



NYC SELLERS GUIDE

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Sotheby's
INTERNATIONAL REALTY

Assembling Your Team

REAL ESTATE BROKER

A great listing broker should have the following three qualities:

- 1. AVAILABILITY:** Make sure your broker is available and focused on your property. As a seller you want a committed broker who will show day/night/and weekends. Sales records are important but if your broker isn't available to show when buyer's call then nothing else matters.
- 2. EXPERIENCE:** Years of experience selling in the city is great but experience in the neighborhood or building is even better. Make sure the broker knows the market and the nuances that distinguish it from other areas in the local and regional market.
- 3. MARKETING:** Having a strong marketing strategy in place is key with regard to pricing, open houses, web presence and email marketing campaigns for your home. The campaign as a whole is a critical component to generate interest in the property and foster the desire to buy.

REAL ESTATE ATTORNEY

A real estate attorney will "write up" the contract and deliver to buyer's attorney for review. Most attorneys will negotiate the contract with the buyer's attorney. Once the contract is agreeable to both sides, the buyer will sign the contract first and send it back to the seller's attorney along with 10% down payment and the seller countersigns. The real estate attorney also coordinates closing with the buyer's attorney.

Pricing & Preparing

SHOWING CONDITION & ADDING VALUE

1. Organize, clean and declutter bookshelves, counter space and closets. Remove pictures and other personal items.
2. Adjust lighting and clean windows to maximize light and ensure the apartment is bright and cheery.
3. Update appliances if necessary, as they will make the kitchen look new and appealing.
4. Paint walls as needed to clean scratch and scuff marks.
5. If something in the apartment is broken, it is important to fix the item prior to showing the unit. Buyers will notice at some point which could lead to complications during the process.
6. Take the time to close all open permits prior to listing the apartment, as this could cause delays and ruin a good deal. It might take some time, but closing all open permits is worth the wait before a buyer gets involved.

YOUR HOMEWORK

1. Research recent sales in your area. Your real estate broker will have this information available, but we always recommend doing research on your own to gain an understanding of comparable homes in your area and associated price-points.
2. Speak with a real estate lawyer and accountant to understand all financial and legal implications/fees of a sale before delving into the process.

Fees & Closing Costs

DESCRIPTION:	COST:
1 BROKER'S COMMISSION:	6% of Sales Price
2 ATTORNEY FEE:	\$2,500- \$3,000+
3 MOVE-OUT DEPOSIT (<i>refundable</i>):	\$500 - \$1,000
MOVE-OUT FEE (<i>non-refundable</i>)	\$250 - \$1,000
4 NEW YORK CITY REAL PROPERTY TRANSFER TAX:	Varies (includes items such as points, application fee, commitment fee, underwriting fee, appraisal, etc.)
4a Residential Transactions:	1% of price if price is \$500,000 or less
4b Residential Transactions:	1.425% of price if price is over \$500,000
4c Commercial / Bulk Sales:	If 2 or more unattached units are sold simultaneously to the same buyer, the commercial tax rate applies (1.425% of sales price if sale is \$500,000 or less, or 2.625% of sales price if greater than \$500,000)
5 NEW YORK STATE TRANSFER TAX:	0.4% of sales price if less than \$3M 0.65% of sales price if greater than \$3M
6 TRANSFER TAX FILING FEE:	\$100 for coops (\$150 for condos)
7 CAPITAL GAINS:	8.97% of estimated gain at closing unless an exemption applies: Please confer with your tax professional
8 COOPERATIVE APARTMENT SALES ONLY:	
8a Flip Tax (if applicable):	Varies per building
8b Stock Transfer Tax:	\$0.05 per share
8c Transfer Agent/Coop Attorney Fee:	\$500 - \$750
8d Payoff Bank Attorney's Fee:	\$350 - \$500
8e UCC-3 Filing Fee:	\$75 - 125
9 CONDOMINIUM / TOWNHOUSE SALES ONLY:	
9a Sales / Waiver Fee:	\$500 - \$1,000
9b Pick-up/Payoff Fee for Mortgage Payoffs:	\$250 - \$350
9c Mortgage Satisfaction:	Recording \$110 per mortgage
9d Application/Waiver Fee::	\$500 - \$1,000

Terms & Fees To Know

ASSESSMENTS: An amount of money that a condominium/cooperative trust needs owners to pay in order to finance a project or outstanding debt that was not part of the annual budget/assessment. These projects are for the common good of the building whether it be hallways, lobbies, roofs, mechanical systems, water or even the building façade.

CLOSING COSTS: Fees paid at the real estate closing when the property is officially transferred from the seller to the buyer. Both buyer and seller can incur closing costs.

ESCROW: Deposit or down payment a buyer puts into the custody of a neutral third party like a title company, broker, or attorney to hold until the deal is closed. Once the deal is closed and the terms of the contract are met, the sum can be paid out to the seller.

FLIP TAX: A fee paid by a seller or buyer when purchasing in a co-op. It is not a government tax. It is a transfer fee to profit the building on the sale on an apartment. Flip tax can be negotiated or a co-op will have a strict rule on whether buyer or seller pays.

MORTGAGE CONTINGENCY: A provision in a purchase contract saying that if the prospective buyer cannot get a mortgage within a fixed period of time with the specified terms, the buyer can call off the whole deal and get back his deposit.

PROPERTY TAX ABATEMENTS: The government grants a reduction or exemption from taxes for a specific period in order to stimulate real estate or industrial development. The most common is 421a - this exemption lasts for 10 years, giving owners a 100 percent exemption from any increases in their real estate taxes for two years, then phasing out the exemption by 20 percent every two years over the remaining eight years. In Upper Manhattan and the outer boroughs, the exemption can last for 15 or 25 years.

REAL ESTATE TAXES: For a condo, this is a separate NYC tax bill.

Timeline To Closing

