding until the contract is fully executed and the deposit check is cashed. You should discuss terms with both your attorney and real estate agent and, if you want to add extra inclusions to the contract that aren't in the listing, it never hurts to ask, as most everything in real estate is negotiable.

Do I need to get any home inspections done?

Home inspections are done on townhomes and generally on apartments that make up more than 10% of a building. When purchasing in a co-op or condo, be sure to discuss with your attorney whether or not an inspection will be necessary.

When should I begin to look into financing?

Right away, because it is important to know how much you can afford. If you want, MNS can arrange a meeting with a loan officer to discuss your financing options and how you can accelerate the loan process. During the meeting, you may ask what items the lender requires and what types of financing are available.

If you have any additional questions, please feel free to contact any one of our specialists at MNS.

GLOSSARY OF TERMS 1 of 2

Amenities Luxury staff and services that benefit residents in the building. Can include a doorman, concierge, valet service, fitness center, pool, garage, laundry facilities, storage and many other features and services.

Board Package The board package presents a complete "picture" of the prospective buyer to the co-op board. It contains all financial statements, letters of recommendation, etc. Only after a co-op board reviews an applicant's package will they consider granting them an in-person interview.

Closing Statement The statement that lists the financial settlement between buyer and seller and the costs each must pay.

Common Charge A payment from all building residents to cover overall building expenses, such as staff salaries (doormen, super, etc.), heat and hot water, insurance, repairs and maintenance. The condo common charge does not include real estate tax, as each apartment receives its own tax bill.

Condominium A system of individual ownership of units combined with joint ownership of common areas of structure and the land.

Condom A mix between a co-op and a condo. Condoms are rare but desirable because many have condo rules, meaning there is no board approval necessary to buy, and subletting is often permitted. Developers and co-op boards mostly use them for legal purposes to divide commercial space (e.g., retail store, garage, etc.) from the apartments in the building.

Contingency The dependence upon a stated event, which must occur before a contract is binding (e.g., the sale of a house is a contingent upon the buyer obtaining financing).

Cooperative (CO-OP) The most common ownership structure for multi-unit apartment buildings in New York City. In a co-op, the apartment corporation owns the building and purchasers own shares in the corporation, receiving stock certificates instead of deeds. The larger the apartment, the more shares one owns in the corporation. In New York, many apartments for sale are co-ops.

CO-OP Board Like most corporations, a co-op has a board of directors, commonly known as a co-op board. All residents of the co-op building elect the group each year. They manage the overall operations, finances and upkeep of the building. One of the most important and controversial functions of a co-op board is gatekeeping, i.e., deciding who can and cannot live there.

Down Payment The amount of money a buyer is required to pay out of pocket in order to purchase a co-op or condo, usually a percentage of the total price of the apartment. Condos generally require a 10% down payment. Most co-ops, however, require a minimum down payment of 20-25% of the purchase price, allowing the remaining 80-85% to be financed with a mortgage. Some co-ops require larger down payments of 25%, 50% or 75% of the purchase price. Many exclusive co-ops on Park Avenue, Fifth Avenue and Central Park West, for example, require buyers to pay up to 100% of the price of the apartment in cash.

Financial Statements In general, these are the last three to six months of all bank statements, credit reports, and retirement funds, as well as the last two to five years of tax returns.

Flip Tax Unique to co-ops, this is not actually a tax, but an "exit fee" imposed by the co-op board to make the building more financially stable. The flip tax goes into the building's "common fund" along with maintenance fees to cover building expenses. It is paid by the apartment buyer or seller at the closing and is usually a percentage of the purchase price. Not all co-ops have a flip tax. Some condos also have flip taxes now.

Gifts or Gifting The act of giving money so the buyer has enough to purchase an apartment. A gift is usually given by a family member, friend or partner. Many New York co-op boards do not allow gifts or, at the very least, frown upon them.

GLOSSARY OF TERMS 2 of 2

Income Requirements At a minimum, most co-ops insist that monthly maintenance and mortgage payments not exceed 25-28% of a buyer's gross income. Many co-ops require more than the minimum and generally do not consider income from self-employment, the length of employment or position in the company. Most co-op boards expect a buyer to be employed, regardless of his or her net worth and even if the apartment is bought in cash.

Letters Of Recommendation Letters from the people who know you personally and professionally and can describe who you are as a person, and vouch for your character. Co-op boards require that you submit several letters of recommendation when applying to their buildings. Typically, boards require three to five personal letters of recommendation, three to five professional letters of recommendation, one letter from your current employer and one letter from your bank or another financial institution.

Liquid Assets After Closing The amount of liquid assets (e.g., cash, stocks, bonds, etc.) you must have after the purchase of a co-op apartment. Typically you must have enough to pay multiple monthly mortgage and maintenance payments. 24 months is standard. However, more exclusive buildings require much larger amounts of liquid assets after closing. Many buildings on Park and Fifth Avenues, for example, require a buyer to have two to five times the price of the apartment in liquid assets after closing.

Maintenance The maintenance fee in a co-op covers the overall building expenses, such as staff salaries (e.g., doormen, super, etc.), heat and hot water, insurance, repairs and maintenance, the underlying mortgage of the building, and real estate taxes. Portions of the monthly maintenance fees are tax deductible due to the building's underlying mortgage interest. Shareholders can also deduct their portion of the building's real estate taxes.

No Board Approval A minority of New York co-ops and most condo buildings do not require prospective buyers to put together a board package or go through a board interview. There are also other situations where the prospective buyers or renters do not have to go through this process either. One is when the apartment is being sold by the sponsor.

Parents Buying For Children Some co-op boards allow parents to buy apartments for their children. However, most require that the person living in the apartment be financially independent.

Pied-À-Terre A French term that refers to an apartment that is not the primary residence of the owner. A pied-à-terre is used whenever the owner comes into town. It can be used several months at a time or only a few weeks a year. Many co-op boards in Manhattan do not permit pied-à-terres.

Proprietary Lease A written lease held by a co-op apartment owner/shareholder, giving them the right to occupy their unit. Buyers of a co-op apartment receive two proofs of ownership and occupancy - a stock certificate and a proprietary lease.

Reserve Fund A bank account with monies designated for the upkeep of the building, including renovations, capital improvements, and everyday operating expenses such as staff salaries. Each cooperative and condominium maintains a reserve fund.

Shares What you own when buying a co-op apartment. In a co-op, you are not buying real property; you are buying shares in a corporation, for which you receive a stock certificate.

Sponsor Unit Apartments that are held as an investment by the sponsor [the original developer who built the building or converted the building to a co-op or condo]. Sponsor apartments are usually exempt from board approval.

Tax Deductibility The amount of percentage each individual owner/shareholder is allowed to deduct from their personal taxes each year. The percentage represents each shareholder's proportionate share of the building's underlying mortgage and the New York City real estate taxes paid that year.

YOUR WINNING NEIGHBORHOOD 1 of 2

Manhattan's streets are based on a grid system. The avenues run north to south (First Avenue being the farthest east and Twelfth Avenue being the farthest west), while the streets run east to west across the avenues. As you travel north, the street numbers increase. Fifth Avenue is the center of Manhattan and divides the city into the East and West Sides; therefore, there is an East 42nd Street and a West 42nd Street. Broadway runs diagonally across the city from the Lower East Side to the Upper West Side, veering west of Fifth Avenue at 23rd Street, and west of Central Park at 59th Street.

Upper West Side The neighborhood extends north from Columbus Circle at 59th Street up to 110th Street and is bordered by Central Park West and Riverside Park. Elegant prewar buildings along the boulevards of Broadway, West End Avenue, Riverside Drive and Central Park West meet tranquil, tree-lined streets with brownstones. Landmark status protects much of the area and the neighborhood's restored townhouses and high-priced co-op apartments are populated by actors, young professionals, and young families.

Upper East Side The neighborhood extends from the edge of Central Park at 59th Street to the top of Museum Mile at 105th Street. It is home to world-renowned cultural institutions, the most coveted boutiques and the finest cuisine. It is a natural choice for families, executives, and those looking for fashionable Park Avenue addresses, though certain areas of the UES do offer (relative) housing bargains.

Midtown West The neighborhood is bordered by 59th Street to the north, 40th Street to the south, Fifth Avenue to the east and the Hudson River to the west. It's one of the most popular tourist destinations in Manhattan and home to Times Square, the Theater District and large corporations. Young, wealthy individuals have migrated to this neighborhood with the construction of many luxury high-rise residential buildings.

Midtown East The neighborhood is bordered by Central Park to the north, East 42nd Street to the south, Fifth Avenue to the west and the East River. This area is home to individuals who like to work close to home, as well as the affluent, residing in modern skyscrapers, prewar buildings and luxury brownstones. The United Nations, the Chrysler Building, the New York Public Library and Grand Central Station are located here.

YOUR WINNING NEIGHBORHOOD 2 of 2

Chelsea The eclectic neighborhood extends from 15th Street to 34th Street, bound by the Hudson River on the west and Sixth Avenue on the east. Chelsea fosters a booming art and food scene and is home to many of the city's renowned art galleries and a wide variety of restaurants. Many professional families are attracted by the area's highly desirable proximity to Hudson River Park, Midtown and Greenwich Village.

Murray Hill The neighborhood is bordered by East 41st Street on the north and East 30th Street to the south, Fifth Avenue to the west and the East River. It is a unique residential enclave housing both prewar and postwar co-ops and brownstones on tranquil tree-lined streets. This area is home to the Pierpont Morgan Library.

Gramercy The neighborhood is surrounded by East 23rd Street to the north, East 17th Street to the south, Fifth Avenue to the west and the East River. This area is named after Gramercy Park, the only private park remaining in Manhattan. Sixty-six buildings located between 20th and 21st Streets, between Park Avenue South and Third Avenue, house residents with golden-key access to the park.

East Village The neighborhood is bordered by East 14th Street to the north and Houston Street to the south, Broadway to the west and the East River. This area is home to cutting-edge fashion, an array of music clubs and theaters and Tompkins Square Park. Strict zoning laws keep this neighborhood quaint, attracting both young bohemians and professionals.

West Village The neighborhood is bordered by 14th Street to the north and Houston Street to the south, the Hudson River to the west and Broadway to the east. It is home to artists and writers, entertainers, intellectuals and celebrities. Washington Square Park, with its famous arch in the heart of the Village, attracts street performers and New York University students relaxing between classes.

Lower East Side The neighborhood is bordered by Houston Street to the north and Canal Street to the south, Bowery to the west and the East River. With a rich history and original tenement-style buildings, the area is now a true multicultural blend with cutting-edge designers, velvet-rope nightlife, new luxury developments and the best deli food anywhere.

Soho The neighborhood is bordered by Houston Street to the north (SoHo is an abbreviation for South of Houston), Canal Street to south, West Broadway and Crosby Street to the east. It is home to ultra-luxury lofts, exclusive spas, a bustling Broadway shopping scene, the Puck Building, and hundreds of designer boutiques, art galleries and eclectic restaurants.

Tribeca The neighborhood extends from Canal Street on the north to Broadway on the east (TriBeCa refers to the triangle below Canal Street), and is home to many celebrities, newly converted ultra-modern lofts (at some of the highest prices in the city) and the most fashionable restaurants, hotels and nightclubs.

Financial District The neighborhood extends from Fulton Street on the north to Battery Park City on the south and the Hudson River to the East River. It is the financial center of Manhattan and is home to the New York Stock Exchange, the Manhattan courts, the Federal Reserve Bank of New York and South Street Seaport. This area is experiencing exponential residential growth due to the new, affordable luxury high-rise buildings becoming popular among those moving downtown.

Battery Park City This 92-acre private park is bordered by Vesey Street on the north, West Street to the east and the Hudson River on the west. It is popular among young families and single men and women working in the Financial District. Its modern buildings and pristine riverfront parks make BPC a highly desirable neighborhood for those who want to live downtown.





BUYER'S GUIDE

Gramercy Park 212.475.9000
115 East 23rd Street, New York, NY 10010

Williamsburg 718.222.1545
165 Bedford Avenue, Brooklyn, NY 11211

Williamsburg 718.222.0211
40 North 6th Street, Brooklyn, NY 11249

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