



LAW OFFICES OF CRAIG DELSACK, LLC

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## Things to keep in mind:

- **Analyze the financial implications** of the purchase, including the gross pre-tax and net after-tax monthly costs of the home.
- **Inspect** the physical condition of the home prior to entering into a contract of sale.
- **Hire an attorney** familiar with the intricacies of NYC real estate transactions to make sure the contract of sale protects your rights.

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## A Roadmap of the Purchase



Manhattan home ownership—whether a condo, coop, or townhouse—can provide you with many benefits, including, a long-term investment and tax advantages. Of course, a home is also a major financial commitment. There are ways to avoid costly pitfalls that can strain your budget and your patience.

At the time of the closing, you will have to pay the price for the home and closing costs. Thereafter, you will need to budget for insurance premiums, maintenance, monthly loan payments, prop-

### Coops vs. Condos

Cooperative apartments (“coops”) differ from condominiums (“condos”) in several ways. When you buy a coop, you buy stock in the corporation that owns the apartment building. The building then “leases” the coop to the buyer under a long-term proprietary lease. Coop owners pay monthly maintenance to the building corporation for items such as the expenses of maintaining and operating the building property, property taxes and

erty taxes, utility bills, and repairs. Prior to entering into a contract of sale, it is recommended in some cases that a buyer conducts an inspection of the home, which includes, checking the age and condition of appliances, plumbing, roof, structures and wiring, and other physical

elements of the home.

A lawyer guides you through the home buying process by preparing or reviewing the **contract of sale**, advising you about financing and title insurance, answering your legal and tax questions, and arranging for the documents necessary to complete the purchase.

You should not sign a contract of sale unless it protects your rights. Your lawyer reviews and amends the contract of sale accordingly. Any conditions that must be met

the underlying mortgage on the building (if any).

When you buy a condo, you buy an individual parcel of real property, like a house or townhouse. The condo building is divided into individual condos and a common area. A condo owner owns its apartment and an undivided interest in the common area and is responsible to pay its own real estate taxes and its share of the common charges for the expenses to maintain and operate the

before you complete a home purchase should be stated in your contract of sale. For example, many buyers make their home purchase contingent upon obtaining financing.

The “closing” of a contract of sale completes the purchase and takes place at a meeting in the offices of the attorney representing the seller or lender, if any, or at a location designated by the coop corporation. At the closing, the buyer, seller, and lender sign a deed and mortgage (for a condo or townhouse) or the stock and proprietary lease documents and the security agreement (for a coop), pay the purchase price and exchange documents. At the closing, the buyer may receive a title insurance policy, along with a statement of closing charges and the keys to the home. Your lawyer attends the closing to assure that the documents and computation of closing costs are accurate.

common areas. Unlike a coop building, there is no underlying mortgage on a condo building.

Generally, a condo has a higher value than a comparably sized coop; however, a condo buyer has additional closing costs for title insurance and mortgage recording taxes. Depending on the coop building, the tax deductibility percentage of the monthly maintenance charges may differ.

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Call us to discuss your  
matter with an attorney.  
There is **no cost or  
obligation** for an initial  
telephone consultation.

**Checklist & Guideline Estimate of Closing Costs for Manhattan Home Buyers**

**Pre-Purchase Considerations**

- Choosing a real estate agent
- Choosing a lawyer
- Finding a lender and applying for “pre-approval” (this step will help establish your economic guidelines)
- Housing market considerations
- Is the home affordable
- Personal preferences

**Home Examination**

- Access
- Location and size
- Engineer’s Inspection – appliances (age and condition), structural defects, electrical and plumbing, heating and cooling, etc.
- Appraisal of value
- Monthly Expense (insurance, utilities, repairs and taxes)

**Contract of Sale**

- Conditions (inspection, financing, etc.)
- Date for closing
- Date for possession
- Deed to be furnished
- Price
- Contract Deposit
- Description of property
- Inspection
- List of personal property
- Survey (if applicable)
- Warranty

**Cancellation Rights**

- Loan approval
- Liens

**Title Examination (condo/townhouse)**

- Easements

- Liens
- Mortgages
- Restrictions on use
- Survey
- Taxes

**Closing Documents**

- Closing statement
- Deed, stock, proprietary lease (as applicable)
- Loan documents
- Survey & Title Insurance Policy (as applicable)

**Closing Costs**

- Lawyer’s charges – varies by the complexity of the transaction
- Bank fees (application, underwriting, and appraisal fees, etc.) - approx. \$900 - \$1,600 plus loan origination points (0% - 2%)
- Bank Attorney charges - approx. \$750
- Move-in deposit (coop/condo) - \$500-\$1,000 (varies by building – usually refundable)
- Managing Agent Fee (coop/condo) - approx. \$450 (varies by building)
- Mansion Tax (where price exceeds \$1M) - 1% of sale price
- Mortgage Tax (condo/townhouse) - Mortgage Amount times 1.75% (if mortgage ≤ \$500,000) or 1.85% (if mortgage > \$500,000)
- Fee and Mortgage Title insurance fees (condo/townhouse) - Example: \$750K purchase in NYC (approx. \$3,545) and \$525K mortgage (approx. \$660, if issued with fee policy)
- Violation/Lien Search - approx. \$250
- Recording Fee (condo/townhouse) - approx. \$150
- Proration of taxes, insurance, fuel, etc.

Craig Delsack, Esq., is the principal attorney of Law Offices of Craig Delsack, LLC. The firm is experienced in the intricacies of purchases, sales and financings of commercial and residential properties, condos and coops; leasing and subleasing of commercial, garage, office and retail space; and formation of special purpose entities for real estate investing and financing (such as corporations and limited liability companies). Mr. Delsack is also a real estate mentor-expert volunteer for The Association of the Bar of the City of New York’s “September 11th Legal Initiative” assisting attorneys representing clients needing real estate advice in connection with the aftermath of 9/11. The firm is a transaction and business oriented law firm and brings extensive business and legal experience to bear on behalf of its clients. The firm is highly computerized and leverages that technology for cost-effective representation of its clients. The firm also handles general corporate, software, technology and licensing related matters. The firm works with a broad range of individuals and business entities, including general counsels, Fortune 500 companies and start-ups.

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