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COMPASS REAL ESTATE GROUP

Information for Buyers

What to Expect

A broker has access to many more listings than you will be able to find on your own. Brokers often know the requirements of certain boards and can advise you of their requirements. They know how to negotiate in your best interest. Your agent will assist you in preparing the board package and getting ready for your board interview.

What is the advantage of working with Charlie Lewis?

Buying an apartment is a big investment. All agents have access to the same listings. It is in your best interest to form a “partnership” with your agent since you will have a mutual goal: finding you the best apartment for the best price. As your agent I will become familiar with your likes and dislikes and can eliminate or include certain apartments based on your preferences.

Here are the steps you'll have to take to find and close the apartment of your dreams!

Speak with a mortgage broker, bank and/or financial advisor

typical time frame: 1 – 2 days

It is a good idea to have an idea of how much you can spend on an apartment prior to beginning your search. Keep in mind that financial requirements vary from building to building.

finding an apartment

typical time frame: Up to 3 months

Depending on what you are looking for, it might take one day or one year to find an apartment. The average person sees 20 – 25 apartments before deciding on the perfect one. If you are serious about an apartment, ask to see the building's financial statement to determine if the building is financially solid.

negotiating on the apartment

typical time frame: 3 days – 2 weeks

Everything is negotiable. Inquire about assessments, fixtures, window replacements, air conditioners, rugs, floors, curtains, appliances, working fireplaces, washer/dryers, etc. Apartments are typically delivered “swept clean.”

signing a contract

typical time frame: 1 – 3 weeks

Generally, in a sales transaction, both the buyer and seller are represented by a New York City real estate attorney. The seller's attorney draws up the contract for the buyer's attorney and upon receipt, the buyer's attorney performs a “due diligence” – reading minutes, reviewing financial statements of the building, etc. Once all terms are agreed to, the buyer signs the contract and returns it to the seller's attorney along with a 10% deposit.

Once the deposit is received, the seller executes the contract. Possible contingencies may include financing, Board approval, and closing date. **A contract is binding only after both parties have signed it.**

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applying for a mortgage and receiving the commitment letter from the lender

typical time frame: 3 – 6 weeks

Mortgage applications cannot be processed without a fully executed contract. If an apartment is being financed, the Board requires a commitment letter from the lender. These letters are generally the last items to complete a Board Package/condo application.

completing your board package or condominium application

typical time frame: 3 – 9 weeks

Cooperative apartment buildings require Board approval before a closing date can take place. In order to review a potential purchaser, the Board of Directors for a coop require an extensive amount of information from the buyer in the form of a Board Package.

Most coop Boards typically request the following: full financial disclosure (net worth) with supporting documentation, employment history, current salary, personal and business references, tax returns for the previous 3 years, and credit history.

If a purchaser cannot, or does not want to supply this information, he/she should consider purchasing a condominium where the requested information is not as extensive.

managing agent's review of Board package or condo application

typical time frame: 1 – 4 weeks

After the buyer's real estate agent completes the Board Package, he/she will forward the package to the building's managing agent. The managing agent will review the package to ensure it is complete. The package will then be forwarded to the Board of Directors of the coop. After the Board reviews the package, they will decide if they would like to meet the potential purchaser.

meet with the coop Board for an interview

typical time frame: 1 day – 2 weeks after completion of review of Board package by managing agent and Board of Directors

Coop Boards typically meet once a month and some Boards do not meet in August. Every Board is different, but generally a Board meeting will be held in the evening on a weeknight. Although a Board interview may be granted, this does not guarantee Board approval.

receive approval from the Board

typical time frame: 1 day – 1 week after the Board interview

The managing agent will generally alert the seller's broker whether a potential purchaser has been approved by the Board.

schedule a closing

typical time frame: 1 – 2 weeks after Board approval

The managing agents generally select the closing date, and buyer's and seller's lawyers will coordinate with the appropriate banks for available dates and times.

Typical time frame from the time an apartment is found, to the time an apartment closes: 3 – 4 months.