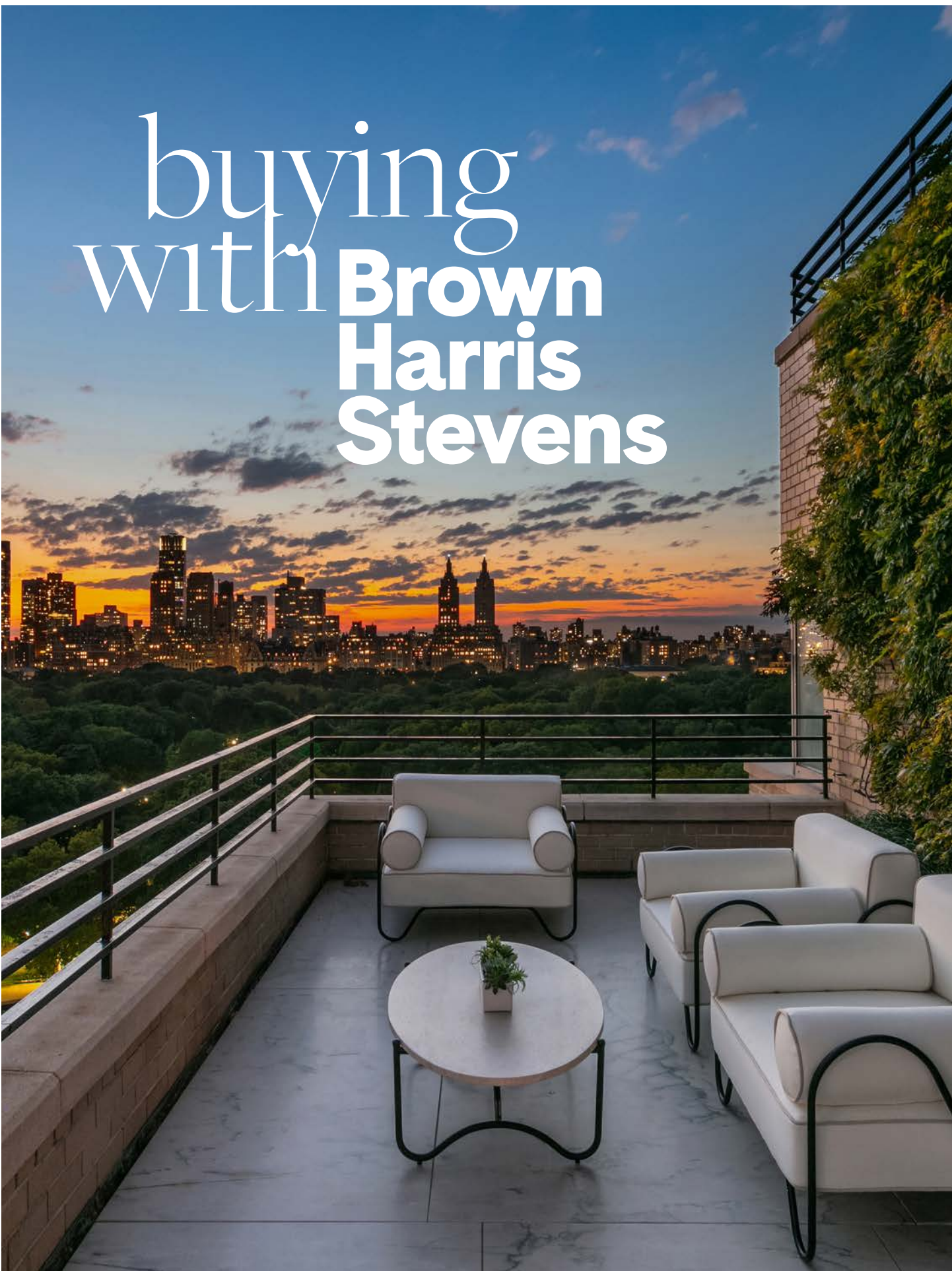


buying  
with **Brown  
Harris  
Stevens**





# My Commitment To You

## INTEGRITY

### THROUGHOUT THE RELATIONSHIP AND BEYOND, I WILL:

- Always conduct myself with the utmost integrity and honesty.
- Always act in your best interests, providing you with accurate information, transparent communication and trustworthy advice.

## COMMUNICATION

### IN OUR INTERACTIONS, I PROMISE TO:

- Keep you informed and updated every step of the way.
- Promptly respond to your inquiries, address your concerns and ensure that you are well-informed about the status and details of your real estate transaction.

## EXPERTISE

### I AM COMMITTED TO MAINTAINING A HIGH LEVEL OF EXPERTISE AND KNOWLEDGE IN THE REAL ESTATE INDUSTRY. I WILL:

- Stay informed about market trends, changes in regulations, and emerging opportunities.
- I will use my expertise to guide you through the entire process of your real estate transaction.
- When you work with me you will also have access to the substantial resources and expertise of a company that has been doing business in New York for over 150 years – longer than any other firm in the city. I will call upon this extensive brain trust as needed in order to benefit your experience.

## DILIGENCE

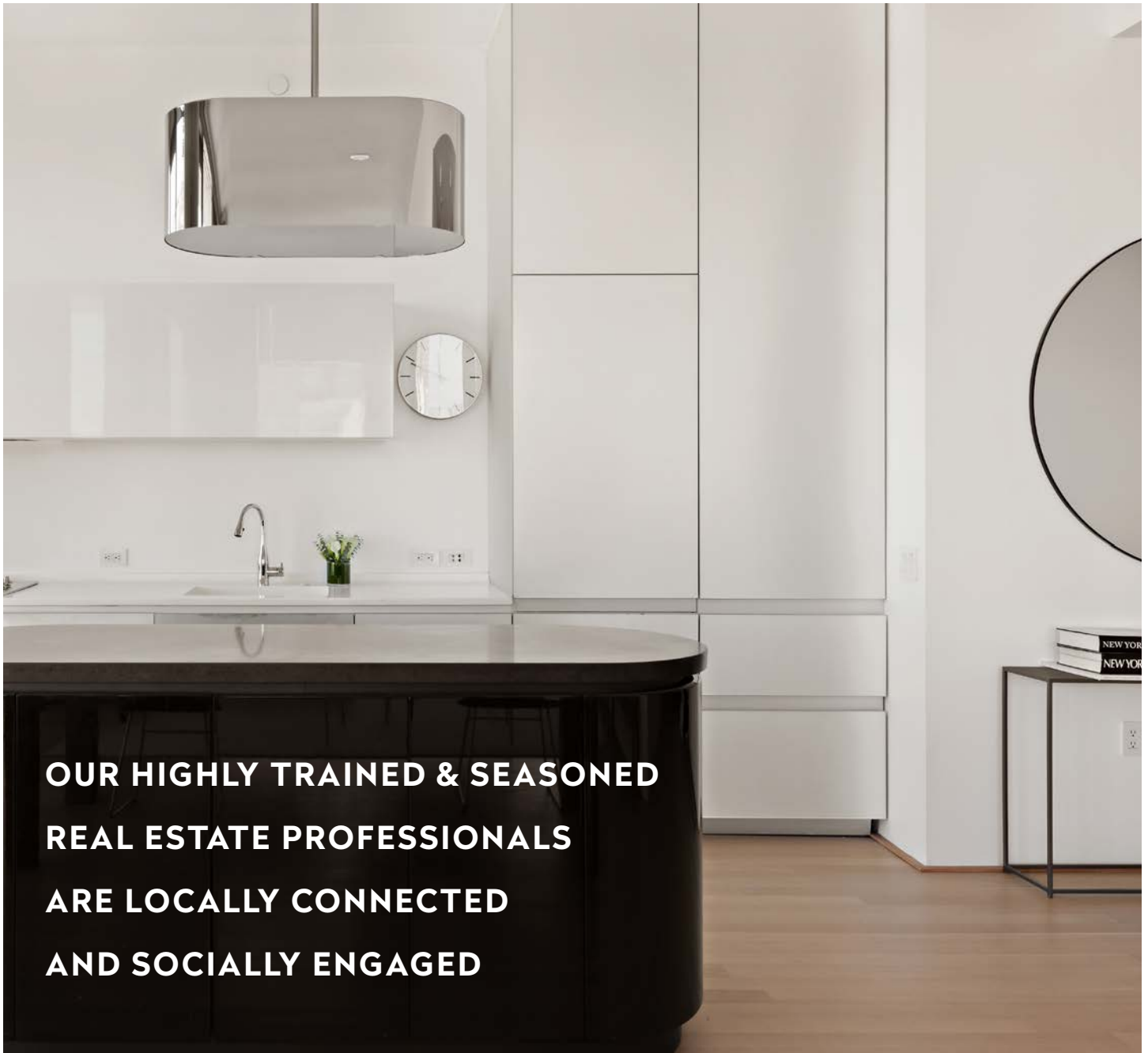
### I WILL WORK DILIGENTLY ON YOUR BEHALF SO THAT I CAN:

- Dedicate my time, resources and energy to ensure a smooth and successful real estate experience.
- Search for the best property based on your personal preferences.

## YOUR SATISFACTION

### YOUR SATISFACTION IS OUR TOP PRIORITY. I PLEDGE TO

- Listen to your needs and understand your preferences.
- Tailor my services to meet your unique requirements.
- Strive to exceed your expectations by providing exceptional service, personalized attention and a positive experience from start to finish.

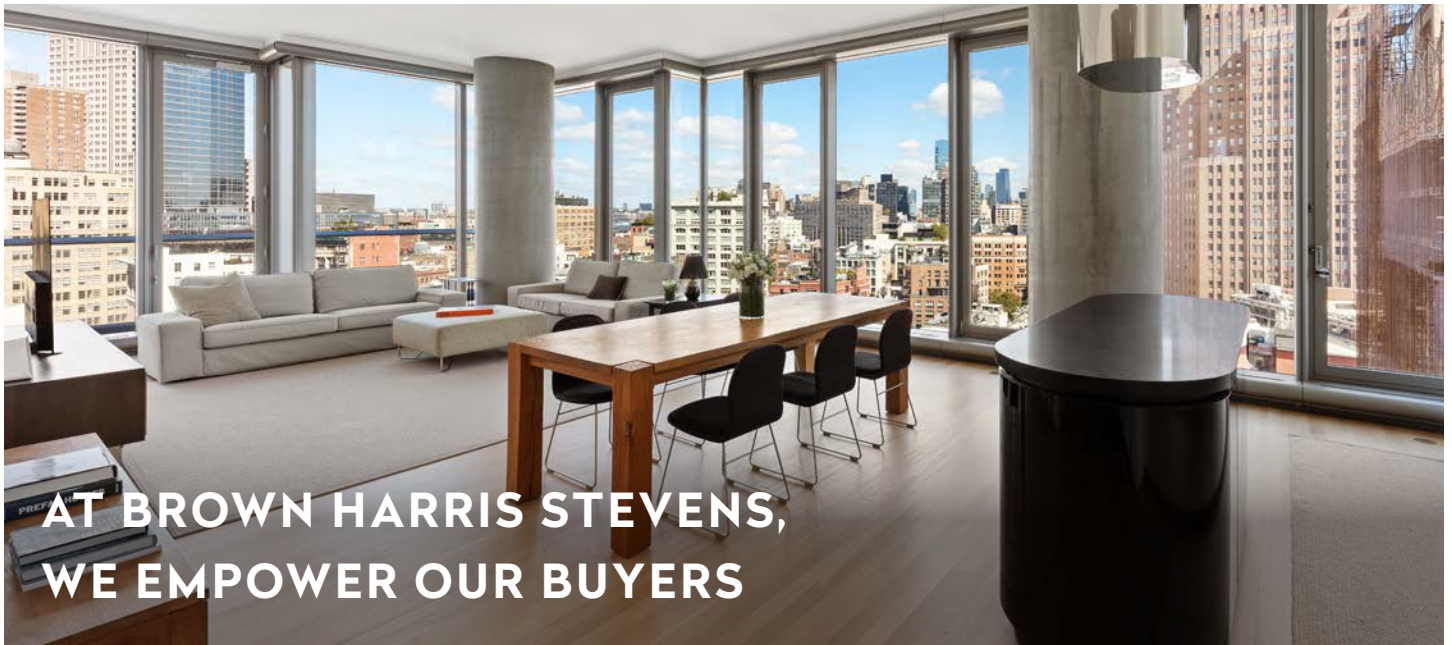


## *An Exclusive Buyer's Agent Works for You*

Brown Harris Stevens offers unparalleled support and market insight, ensuring you have access to the best resources throughout the home-buying process. Since 1873, we've built our reputation on exceptional service, professionalism, and a client-first approach. We understand that purchasing a home is a significant investment, and our dedicated agents are committed to guiding you with expertise and discretion. Trust us to help you navigate this important journey with confidence.

Our agents are active members of the community; they are members of the Real Estate Board of New York; they live and work in one of the most in-demand and sought after locations in the United States...New York City.





## AT BROWN HARRIS STEVENS, WE EMPOWER OUR BUYERS

### FULL ACCESS TO THE LATEST INVENTORY

Brown Harris Stevens Buyer's Agents connect you to the Residential Listing Service and a tool that alerts you to new matching listings.

### PROVEN NETWORK OF REAL ESTATE PROFESSIONALS

Our agents find "coming soon" and "off-market" listings through personal connections and in-house networks.

### MARKET DATA

We provide detailed market analyses to help you make informed decisions.

### YOUR HOME ADVOCATE AND TRUSTED ADVISOR

With a dedicated Buyer's Agent, you have an advocate focused on your interests.

### NEGOTIATION ON YOUR BEHALF

Your agent will negotiate the best price and terms based on your goals.

### STATE-OF-THE-ART BUYER SEARCH TOOL

Get complimentary access to MyPlaceNYC for seamless property searches and agent communication.

### FACILITATING A STREAMLINED PURCHASE PROCESS

Buyer Intake Consultation

Market Analysis

Team Recommendations: Lender, Attorney, other Vendors

Loan Pre-Approval

Structuring Your Offer

Negotiation

Help Facilitate Due Diligence

Public Records Search

Board Package Preparation

Loan Application Process and Approval

Inspection & Survey

Contractors & Mover Recommendations

Title Search (if applicable)

Apply for Home Insurance

Prepare Finances & Documents for Closing

Troubleshooting Throughout Transaction



## Types of Ownership PAGE 1/2

### COOPERATIVE

Cooperatives, or co-ops, comprise a significant portion of New York City's real estate market. When purchasing a cooperative apartment, one purchases shares of stock in a corporation that owns the building and usually the land beneath. A stock certificate representing the purchased shares and a proprietary lease giving the right to occupy the apartment are conveyed at closing.

The size of the apartment and its amenities determine the number of allocated shares, which therefore determines the amount of maintenance. Maintenance fees cover the operating costs of the building such as upkeep of common areas, staff salaries, as well as payment of real estate taxes and interest on any underlying building mortgage.

A Board of Directors, whose duties are to conduct the business of the corporation and oversee the management company of the building, is elected from among the shareholders. Typically, the Board or an interview committee reviews the application of each prospective shareholder or lessee and presides over a personal interview prior to approving any purchase or lease. The Board has the right to approve or deny any applicant without cause.

Most co-ops require shareholders to occupy their apartments as primary residences; however, depending on the building, there may be an allowance for subletting. A prospective lessor is required to submit a formal application and personally interview with the Board for its approval. Duration varies from building to building, so be sure to ask your agent to confirm.

### CONDOMINIUM

The ownership of a condominium apartment is similar to the ownership of real property. A purchaser of a condo takes title by deed for not only the apartment but also a percentage of the building's common areas. Each owner pays property taxes to the city and common charges to the Board of Managers for their individual units. Real estate taxes may be deductible, however common charges are not.

The Board of Managers is elected by the condo residents to oversee building operations and enforcement of the "house rules." The board uses the common charges to pay employees, as well as repair and improve the building.

Condominium transactions include a "right of first refusal" by the Board within 20-30 days from receipt of a completed application.





## COND-OP

By definition, a cond-op is a residential cooperative where the ground floor (typically commercial units) is converted into a separate condominium owned by either an outside investor or the original Sponsor of the building. Because the owner of the condo is not the owner of the co-op, the co-op does not receive the benefit from the condo income. Cooperatives that operate in the style of a Condominium are commonly yet inaccurately referred to as cond-ops.



## TOWNHOUSE & HOUSE

A purchaser of a townhouse or house receives “fee simple” ownership of real property. The owner is responsible for payment of real estate taxes and common charges such as but not limited to water, electric, gas, as well as insurance. The owner is also solely responsible for approving the sale or lease of the property. When owning your home, all equipment, repairs and upkeep such as roof, heating/cooling, windows, outdoor structures, hot water, electrical systems, video monitor and anti-theft systems are maintained by the homeowner, unless a property manager is hired. In addition to single family townhomes, some properties are designated as multi-dwelling (i.e., 2-4 family) homes. Check with your attorney about the possibility of increasing or decreasing such designations. Keep in mind that homes which are larger than 4-family are considered a commercial purchase.



# Differences in Ownership Structure

	CONDO	CO-OP	TOWNHOUSE
<b>OWNERSHIP TYPE</b>	Deed / Title	Stock Certificate	Deed / Title
<b>REQUIRED MONTHLY COSTS</b>	Common Charges, RE Taxes, Homeowners Insurance	Maintenance, Homeowners Insurance	RE Taxes, Homeowners Insurance, Water/Sewer Heat/Hot Water
<b>FINANCIAL REQUIREMENTS</b>	Funds to Close	Debt to Income Requirements, Post-closing Liquidity	Subject to Bank Approval
<b>DUE DILIGENCE</b>	Offering Plan, Building Financials, Meeting Minutes, Management Questionnaire	Offering Plan, Building Financials, Meeting Minutes, Management Questionnaire	Inspection of Mechanicals, Roof, Electric, Property and Land
<b>APPROVAL PROCESS</b>	Purchase Application	Board Package and Interview	Property Inspection and Bank Approval (if applicable)
<b>RENTING OUT / SUBLETTING</b>	At Owner's will subject to technical approval	Subject to Board Approval and might have a time limit and board interview required	At Owner's will but subject to what certificate of occupancy allows
<b>APPROX CLOSING TIME FRAME</b>	2-3 Months from Contract Signing	3-4 Months from Contract Signing	1-2 Months, depending on financing and seller time frame
<b>POTENTIAL ADDITIONAL COSTS</b>	Capital Contribution	Flip Tax	Inspection and Survey
<b>CLOSING COSTS</b>	Ranges from 3-7% of purchase price	Substantially less than that of Real Property	Ranges from 3-7% of purchase price





# Why Buy?

## WANT TO TAKE A BITE OUT OF THE BIG APPLE? THERE ARE MANY REASONS TO CONSIDER HOMEOWNERSHIP OVER RENTING:

- **Property Appreciation** Historically, NYC has seen property values rise over time. Buying is a great way to let your money work for you.
- **Tax Write Offs** Enjoy the ability to write off a portion of your monthly costs. As a primary or secondary residence, the interest payments of your loan (up to \$750,000 of loan value), as well as the real estate tax that is apportioned to your apartment/home, may be able to be deducted to a limit. Please consult with your accountant about your eligibility.
- **Build Equity** As your property appreciates in value, you can use the equity you build to “trade up” to purchase a larger home, or simply amass greater savings.
- **Capital Improvements** Unlike a rental property, as you invest in the cosmetic or structural improvement of your home, it is directly correlated to increasing the value of the home itself.
- **Capital Gains Primary Residence Exclusion** If you purchase a primary residence and live there for more than 2 years, you can exclude up to \$250,000 in capital gain from tax if you are single, and up to \$500,000 for a couple.
- **1031 Exchange** A 1031 Exchange allows you to sell an investment property and reinvest in a like-kind replacement property within a period of time in order to defer taxes on recognition of capital gains and related federal income tax liability.

*All information is from sources deemed reliable but is subject to errors, omissions, changes in market, laws, price, prior sale or withdrawal without notice. No representation is made as to the accuracy of any description or estimates or that any financial projections can be achieved. Actual results are subject to changes in market conditions, tax and interest rates and other factors. All measurements and square footages are approximate and all information should be confirmed by customer. Customers should consult with their professional advisors for tax and financial specifics.*



# Step-by-Step Guide to Buying a Home PAGE 1/2

**1. Create a Wish List** Speak with your Brown Harris Stevens Agent about what you desire and require of a home and neighborhood. Defining the price range, size of apartment, and building amenities will give your agent a good starting place for your search. Flexibility in any of these areas will broaden your options.

**2. Select a Winning Team** It is not only important to work with a Real Estate Agent whom you like and trust, but to select a full team of skilled professionals, including a New York City-based Real Estate Attorney and Mortgage Broker/Banker, who can help facilitate the process. Purchasing in New York City is highly specialized, so it is important to work with experts who can guide you through the intricacies.

**3. Consult About Financing** Whether working with a Mortgage Broker or Financial Institution directly, one of the most important steps in the purchase process is to meet with a professional to assess your finances and determine what you can afford and whether you should finance your purchase.

**4. Fully Disclose Your Financials** Your agent will best guide you through this process once he or she is aware of your financial situation, specifically, your down payment, liquid assets after closing, debt and overall income. This will assist them in finding the best home to fit your parameters and help you spend your time as wisely as possible.

**5. Plan Your Search** Your Brown Harris Stevens Agent has access to all available listings in New York City transmitted by the Real Estate Board of New York (REBNY) as well as other listings. Ask them to send you potential listings prior to making appointments and going to open houses. There is no need to seek the assistance of multiple agents as all members of REBNY have access to the same listings.

**6. Hit the Ground Running** The best times to view properties are weekdays from 10am to 7pm, and on Sunday, when you can cover a lot of ground by visiting Open Houses scheduled throughout the day.

**7. Make an Offer** You've found it! The next step is to discuss submitting an offer through your agent. An offer includes your preferences such as price, closing date and included/excluded personal property (light fixtures, etc.), as well as your qualifications as a buyer (i.e, current income, job description, net worth and debt status).





## Step-by-Step Guide to Buying a Home PAGE 2/2

**8. Due Diligence** Once the seller accepts your offer, the seller's attorney supplies your attorney with a Contract of Sale. In addition to the review of the language of the contract, your attorney will review the necessary/pertinent Condo/Co-op documents such as the Offering Plan, Building Financials, and Board Meeting Minutes. For a Townhouse, your attorney will review City documents.

**9. Sign a Contract** Upon satisfactory due diligence, you should be ready to sign your contract. Unlike most states, in New York no monies are due until you are ready to sign, when a 10% earnest deposit is usually due and held in escrow until closing. It is very important to note that until both parties sign a contract and it is delivered to the seller or seller's attorney, a seller can accept another purchaser's offer.

**10. Apply for a Mortgage** Upon signing your contract, immediately contact your mortgage broker/banker to help move the process along quickly. The loan process may take up to 45 days to complete and hinges on your ability to provide all the required financial documents to your broker/banker.

**11. Complete Your Board Package** While applying for your mortgage, your Brown Harris Stevens Agent will assist you with completion of the Condo or Co-op board package. Your completed package must be returned to your agent within the time specified in your contract or 3 days from the date a bank commitment letter is received, whichever applies.

**12. Ace the Board Interview** If you are purchasing a co-op, meet with your Brown Harris Stevens Agent beforehand to prepare. The Board's decision is customarily made known within 72 hours; however, some Boards may take longer. Upon board approval, notify your attorney who in turn will coordinate the closing date. This can take up to 2 weeks to schedule.

**13. Inspect the Premises** The day before or the morning of the closing, your Agent will accompany you to inspect the property. Make certain to check appliances, plumbing, and personal property has been removed and that the premises are in broom swept condition.

**14. Close the Deal** Within a few days of your closing date, your attorney will advise you on what certified monies to bring to the closing. Also be sure to bring your driver's license or passport, and a checkbook.

**CONGRATULATIONS YOU'RE A HOMEOWNER!**

Please note: Protect yourself against wire fraud. Before making any wire transfer, always call the receiving party to confirm the wire details.

# Estimated Purchaser Closing Costs PAGE 1/3

## NEW YORK CITY – ALL RESIDENTIAL PROPERTY PURCHASES

Broker:	As provided in buyer's representation agreement with broker
Purchaser's Attorney:	Approx. \$3,000-\$5,000+, varies as negotiated
Bank Attorney:	\$850-\$1,750
Bank Application Fee/Underwriting:	\$750-\$1,250
Appraisal:	\$400-\$1,500
UCC-1 Filing Fee:	\$75-\$100 (if applicable)
Homeowner's Policy Required by Lender:	Costs will vary depending on coverage selected by borrower/purchaser. Check with insurance agent

	Price	Rate
	\$1,000,000-\$1,999,999	1.00%
	\$2,000,000-\$2,999,999	1.25%
	\$3,000,000-\$4,999,999	1.50%
New York State Mansion Tax for NYC	\$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%

Credit Report Fee:	\$50-\$100+/applicant
--------------------	-----------------------



# Estimated Purchaser Closing Costs PAGE 2/3

## COOPERATIVE APARTMENT PURCHASES – ADDITIONAL COSTS

Lien Search and Judgment:	\$350
Recognition Agreement Review:	\$250+
Purchase Application*:	\$500 +/-
Maintenance Adjustment:	Purchaser reimburses seller for any prepaid maintenance
Move-in Deposit (refundable)*:	\$500-\$1,000
Move-in Fee (non-refundable)*:	\$250-\$750

## CONDOMINIUM APARTMENT PURCHASES – ADDITIONAL COSTS

Purchase Application:	\$500-\$1,000
Title Insurance:	Approximately \$4 per \$1,000 of purchase price
Mortgage Title Insurance:	Approximately \$1 per \$1,000 of loan amount
Title and Municipal Search:	\$350-\$500
Title Endorsements:	\$75-\$150
E-Tax Filing (Acris):	\$100
Deed Recording Fees:	\$250-\$750
Mortgage Recording Fee:	Mortgage less than \$500,000 = 1.80% of mortgage amount (minus \$30 for 1 or 2 family dwellings)  Mortgage \$500,000 and over = 1.925% of mortgage amount
Common Charge Adjustment:	Purchaser reimburses seller for any prepaid common charges
Move-in Deposit (refundable)*:	\$500-\$1,000
Move-in Fee (non-refundable)*:	\$250-\$750
Real Estate Tax Adjustment	Purchaser reimburses seller for any pre-paid real estate tax

# Estimated Purchaser Closing Costs PAGE 3/3

## TOWNHOUSE & HOUSE PURCHASES ONLY

<b>Title Insurance:</b>	Approximately \$4 per \$1,000 of purchase price
<b>Mortgage Title Insurance:</b>	Approximately \$1 per \$1,000 of loan amount
<b>Title and Municipal Search:</b>	\$350-\$500
<b>Title Endorsements:</b>	\$75-\$150
<b>Deed Recording Fee:</b>	\$250-\$750
<b>Mortgage Recording Fee:</b>	If applicable: Mortgage less than \$500,000 = 1.80% of mortgage amount (minus \$30 for 1 or 2 family dwellings) Mortgage greater than \$500,000 on 1-3 family residential dwelling = 1.925% of mortgage amount (minus \$30 for 1 or 2 family dwellings)
<b>Real Estate Tax Adjustment</b>	Purchaser reimburses seller for any pre-paid real estate tax

## SPONSOR SALES (NEW DEVELOPMENT & CONVERSION) – ADDITIONAL SAMPLE CLOSING COSTS TYPICALLY PAID BY PURCHASER

<b>Sponsor's Attorney Fees:</b>	Approx. \$3,000-\$5,000+, varies as negotiated						
<b>Sponsor's NYC Transfer Tax**:</b>	Residential (1-3 Family House, Individual Condo or Co-op Unit): \$500,000 or less = 1% of purchase price Greater than \$500,000 = 1.425% of purchase price All Other Transfers: \$500,000 or less = 1.425% of purchase price Greater than \$500,000 = 2.625% of purchase price						
<b>Sponsor's New York State Transfer Tax**:</b>	<table><thead><tr><th>Price</th><th>Transfer Tax</th></tr></thead><tbody><tr><td>\$2,999,999 and less</td><td>0.40%</td></tr><tr><td>\$3,000,000 or more</td><td>0.65%</td></tr></tbody></table>	Price	Transfer Tax	\$2,999,999 and less	0.40%	\$3,000,000 or more	0.65%
Price	Transfer Tax						
\$2,999,999 and less	0.40%						
\$3,000,000 or more	0.65%						
<b>Resident Manager (Super)'s Unit:</b>	If applicable, calculated based on Purchaser's percentage of common interest in the building						
<b>Working Capital Fund Contribution:</b>	One-time fee of approximately 1 to 2 months of common charges						

\*Check with the managing agent of the co-op/condominium to determine specific fees.

\*\*The transfer taxes are calculated and added to the purchase price (for tax purposes only) and then recalculated based on the higher price (may trigger Mansion Tax). These may be negotiable.

All costs are estimated, and will vary based on transaction details, changes in rates and taxes, and other factors. No representation is made as to the accuracy of these estimates. Parties to transaction must consult their own counsel and refer to transaction details for verification of all costs.

# New York City Neighborhood Map



**Bronx**



**Manhattan**



**Queens**



**New Jersey**



**Brooklyn**





# Glossary of Terms PAGE 1/4

**ABSTRACT OF TITLE:** A document or report which summarizes chronologically the proceedings and recorded instruments relating to real property. Said report also typically consists of additional information, including, but not limited to, the property's real estate tax search, Judgments and Liens search, Building Department search, and the Certificate of Occupancy.

**AIR RIGHTS:** Subject to City zoning regulations, the legal right to the air above a building. It is relevant when an owner desires to build upwards or add square footage to a structure. These rights may be sold by building owners to adjacent properties in order to allow the purchaser additional rights for upward expansion.

**APPRAISAL:** Means of determining the current market value of real property, typically done by comparing the specific property to similar properties recently sold in the surrounding area.

**ASSIGNMENT:** The ability to transfer the rights to a written agreement, such as a Contract of Sale or Lease Agreement, from one party to another.

**ASSESSMENTS:** The division of responsibility for liabilities of certain costs between the parties to a transaction. Property tax assessment is the means by which municipalities raise taxes. Condominium or Co-op assessments are the means by which the owners raise revenue for a specific project or need.

**BALCONY:** A private outdoor area included with purchase of real property, typically in the form of a railed deck which extends from the building.

**BUILDING AMENITIES:** Unique comforts and luxuries offered by buildings to enhance the owners' quality of living. For example: doormen, valet services, garages, rooftop gardens, laundry room, wi-fi, etc.

**BANK ATTORNEY:** The attorney who represents the lending institution when a transaction is being financed. His or her duties include, but are not limited to, conducting the closing on behalf of the bank in accordance with local and State laws, as well as disbursing the buyer's loan proceeds accordingly.

**CAPITAL GAINS TAX:** Taxes charged on the net profit realized from the sale of a non-inventory asset that was purchased at a lower price.

**CAPITAL IMPROVEMENT:** An addition or improvement to a property which will result in an increase in its value, such as a new elevator, a new roof and/or new windows.

**CERTIFICATE OF OCCUPANCY:** Also known as "C of O" is a legal document which outlines what a property can and cannot be used for. The Certificate of Occupancy has the power to override zoning ordinances in terms of allowances of property usage.

**COMBINED APARTMENT:** When two separate adjacent apartments are combined to make one legal unit. This can be done either through walls, to make a larger apartment, or through ceilings, to create a duplex.

# Glossary of Terms PAGE 2/4

**COMMISSION:** Once a broker completes a sale of a property he or she is entitled to a payment in the form of a commission. It is calculated as a percentage of the final selling price.

**COMMITMENT LETTER:** A formal offer by a bank or lender making explicit the terms and conditions under which it agrees to lend money to a borrower over a certain period of time.

**COMMON AREA:** The area in a building to which all tenants and/or owners have a right to use, such as a lobby, stair case or recreation room.

**COMMON CHARGES:** Fees paid by the owners of a condominium development in order to maintain, repair, operate and improve the building, as well as the common areas.

**CONCIERGE:** An individual who works at the front desk of a building, not to be confused with a doorman. The concierge signs guests in, accepts packages, and acts as a liaison between guests in the lobby and the tenants and/or owners.

**CONDOMINIUM:** An apartment where the individual owns, rather than rents, a specific unit within a building; as well as a percentage of the building's common area and a portion of the land beneath it. A condominium, unlike a Co-op, is a real property investment which does not require a Board's interview and/or approval, but does provide the Board with a right of first refusal.

**CONDO BOARD:** A group of resident-owners elected by their respective condominium community to serve as a governing board and be responsible for enforcing the Bylaws as well as maintaining the common property.

**COND-OP:** A residential cooperative where the ground floor (typically commercial units) is converted into a separate condominium owned by either an outside investor or the original Sponsor of the building. Because the owner of the condo is not the owner of the co-op, the co-op does not receive the benefit from the condo income. Cooperatives that operate in the style of a Condominium are commonly yet inaccurately referred to as cond-ops.

**CONTRACT OF SALE:** A written agreement under which the seller agrees to convey the rights of ownership to a property upon payment by the purchaser pursuant to its exact terms and conditions.

**CONTRACT OUT:** Once a buyer and seller come to terms on a price, a purchase agreement is then drafted in conjunction by both sides' attorneys. This contract is then sent out to the purchaser to sign.

**CONVERSION:** A shift in the way a building is used. For example, a commercial building can be converted into residential use; or a rental building can be converted into a Co-op or Condominium.

**CONVERTIBLE:** The process in which a unit is converted into an additional bedroom by means of installing new walls. A window must be present in these new rooms in order for the construction to be considered legal.

**COURTYARD:** Outside grounds of a building, usually in the center of the structure and surrounded by four walls.

**CO-OP:** A cooperative corporation, also known as Co-op, is a mode of ownership where the individual does not own the unit itself, but rather shares of stock of a corporation that owns the building and most of the times the land beneath it. The unit owners lease their specific units from the corporation under a master lease known as Proprietary Lease. Unlike a condominium, every purchaser must be interviewed and approved by the Co-op Board.

**CO-OP BOARD:** An elected group of individuals that approve or deny new owners into the Co-op building, while also serving as a governing Board. Akin to a Condo Board, the Co-op Board is responsible for enforcing the Bylaws and maintaining the common property.

**DUPLEX APARTMENT:** An apartment which has two levels.

**DEED:** The written instrument used in order to convey title of real property from one owner to another.

**"DOWNPAYMENT" DEPOSIT:** The initial payment paid by the purchaser for the purchase of property. This money is given at the time the purchase agreement is signed. Usually it is held in escrow by the seller's lawyer (subject to the terms of the Contract of Sale) and is customarily 10% of the purchase price.

**DUE DILIGENCE:** A reasonable level of research into the property being purchased on behalf of the purchaser before he or she enters into a Contract of Sale.

**ESCROW:** A process in which money to be used in the transaction is transferred into the account of a third party, also known as an escrow agent. These monies cannot be accessed by the purchaser or seller without the consent of both parties.

**EXCLUSIVE LISTING:** A contract which grants one broker the exclusive right to sell a property for a limited period of time.

**FACADE:** The front, or face, of the building.

# Glossary of Terms PAGE 3/4

**FINANCING CAP BY CO-OP:** An arbitrary number set by a Co-op Board which mandates what percentage of a purchase may be financed by a lending institution. Most buildings allow for approximately 80% financing, while the more upscale Co-op buildings may not allow for any.

**FINANCIAL STATEMENT:** A report summarizing the financial condition of a person or organization on any date or for any period.

**FIXED RATE:** An interest rate on a loan which will not change throughout the term of repayment.

**FLIP TAX A/K/A TRANSFER FEE:** A self imposed tax levied on the sale of a Co-op or Condo apartment as a mean of generating revenue. The fee is set by the respective Board and is customarily paid by the seller.

**FLOATING RATE:** Different from a fixed rate, a floating interest rate will vary depending on the fluctuating daily or monthly market rate.

**FLOOR-THRU:** A unit which extends from the facade, or front of the building, all the way to the back of the building, thus taking up an entire floor.

**FORECLOSURE:** When a lending institution, such as a bank, takes ownership of a property due to the owner's failure to make payments on his or her mortgage.

**FULL SERVICE BUILDING:** A building which has both a doorman and a concierge.

**HVAC:** An acronym for: Heating, Ventilation, and Air Conditioning. Many buildings today have an HVAC system in order to control the climate in the rooms.

**IN CONTRACT:** The moment the contract is executed by means of signatures from both the purchaser and seller, rendering them both "in contract," or bound by the terms set forth in the document.

**INTEREST RATE:** The fee charged by lenders for the right to use borrowed monies. This rate is calculated from a percentage of the outstanding monetary amount of principal.

**LEASE AGREEMENT:** A legally binding contract which states the responsibilities between a landlord and a tenant for the temporary use of a property.

**LEASE ASSIGNMENT:** When a tenant transfers (assigns) his or her rights under a Lease Agreement for the use of a property to a new tenant prior to the Lease termination date. Many landlords have the terms of the Lease dictate that the

landlord's prior written consent is required.

**LISTING(S):** Properties listed as either for sale or for rent.

**LEASE HOLD CONDOMINIUM:** A condominium where the owners do not own the land beneath the building, but rather have a vested interest in the building's ground Master Lease Agreement. However, the owners do own the specific unit as well as a percentage of the building's common area.

**MAINTENANCE:** As condo owners pay common charges, Co-op owners pay maintenance fees. These payments cover the repairs, improvements, and operation of the building's common areas; as well as pay the Co-op's real estate taxes.

**MANAGING AGENT:** An individual or entity hired by a Co-op and/or Condominium building in order to manage the property.

**MORTGAGE POINTS:** A "point" is a fee that equals one percent of the loan amount and is usually paid to the lender, mortgage broker, or both, in exchange for a lower interest rate.

**MORTGAGE:** A loan issued from a lending institution used to finance the purchase of a property. This loan will then be paid off monthly by the borrower over a set period of time, with either a floating or fixed interest rate.

**MORTGAGE CONTINGENCY:** A clause in a Contract of Sale which states that in the event that the purchaser cannot secure a loan in a certain time period or under certain conditions, the entire transaction may be voided and the purchaser will receive the return of his or her "Downpayment".

**NO BOARD APPROVAL:** When a prospective renter or buyer of a Co-op is permitted to forego the Board approval process of the transaction.

**OFFER ACCEPTED:** When the terms of the transaction offered by the purchaser are agreed upon and accepted by the seller.

**OFFERING PLAN:** A document issued by a Sponsor or Developer in the process of developing a new building or property to either a Co-op or Condominium. It provides full disclosure of all pertinent information regarding the property.

**ON-SITE BROKER:** A broker hired by a rental building or new construction/conversion in order to answer questions to prospective tenants/owners and show vacant units.

**OPEN HOUSE:** When a listed unit is 'open' to the public for showing. These events are usually hosted by brokers with the intent of promoting the property and other listings to a large group of people.



# Glossary of Terms PAGE 4/4

**PET POLICY:** The building's set rule on pets; if they allow them, what type of pets, how large, etc.

**PIED À TERRE:** A small apartment usually kept by someone who visits the City irregularly, either for business or pleasure.

**POSSESSION:** The exact date to which a purchaser can move into a unit.

**POST-WAR:** Refers to the architectural style of buildings erected after World War II.

**PRE-WAR:** Refers to the architectural style of buildings erected prior to World War II.

**PROFESSIONAL SPACE:** Space allocated within a residential building for office use by professionals such as attorneys, doctors or architects.

**PROPRIETARY LEASE:** In a Co-op, a Proprietary Lease is provided to each shareholder allowing him or her to use a certain apartment unit under the conditions specified.

**PAYOFF BANK:** The bank receiving the remaining principal balance of the owner's loan or mortgage.

**RESERVE FUND:** Fund managed and set aside by Condo and Co-op Boards for use of special projects and/or building improvements. The use of the reserve fund customarily alleviates the need to charge an assessment or increase the Common Charges/ Maintenance.

**ROOM COUNT:** The amount of rooms in a specific unit.

**SECURITY DEPOSIT:** A sum of money tendered before a renter takes possession of a property so that the landlord has 'security' against any damages caused by the tenant upon leaving the premises.

**SQUARE FOOTAGE:** The amount of 1 foot x 1 foot squares that can fit inside the dimensions of a unit.

**SHARES OF STOCK:** When a Co-op unit is purchased, the purchaser buys shares of a corporation that owns the building by means of stock.

**SPONSOR:** The developer responsible for the construction or conversion of the building to either a Condominium or Co-op. Many times the Sponsor also manages, administers, monitors, funds, and is responsible for the overall project delivery. The Sponsor may be the owner, financier, client or their delegate.

**SHORT TERM INTEREST:** Interest paid to the bank from the date of the closing until the end of that month.

**TAX ABATEMENT:** Tax abatement is an incentive program to assist Developers and businesses with renovation and new construction projects. Condominium and Co-op tax abatement provides partial tax relief to owners and shareholders.

**TIME OF ESSENCE:** A legal term which means that when a party fails to do something by a certain date, such as close on time, it is considered a material breach of the contract.

**TRANSFER TAXES (NYC, NYS):** Taxes, customarily paid for by the seller, levied on the transaction of the transfer of property through title, deed or shares of stock.

**UNSOLD SHARES:** Shares of stock that have not been sold to shareholders and remain the asset of the Cooperative Sponsor although the building has been converted into a Co-op.

**UTILITIES INCLUDED:** When utilities, such as water and electric services, are included in the common charges or rent.

**WALK-UP BUILDING:** A term used to describe a building which only has stairs installed to reach higher floors. As most buildings today have elevators, pre-war buildings are mostly walk-ups.

**WALK THROUGH INSPECTION:** An inspection conducted by a prospective buyer or tenant prior to the closing in order to ensure that everything with the property is satisfactory.

# Final Walk Through Checklist

The final walk through ensures the home is in the same condition as when you signed the contract (minus normal wear and tear) and confirms any punch list / inspection issues that were agreed upon have been addressed.

## WHAT TO BRING

- Phone Charger
- Tape Measure (if you want)

## ELECTRICAL OUTLETS

- Make sure faceplates are installed properly.
- Ensure light fixtures are installed and in working condition.

## KITCHEN

- Turn on dishwasher.
- Turn on oven.
- Turn on every burner on the stove.
- Check vent and lights.
- Test microwave.
- Check each kitchen cabinet ensuring hinges/drawers are operable.
- Run water in sink until hot.
- Test garbage disposal.
- Run washer/dryer.

## BATHROOM(S)

- Run water from all faucets to test for heating time, water pressure and any leaking under cabinets or around caulking.
- Flush all toilets.
- Check all tiles for breaks and cracks.
- Check caulking everywhere to make sure it is neat and clean.

## HEATING & COOLING UNITS

- Test all A/C units and heating units and/or test the HVAC system by turning the thermostat to high for heat and low to cool.

## FLOORS & WALLS

- Check floors are even and properly installed and finished with no stains, marks, or loose boards.
- Check walls for even paint ensuring there are no dents, scratches, discoloration or signs of water damage.

## MISCELLANEOUS

- Ensure doorbell, intercom and alarm systems are functioning properly.
- Check that there is a smoke detector.
- Check that windows open and close easily and are sealed properly.
- Open and close all doors making sure they don't stick or scrape the floor.
- Sound systems, entertainment
- Shades operable



# Brand Partnerships

We at Brown Harris Stevens are proud to pass along to our clients a variety of exclusive brand partnerships for clients to take advantage of as they move into their new home. Our incentive pricing on top-rated home furnishings/décor and short-term furniture rental services allow you to furnish your home for now and forever. We also provide valuable discounts on short term luxury automotive subscriptions, moving services, storage, high-end appliances, home technology, electronics, art, lighting, drapes, and much more. Below are some of the incentive partnerships we provide to our clients:

- FURNITURE
- DÉCOR
- ART
- STAGING
- APPLIANCES
- ELECTRONICS
- LANDSCAPING
- DECLUTTERING
- MOVING
- STORAGE
- EDUCATIONAL CONSULTANCY
- FOOD & WINE FOR EVENTS

[WWW.BHSUSA.COM/PARTNERSHIPS](http://WWW.BHSUSA.COM/PARTNERSHIPS)



The Everset

west elm

ALIDORO

POTTERY BARN®



REJUVENATION

wayfair



WESCOVER

WILLIAMS SONOMA

Churchill Living

DOGPOUND

RH

BARRY'S





# Standard Operation Procedures Explanation

In 2021, the New York State Legislature amended Sec. 442-h of the Real Property Law to require real estate brokers to institute standard operating procedures which a prospective homebuyer must meet prior to receiving services. The Legislature was concerned that homebuyers in different categories were treated differently, as disclosed by the Newsday articles about discrimination in Long Island.

As of August 2024, the policy has been amended as follows:

Prior to showing a homebuyer a property or providing services:

1. BHS does not require identification from a prospective homebuyer;
2. BHS does not require a pre-approval for a mortgage loan; and
3. BHS requires a written agreement from a homebuyer before showing properties.

However, based upon the requirements of the seller, the building in which the property is located, or others, some or all of the foregoing items may be required.

We look forward to  
bringing all of our  
resources together  
towards a successful  
purchase.

THANK YOU.

**Brown  
Harris  
Stevens**