

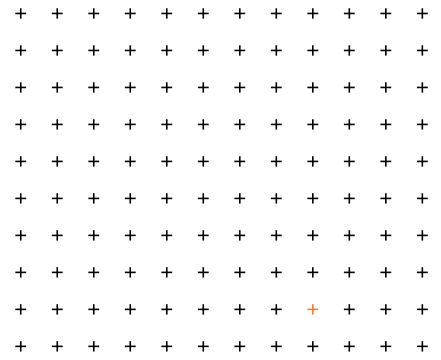
# BUYER PRO TIPS

EXPERT ADVICE FOR BUYING  
REAL ESTATE IN NEW YORK CITY



Columbia  
Vitolo Team

COMPASS



**COLUMBIA VITOLO TEAM**

**WSJ TOP 250 REALTORS IN AMERICA**  
**DECADES OF EXPERIENCE**  
**\$1.7 BILLION SOLD**  
**750+ APARTMENTS SOLD**  
**ONE PRIORITY: YOU**



## ABOUT SUSANNE COLUMBIA



With over two decades of experience, Susanne Columbia stands tall in the industry, revered by both clients and colleagues alike. The Wall Street Journal has recognized her talent, naming her among the top 250 brokers in the country. A testament to her success, Susanne has successfully closed a remarkable 700 sales with \$1.6 billion in value.

Prior to her tenure at Compass, Susanne excelled as a leader of the Top team at Corcoran in Soho and has distinguished herself as a Sales Director, overseeing multiple new development projects during her tenure at Corcoran Sunshine Marketing Group.

Few things bring Susanne more joy than helping her clients discover their dream homes, and she takes immense pride in her instrumental role in this journey. As an advisor to sellers, she takes the time to understand their unique needs before crafting a personalized strategy aimed at securing the maximum price.

Given the variety of choices buyers face, Susanne utilizes her vast experience to highlight the most fitting options and formulates an efficient plan of action when the ideal opportunity arises.

As a born New Yorker with a deep-rooted residency, she possesses an unparalleled understanding of neighborhoods, buildings, and types of apartments, making her the go-to agent for discerning buyers and sellers who expect top-notch, result-oriented, and confidential services.

Passionate about her work, Susanne considers herself fortunate to have guided countless clients through the intricate Manhattan real estate process. The enduring client relationships she has fostered form the cornerstone of her business and underpin her continued success.

## ABOUT TODD VITOLO



Todd is ranked by the Wall Street Journal in the Top 250 Realtors® in America and has well over \$1.6 billion in closed NYC real estate sales. Whether buying real estate, selling real estate, Todd will provide you with professional service and exceptional results that few can match.

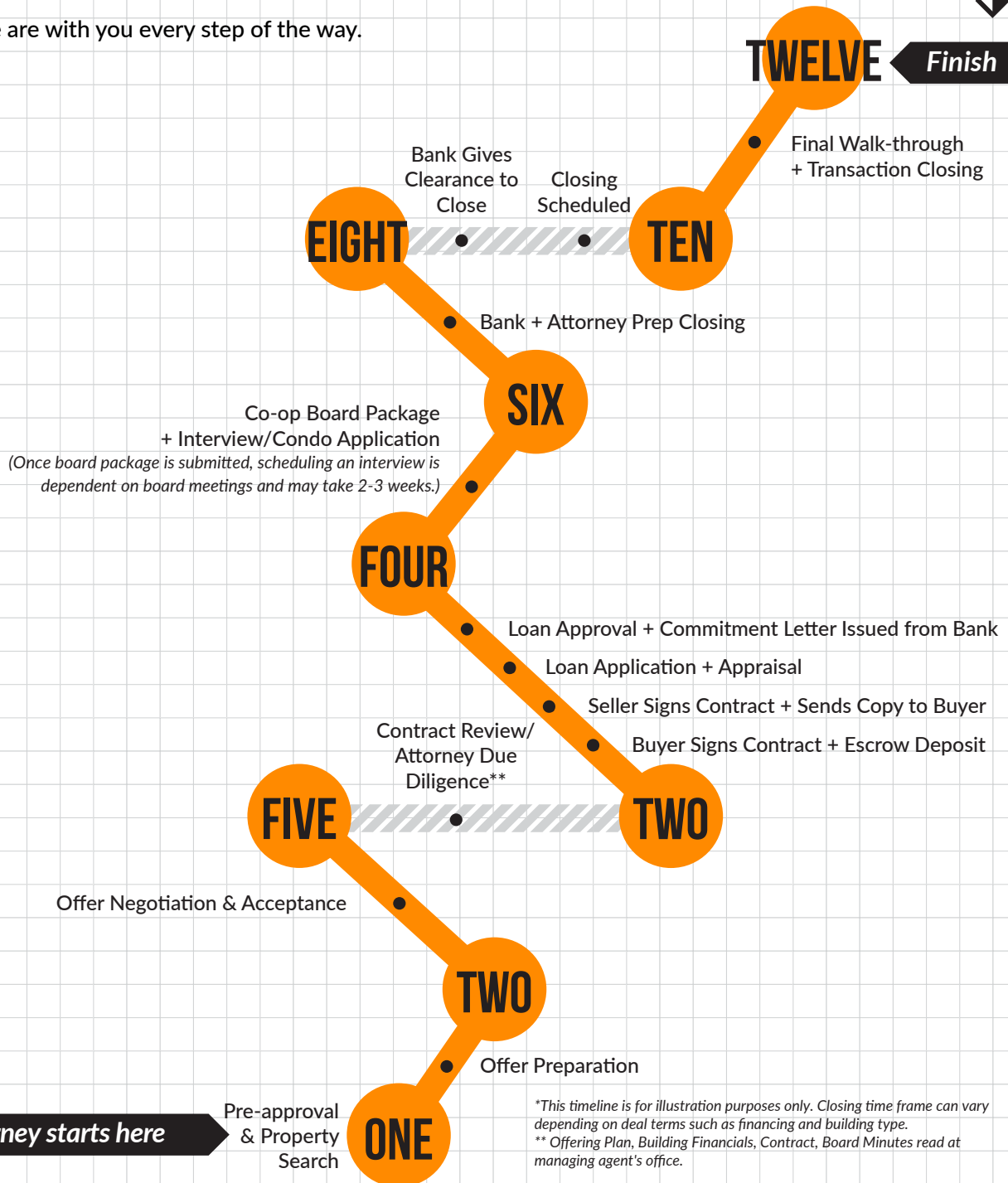
Todd brings many assets to his real estate career from a distinguished background in law, where he practiced for five years at an upscale Wall Street commercial litigation firm. His impressive ability to protect his client's best interests in an ethical, professional manner has earned him well-deserved respect and loyalty with his clients. Todd's effectiveness is fueled by his unparalleled commitment to service and results. Armed with an exceptional knowledge of the Manhattan and Brooklyn markets his high volume of repeat business and referrals is a testament to his habit of exceeding customers' expectations.

His 24hr a day, 7 days a week, always-available work ethic will make you wonder how you could have settled for less in a broker.

Currently living in Tribeca, his home for over 25 years, this native New Yorker continues to be motivated by a deep interest in the real estate market and an intense fondness for the city's diversity. A graduate of George Washington University, Todd earned a BA degree in Political Science and then received his law degree from New York Law School. Todd also serves on the Alumni Board of Poly Prep Country Day School.

## MAPPING THE PURCHASE OF YOUR HOME

We are with you every step of the way.



\*This timeline is for illustration purposes only. Closing time frame can vary depending on deal terms such as financing and building type.

\*\* Offering Plan, Building Financials, Contract, Board Minutes read at managing agent's office.

# WHY GET PRE-APPROVED



Pre-approval is different from pre-qualifying, as it is a full loan approval instead of an opinion letter. It is recommended to get pre-approval before looking at homes. Finding out what you qualify for will help you look in the right price range.

## Determine How Much You Can Afford

The lender will determine your purchasing power, which gives you a guideline as to what you can afford before you start looking. They will show you a variety of different types of financing (30-year fixed, buy-down loans, adjustables, special first-time buyer programs, etc.), and will determine how much you qualify for with each type. Based on your desired payment level and type of financing with which you feel comfortable, we can determine your purchasing power.

## Know What Your Down Payment Will Be and Provide Financing Options

You need to choose a home based on how much money you have available. Based on the funds you have available, the lender will design a loan that will work for your individual situation.

## Know What Your Monthly Payments Will Be

Before picking a price range, you should make sure that you can handle your total monthly payment: Principal, Taxes, Interest, Insurance (and Mortgage Insurance, if necessary).

## Make Your Offer Stronger

In today's market, buyers are not the only parties concerned about financing. Sellers are equally concerned. In cases where there are multiple offers for homes, the buyers must put themselves in the best possible position to have their offers accepted. Getting pre-approved also puts the buyer into a better negotiating position, as the Seller knows the buyer is ready, willing and able to buy, and that financing is not in question. Buyers who are not pre-approved have less chance of obtaining an accepted offer.



# THINGS YOU SHOULD NOT DO WHEN APPLYING FOR A HOME LOAN



Below is a list of things to avoid when seeking to obtain financing for a home. These may be detrimental when trying to move forward with the loan process.

## **DON'T buy or lease an auto before you apply for a home loan**

Lenders look carefully at your debt-to-income ratio. A large payment such as a car lease or purchase can greatly impact that ratio and prevent you from qualifying for a home loan.

## **DON'T move assets from one bank account to another**

These transfers show up as new deposits and complicate the application process, as you must then disclose and document the source of funds for each new account. The lender can verify each account as it currently exists. You can consolidate your accounts later, if needed.

## **DON'T change jobs**

A new job may involve a probation period, which must be satisfied before income from the new job can be considered for qualifying purposes.

## **DON'T buy new furniture or major appliances for your new home**

If the new purchases increase the amount of debt you are responsible for, there is the possibility this may disqualify you from getting the loan, or cut down on the available funds you need to meet the closing costs.

## **DON'T run a credit report on yourself**

This will show as an inquiry on your lender's credit report. Inquiries must be explained in writing.

## **DON'T attempt to consolidate bills before speaking with your lender**

The lender can advise you if this needs to be done.



# THE LOAN UNDERWRITER'S PERSPECTIVE

## 1. CREDIT

It is important that credit has been established with a good payment history. Any derogatory credit must have a good explanation. Outstanding collection accounts, judgments, or liens must be paid through escrow. The credit report will also list a credit score – a mathematical calculation of your overall credit rating.

## 2. JOB STABILITY

A consistent job history with the same company is ideal; however, if changes have been made for advancement, it is acceptable. Schooling completed in preparation for a specific vocation is considered to be a part of your job history.

## 3. INCOME AND RATIOS

Your gross monthly income (before taxes) is computed. Bonuses, overtime, part-time, or self-employment income is averaged over the last two years. The principal, interest, taxes, and insurance (PITI) on the new loan (plus mortgage insurance, if applicable) is divided by the gross monthly income to get the “top” ratio. PITI and all debts are divided by the income to get the “bottom” ratio.

## 4. DOWN PAYMENT, CLOSING COSTS AND CASH RESERVES

To be considered, your funds must have been verified as having been yours for 3 months. A 5%

minimum down payment MUST be from your own funds; however, the remainder of the down payment, closing costs, and the 2 to 3 months of reserves may be gifted by a relative who provides a letter and bank statement showing the ability to give.

## 5. PROPERTY

The property is the security for the loan. The lender will require an appraisal by a certified fee appraiser to assure that there is sufficient collateral. The underwriter will review the appraisal to verify the marketability, condition, and value of your home. The lender will also review the title report and require title insurance on the property for your protection as well as theirs.



\*If you don't fall within these guidelines, don't panic! Lenders work with various investors that offer loan products to fit all situations.

# GETTING STARTED



This is the first step to walking into your very own home. The Columbia Vitolo Team works to make the buying experience enjoyable and productive. This guide will help you navigate the home shopping experience, and make your purchasing process as smooth and low stress as possible.

## FINANCES

Determining your financial state before you start your search saves you time and streamlines the buying process. We can arrange an introduction with a mortgage broker who will answer questions about the loan process and identify a suitable price range for your hunt. There are two levels of endorsement during this early stage.

### **Pre-qualified (GOOD)**

Based on information you provide during your initial conversation with a mortgage broker, you can qualify for a specific loan amount, once you finalize certain documents.

### **Pre-approved (BEST)**

After your initial conversation with the mortgage broker, you provide information for a detailed background check and financial check (tax returns, credit check and income history). You will then receive a letter from a lender stating how much they would be willing to lend you, valid for approximately 60 days.

# PROPERTY TYPES



## CO-OP

Most properties either built or converted before 1990 are cooperatively owned (Co-Ops). Homeowners are called shareholders because they purchase stock in a corporation, and that corporation owns the building. They are collectively partners in an entity that owns the building and, in turn, grant themselves the privileges of ownership associated with owning real property in the form of a proprietary lease.

There is a required purchase application process. To most people, this is tedious and angst-ridden. The good news is that we do this with consistency and our team is designed to make this happen quickly and efficiently. We have 38 years' experience preparing buyers Co-Op board applications and will make sure you are putting your very best foot forward.

A Co-Op has other characteristics as well. When you or your neighbors make permanent (non-cosmetic) changes, the building has guidelines and has an approval process. If you want to rent, the board may limit you over time, and so on. Some buildings prohibit you from financing more than a certain amount.



## CONDOMINIUM

Well, now that you have read about Co-Ops, you might be asking yourself, is there another option? There is!

A condominium is technically defined as an air lot – you own all the air inside of the walls. You can do whatever you want inside your own air. However, there are some myths about condos.

A condo technically doesn't have unlimited subletting, there is an application process, and as a condo owner, you are subject to the rules put forth by the Board of Managers. Most condos require a minimum lease term of 12 months. You have a collective interest in the building's sustainable financial and physical health.

The differences are as follows: while a condo can and may restrict subletting, they tend not to. While a condo board can deny a sale, it's rare. Condos do not restrict differing types of ownership, such as ownership by an LLC, second home, gifted funds, etc.

Finally, the closing time frame is somewhat faster in a condo since there is no board interview process.

For these conveniences, condos tend to cost 25% - 100% more than Co-Ops.



## HOUSE

A house historically holds greater value than a Co-Op or condo. You can get an owner-occupied mortgage for any building with up to 4 units, and the other unit's rent can offset your costs.

On the other hand, maintenance, taxes, and insurance costs can be much more expensive than apartments. Many townhouse owners have a full time house manager on their staff or a townhouse repair and maintenance agreement with an outside vendor.

There is no greater luxury in NYC than owning your own single-family home. You are the King or Queen of your castle.

# MANHATTAN NEIGHBORHOODS

**HARLEM** - Central Park North to the Harlem River between Fifth Ave. & St. Nicholas Ave.  
**MANHATTANVILLE** - 125th St. to 135th St. between Hudson River & Amsterdam Ave.  
**EAST HARLEM** - 96th St. to 125th St. between First Ave. & Fifth Ave.

**UPPER WEST SIDE** - 59th St. to 110th St. between Central & Riverside Parks  
**MORNINGSIDE HEIGHTS** - 110th St. to 125th St. between Eighth Ave. & the Hudson River  
**LINCOLN SQUARE** - 59th St. to 72nd St. from the Hudson River to Broadway

**UPPER EAST SIDE** - 59th St. to 96th St. between Central Park & the East River  
**CARNEGIE HILL** - 86th St. to 96th St. between Fifth Ave. & Lexington Ave.  
**YORKVILLE** - 80th St. to 96th St. between Third Ave. & the East River  
**LENOX HILL** - 59th St. to 79th St. between Second Ave. & York Ave.

**MIDTOWN WEST** - 34th St. to 59th St. between the Hudson River & Sixth Ave.  
**HELL'S KITCHEN/CLINTON** - 34th St. to 59th St. between the Hudson River & Eighth Ave.  
**THEATER DISTRICT** - 42nd St. to 53rd St. between Sixth Ave. & Eighth Ave.

**MIDTOWN EAST** - 34th St. to 59th St. from 5th Ave. to the East River  
**TURTLE BAY** - 43rd St. to 53rd St. between Lexington Ave. & the East River  
**MURRAY HILL** - 34th St. to 42nd St. between Park Ave. & First Ave.

**CHELSEA** - 14th St. to 34th St. between Sixth Ave. & the Hudson River

**GRAMERCY** - 14th St. to 23rd St. between Park Ave. South & First Ave.  
**KIPS BAY** - 23rd St. to 34th St. between Park Ave. & the East River  
**NOMAD** - North of Madison Sq. Park & South of Herald Sq. between Sixth Ave. & Lexington Ave.  
**FLATIRON** - 14th St. to 23rd St. between Park Ave. South & Sixth Ave.  
**STUYVESANT TOWN** - 14th St. to 23rd St. between First Ave. & the East River

**WEST VILLAGE** - 14th St. to West Houston St. between Sixth Ave. & the Hudson River  
**MEATPACKING DISTRICT** - 14th St. to Gansevoort St. between Hudson St. & the Hudson River  
**GREENWICH VILLAGE** - West Houston St. to 14th St. between Fourth Ave. & Seventh Ave.

**EAST VILLAGE** - East Houston St. to 14th St. between Fourth Ave. & the East River  
**ALPHABET CITY** - East Houston St. to 14th St. between Ave. A & the East River  
**NOHO** - Astor Place to East Houston St. between Fourth Ave. & Broadway

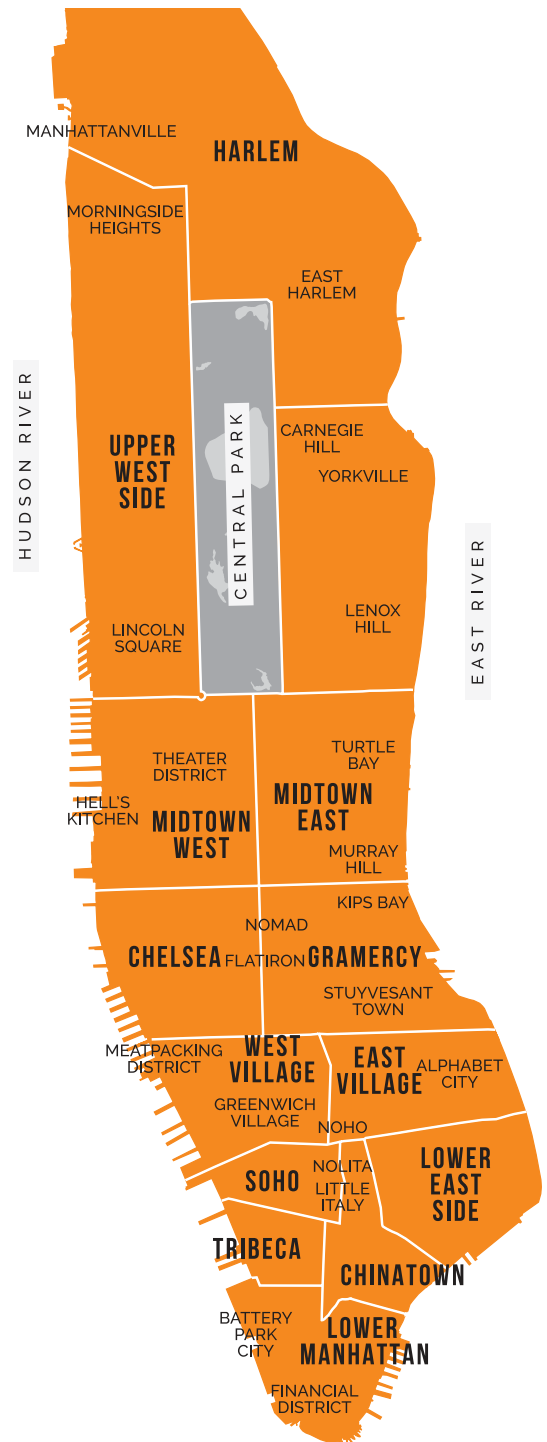
**SOHO** - Canal St. to West Houston St. between Lafayette St. & the Hudson River  
**NOLITA** - Broome St. to Houston St. between Bowery & Lafayette St.  
**LITTLE ITALY** - Canal St. to Broome St. between Bowery & Lafayette St.

**LOWER EAST SIDE** - Manhattan Bridge to East Houston St. between Bowery & the East River

**TRIBECA** - Park Place to Canal St. between the Hudson River & Broadway

**CHINATOWN** - Worth St. to Canal St. & Grand St. between Broadway & Bowery

**LOWER MANHATTAN** - South St. to Chambers St. between the Hudson River & the East River  
**BATTERY PARK CITY** - First Place to Chambers St. between West St. & the Hudson River  
**FINANCIAL DISTRICT** - West St. to East River from tip of Manhattan to Park Place



# YOUR PURCHASE



Your home is your biggest asset, and so much more. This is a process that's not only about dollars and cents, it's about loving where you live.

## WHAT IS A BUYER'S AGENT?

- ▶ A local expert who knows about all properties currently on the market, all recent comparable sales, & everything coming soon.
- ▶ Your advocate within the brokerage community.
- ▶ Personal concierge to guide you through the process and capable of managing every detail, including preparing your purchase application, referring financing options, and finding anyone, from a top real estate attorney to a great dogwalker once you move in!
- ▶ Fiduciary agent with the following duties to the buyer: reasonable care, loyalty, confidentiality, full disclosure, to deal honestly and in good faith.
- ▶ We have access not only to my listings, or our company's listings, but every listing on the market or off the market in the case of Compass Private Exclusive listings.

An important thing to remember: In New York City, fewer properties sell per capita compared to the national average. The seller's agent

- ▶ has a contractual fiduciary relationship with the seller. Anything they say or do is to advance the seller's best financial interests.



# HOW WE WORK TOGETHER

An agent is bound by State Law to disclose and declare their Agency when having substantive conversations with potential buyers. That form is attached. This disclosure is not a contract, as your buyer's agent, it's a promise from us to you of the following:

## LOYALTY

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A buyer's agent must act in the interest of the buyer.

## OBEDIENCE

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Must follow the lawful instructions of the buyer.

## DISCLOSURE OF ALL MATERIAL FACTS

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Some examples:

- » Seller's financial condition
- » Anything that would affect value of a property
- » Relationships between agent and other parties
- » Data-driven market analysis

## CONFIDENTIALITY

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Any discussions, facts or information that should not be revealed to others.

All financial disclosures are kept in confidence.

## REASONABLE SKILL AND CARE

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In addition to market experience, agents are expected to have a heightened ear for anything and everything. This means not taking anything at face value, referring experts to certify anything that may be in doubt, and maintaining a professional and courteous deal environment.

## ACCOUNTING IN DEALING

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Reporting location of any money placed in the hand of the agent. All discussions involving money are to be 100% transparent with regards as to who gets what at all times.

At Compass, we strive to help everyone find their place in the world. From providing a sophisticated search experience to offering you a sneak peek at homes not yet on the market, every one of our tools is designed to help us deliver your dream home.

### COLLECTIONS

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Collections lets you compare multiple properties—their size, neighborhood, amenities—within a visual workspace. Monitor market activity in real time, stay in constant contact with your agent, and invite collaborators to join in on the discussion.

### SEARCH

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Compass Search lets your agent filter and sort by a wide range of features and amenities. Plus, discover exclusive Compass listings you won't find anywhere else and receive real-time notifications of new homes with customized Saved Searches!

### PRIVATE EXCLUSIVES

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These are listings not publicly marketed but are available for us to show you and you can purchase them before they hit the open market.

### MARKETS APP

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Curious how a listing you like stacks up against others? Wondering about historical trends in a neighborhood you're considering? Evaluate pricing trends, days on market, and more with your agent's help, straight from the Compass iOS app.

### COMPASS CRM

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Compass CRM is an advanced contact management solution that provides your agent with the intelligence and tools to network effectively and pinpoint the seller who owns your next home.



What do you get when you combine these tools with your agent's expertise?

A swift and seamless search that delivers the perfect home for you.

# 8 FREQUENTLY ASKED QUESTIONS

## 1. HOW DOES WORKING WITH AN AGENT BENEFIT YOU?

- a. It saves you time.
- b. It makes you a more informed buyer.
- c. It makes you more competitive in an ever-changing market..
- d. It helps you navigate through the complicated process of acquiring a home in New York.

## 2. SHOULD YOU HAVE ONE AGENT FROM EACH REAL STATE COMPANY SO THAT YOU DON'T MISS ANY PROPERTIES?

Compass cooperates (co-brokers) with every REBNY broker, sponsors, and often directly with owners. One call to your agent can get you the information you need on all the properties in which you are interested.

## 3. BUT WHAT ABOUT OTHER COMPANIES' EXCLUSIVES?

*How can I see them through you if they are not your exclusives?*

An exclusive listing means that the seller of the property is represented exclusively by his or her selling agent, You as a buyer represented by our Compass buyer's agent, can see that property. Your agent makes the arrangements to view it. Since exclusive listings are co-brokered, you will not be missing out. In fact, somewhere between 80% and 90% of all deals involve two brokers.

## 4. WHAT ABOUT SUNDAY OPEN HOUSES?

A great way to see many properties in one day is by going to Sunday open houses. If you like looking on Sundays, and your agent is unable to go with you, ask him or her to register you for the open houses you wish to attend. When you sign in at each place, be sure to put down your name, your agent's name, and your agent's phone number. This way, you will be represented if you want to make an offer on any of the properties you have seen.

## 5. HOW DO I KNOW MY AGENT ISN'T GOING TO MISS ANY PROPERTIES?

Compass has one of the largest databases in New York, which is updated daily and includes properties from many different realty firms. If you would like to be a part of the search process, tell your agent. He or she will be happy to work with you as a team. You can go online to the various websites, and compare notes with him or her. Call or email your agent all of the listings you find online so he or she can research them further and make appointments for you.

## 6. IF I AM GOING TO DO THE WORK, WHY DO I NEED AN AGENT?

Your Compass agent has a much more extensive and up-to date database than the public will find on the Internet. He or she usually receives the listings before the public has access to the web. The market moves much faster than the Internet. Your agent will be able to tell you the status of the properties in which you are interested. Your agent will then analyze the comparable sale data to best evaluate the price and where you should come in with an offer (if you decide to move forward on a particular property).

## 7. BUYING A HOME IS EXPENSIVE; DO I HAVE TO PAY AN AGENT FEE?

You don't have to. Sales commissions are paid by the seller, not the buyer. When a property is co-brokered, the commission is shared between the selling agent's company and the buying agent's company. There is no additional out-of-pocket expense to you.

## 8. ONCE I FIND THE PERFECT APARTMENT, WHAT DO I DO?

Finding dream home is the easy part. Once you are ready to make an offer, you will then begin to really depend on your agent for the next steps.

# HOW TO BUY A HOME

## 1. FIND AN AGENT

Look for a licensed real estate agent who is knowledgeable about the neighborhoods you're considering and can help guide your search.

## 2. GET PRE-QUALIFIED

Before beginning your search, your first step is to get pre-approved for a mortgage loan (unless you will be paying in cash for the full price of your home). Your Compass agent can connect you to a mortgage broker. Based on your income and credit history, the mortgage broker will determine how much the bank will lend you, which will help you determine the price range for your search.

## 3. VISIT PROPERTIES

Attend viewings and open houses spanning a range of areas and property types. Now is the time to consider your ideal home's location and amenities.



## 4. NEGOTIATE

Reach an agreement with the seller on price and terms. Once you have seen a home you like, you can put in an "offer," which is a non-binding agreement to pay a certain price for the home. If your offer is lower than the list price, the seller will likely return with a "counter offer" price, which you can choose to accept, reject, or make another offer. Your Compass agent will provide advice on pricing throughout.

## 5. REVIEW

Analyze the contract of sale, building financials, and board minutes with your attorney. It's best to work with an attorney who specializes in New York City co-op and condo sales. Your attorney's job is vital to protecting your interests, and they have an incredible amount of paperwork to review on your behalf. Therefore, you want to select an attorney who is familiar with these transactions.

#### **APPRAISAL**

Assessment of the property's market value, typically done for the purpose of obtaining a mortgage.

#### **COMMON CHARGE**

Monthly maintenance fee paid by condo owners. Property taxes are not included in the common charge.

#### **CONTRACT DEPOSIT**

A percentage of the agreed-upon purchase price paid by the buyer at the time of signing the contract.

#### **CO-OP SHAREHOLDER**

Owner of a co-op unit, since what they are actually purchasing are shares of stock in the co-op corporation.

#### **DEBT-TO-INCOME RATIO**

The percentage of an individual's monthly gross income relative to the amount of debt owed.

#### **ESCROW DEPOSIT**

Deposit of funds to be transferred upon completion of the deal.

#### **FINANCIAL STATEMENT**

A formal record of all your financial assets, debts, and liabilities.

#### **FLIP TAX**

A tax levied by a co-op and paid by the seller when a sale is made. They are designed to generate funds for the co-op's cash reserve.

#### **MAINTENANCE FEE**

Fees paid by co-op shareholders that contribute to building operations.

#### **LIEN SEARCH**

A background check on the property and the seller to ensure there are no outstanding debts or claims upon the property.

#### **POST-CLOSING**

The amount of cash the buyer must have on hand after deducting the down-payment and closing costs.

#### **RECORDING FEE**

A fee paid to the local government to officially report a sale of a home; usually paid by the buyer.

#### **TAX ABATEMENT**

Newly constructed buildings sometimes receive abatements so that owners do not have to pay taxes on their units for a specified amount of time.

#### **SPONSOR**

The entity responsible for developing a new building or converting an existing rental building to a condo or co-op.

## **6. SIGN CONTRACT AND PUT DOWN DEPOSIT**

## **7. COMPLETE LOAN APPLICATION**

Organize an appraisal with your bank.

## **8. PREPARE YOUR BOARD PACKAGE**

(If you are purchasing a townhouse, skip ahead to Step 10.)

Co-ops are run by a board of directors, who will require a board package in order for you to purchase an apartment. A board package generally consists of financial documents including tax returns, bank statements, mortgage commitment from your bank, and letter of reference. After reviewing your package, the board will set an interview date. Your Compass agent will help prepare your board package as well as prepare you for your interview. While condos do not generally require board packages or interviews, you will need to present a purchase application that shows you are financially qualified to purchase the apartment.

## **9. BOARD APPROVES THE PURCHASE**

## **10. BANK ISSUES CLEARANCE TO CLOSE**

## **11. CLOSING SCHEDULED BY ATTORNEYS**

## **12. FINAL WALK-THROUGH WITH YOUR AGENT**

## **13. CLOSING**

Congratulations, you are now a home owner!



	<b>CO-OP</b>	<b>CONDO</b>
<b>COST</b>	Typically cheaper.	Typically more expensive.
<b>SUPPLY</b>	75% of NYC's housing. Built before 1980s.	25% of NYC's housing. Built after 1980s.
<b>CULTURE</b>	Most units are owner-occupied. More controlled and stable.	Mix of owners and renters. More laid back.
<b>APPROVAL PROCESS</b>	Very strict and thorough. Personal interview required.	Less rigorous—no interview. Quicker to approve.
<b>OWNERSHIP TYPE</b>	Indirect. Stock certificate and lease.	Direct. Buyer owns real property.
<b>MONTHLY PAYMENTS</b>	Maintenance fees. Amount includes taxes.	Common charges. Taxes paid separately.
<b>TAX BENEFITS</b>	Some tax deductions can be taken for owner's share.	Tax abatement programs keep taxes low for about 10 years.
<b>RENTING OUT YOUR UNIT</b>	Limited, if allowed at all.	Easy and unrestricted.
<b>RESELLING</b>	New buyer must be approved. Seller must pay flip tax.	New buyer is rarely denied.
<b>INVESTOR-FRIENDLY</b>	Rarely.	Yes.

# CONDUCTING YOUR SEARCH

As you begin your search, your agent will help bring your vision of home into clearer focus by surveying the market landscape, setting parameters based on price, location and inventory, and establishing an initial timeline.

## CO-OPS, CONDOS AND TOWNHOUSES

The housing stock in New York City primarily consists of cooperatively-owned buildings, condominium buildings and, to a lesser extent, townhouses.

Co-ops account for approximately 75% of available NYC apartments at any given time. Condos make up the bulk of the remainder, while townhouses represent around 2%.

	CO-OP	CONDO	TOWNHOUSE
<b>APPROVAL PROCESS</b>	The board interviews all prospective owners and has the right to approve or reject any applicant	No interviews are required. Application is not as rigorous as the co-op board process	No condo or co-op board involved in the purchase or sale, creating a much faster transaction from contract signing to closing
<b>FINANCING</b>	Be prepared to put down at least 20% of the purchase price, plus closing costs	Be prepared to put down at least 10% of the purchase price, plus closing costs	Be prepared to put down at least 10% of the purchase price, plus closing costs, depending on the loan-to-value ratio determined by your bank
<b>MONTHLY FEES</b>	Maintenance fees based on the number of shares the tenant owns (typically dictated by apartment size and floor level)	Common charges, for services and amenities shared by residents, and property taxes	All maintenance costs and property taxes
<b>SUBLETTING</b>	Must be approved by the co-op board	Typically permitted	Permitted
<b>SELLING</b>	Buyer must be approved by the co-op board	Can be sold at will	Can be sold at will



COMPASS  
PRIVATE EXCLUSIVES

# Access Listings Before the Competition

Compass Private Exclusives are properties that are only accessible to a network of thousands of Compass agents and their serious buyers.

## Looking to buy in this competitive market?

Working with a Compass agent grants you access to privately listed inventory before the rest of the competition.

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### Access Inventory Only Available at Compass

Discover properties that are not publicly advertised — a critical advantage in an inventory-constrained market.

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### Craft the Most Competitive Offer

Maximize your chance of beating out the competition and potentially avoid bidding wars before your future home hits the public market.

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### Preserve Your Privacy

Buying a Compass Private Exclusive helps safeguard your privacy by keeping your home's photos off third-party sites — unlike publicly marketed properties, where images can stay online for years.

LEARN MORE AT [COMPASS.COM/PRIVATE-EXCLUSIVES](https://COMPASS.COM/PRIVATE-EXCLUSIVES)

Private Exclusives may not be available in all markets, and availability is subject to change. Private Exclusives, inclusive of pre-marketing and listing strategies, are at the discretion of the seller. They are only visible to buyers and the Compass agents representing them in that market. Compass does not recommend one particular strategy or guarantee results.

# AS YOUR COMPASS BUYING AGENT...

## DOS AND DO NOTS

- ✓ DO work with a single, dedicated broker whom you trust and are comfortable with. When you work with multiple brokers, no single broker will put in 100% of the effort required if they believe that you aren't committed to him or her.
- ✓ DO submit a realistic bid. If you are contemplating putting in a very low bid because you can't afford a higher one, please make sure your broker knows this and he or she can find more appropriate apartments for you.
- ✓ DO make sure you've been pre-qualified with a mortgage lender that is familiar with the Manhattan market.
- ✓ DO be prepared to act quickly. The NYC market moves fast and can be competitive. You need to be prepared to purchase.
- ✗ DON'T keep your present financial situation or any impediments to purchasing a secret from your broker (i.e. if you need to sell your current residence or if you cannot purchase until the end of the year, etc.)

- 1 Talk to me. If you see something you like, let me know. If something about a property bothers you, no matter how small, share that information. You are the most important person in this process, and I want to give you the best service I can. Please help me be of the most help to you!
- 2 We have to arrange to meet with other people in the City. While my office has a lot of support and can typically accommodate showings with short notice, other agents and especially sellers require at least 24-hour notice to make appointments. Thanks for understanding.
- 3 I ask that you only employ me as a Buyer's Broker if I am working with you. Once you make this commitment, you will have access to all the information I have and I will stop at nothing to help you. It is impossible to have 2 Buyer's Agents working together effectively unless they are on the same team.



# OUR PROMISE

As a buyer, searching for a home is hard work. It can be exciting, frustrating, and every emotion in between. We will do everything to make it as smooth-sailing for you as possible. We will hold your hand as much, or as little, as you need it.

We have found hundreds of homes for clients over the past decade. We understand that, in most cases, a home purchase is the largest financial decision you will ever make. We do not take this responsibility lightly. Our goal is to make finding the home of your dreams a positive experience.



## WHAT YOU CAN EXPECT FROM US:

1. Smartphone real-time rapid response
2. Counsel and explain all pertinent real estate queries
3. Perform a comprehensive market analysis and show you properties that match your requirements
4. Assist you in getting pre-approved & arranging financing
5. Review and counsel you on all offers and counter offers
6. Professionally present your offer and expertly negotiate the best terms for you

# INFORMATION FOR INTERNATIONAL BUYERS

New York is a city unlike any other and no real estate firm knows New York as Compass does. We can share our expertise to help you find the right property for who you are and how you live. There are several things international buyers need to know about the New York real estate market before jumping in.

## CONDOMINIUMS VERSUS CO-OPERATIVE APARTMENTS

Generally speaking, condominiums are the preferred choice for international buyers. Co-Ops typically require that buyers maintain substantial assets on-shore in the United States, have an extensive, local network from which social references can be generated, and have a long history of filing taxes in the United States. Further, Co-Op boards impose many restrictions: owners are often not permitted to use their Co-Op as a second home and are rarely permitted to rent it out.

Condominiums, on the other hand, are open to any qualified purchaser, regardless of social and financial ties to New York. Moreover, condominium owners are typically free to treat their real estate as an investment by renting them out for income.

## FINANCING OPTIONS FOR FOREIGN BUYERS

Most US banks have created programs to accommodate international buyers. Foreign buyers can usually finance up to 60-75% of a purchase, depending on circumstances, including the size of the necessary loan. Documentation requirements can be stringent, but some lenders are willing to waive these requirements in return for a slightly higher interest rate, to offset the increased risk associated with unsubstantiated loans. At the very least, foreign buyers will need to provide evidence of their legal right to enter the United States (such as a passport or visa), credit references, verification of past rent or mortgage payments, proof of employment. Fortunately, Compass has very strong relationships with mortgage lenders and mortgage brokers in New York who are happy to work with foreign buyers.

## TAX LIABILITIES FOR FOREIGN BUYERS

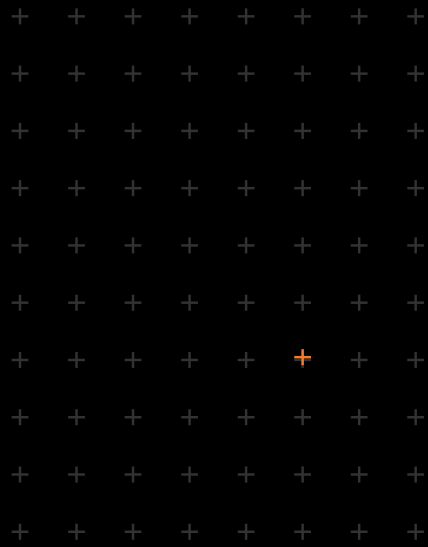
Foreign buyers must be aware of certain tax implications of owning and selling real property in the United States. Unless an exemption applies, foreign sellers of real estate in the United States are liable for income tax on the gain associated with the sale. Applicable laws generally requires that those who purchase real estate from foreign sellers must withhold 10% of the final sale price in order to ensure that adequate funds are available to satisfy the seller's tax obligation on the transaction.

## SPECIALIZED TEAM OF PROFESSIONALS

To ensure a smooth purchase process, it is imperative that you retain capable advisors. Real estate brokerage commissions are typically paid by the seller of the property. Your Compass agent can recommend an attorney to assist with the transaction, from contract to closing, ensuring that your interests are protected. We can also connect you with accountants who, working with your attorney, can help minimize the various tax burdens described above by optimizing the structure of your real estate transactions.

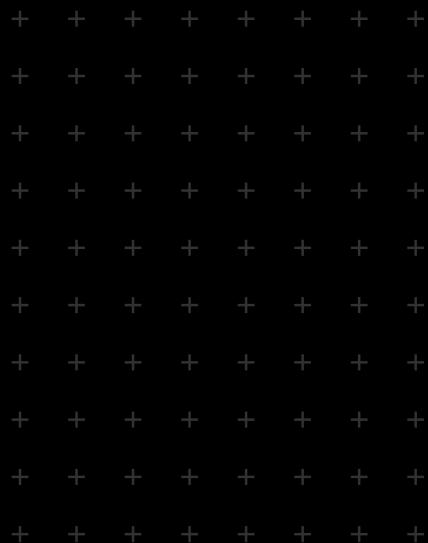
## BUYING PROCESS

Your agent can show you any available properties that match your criteria. Unlike in other parts of the world, it is common practice in the United States for real estate firms representing buyers to show and sell properties listed by competing companies; we are not restricted to showing only properties represented by Compass. Once we've identified a property you like, we can help you prepare your offer and make sure that it's presented in the best light possible. These offers are not legally binding and you're free to submit offers on as many properties as you like. Once your offer is accepted and a contract is finalized, making the deal "hard", you'll be required to tender a deposit of at least 10% of the purchase price. These funds must be either wired to the escrow agent (typically the seller's attorney) or drawn on a US bank account. These deposits are only refundable under specific circumstances as provided for in the purchase and sale contract. Once the contract is signed and deposits paid, you and your agent will need to work on and submit applicable building board application and prepare for closing. At closing, you'll be required to pay the balance of the purchase price, either with loan proceeds or personal funds, and the seller will transfer title to the property to you, along with the keys!



COLUMBIA VITOLO TEAM

# Closing Costs





# CO-OPS

## CLOSING COST ESTIMATES FOR THE PURCHASER

### Attorney

Your Attorney .....	Consult your attorney ~\$2,500 - \$5,000+
Lien Search Fee .....	~\$350

### Bank

Points .....	~0 - 3% of the loan value
Bank Application, Credit Check, etc. ....	\$400 - \$600
Bank Attorney .....	\$900 - \$1,500
Mortgage Origination Rate .....	~0 - 3% of the loan value
UCC-1 Filing.....	\$125
Appraisal.....	~\$300 - \$1,500

### Building

Board Package Processing Fees .....	\$500 - \$2,000
Credit Check Fee.....	\$100 - \$300 per buyer
Move-in Fee.....	\$250 - \$500
Move-in Deposit .....	\$500 - \$1,500 (refundable)
Maintenance Adjustment.....	Pro-rated for the month of closing
Recognition Agreement Fee .....	\$200 - \$300
Miscellaneous Co-op Charges.....	Varies by building. Consult the co-op's transfer agent & board package

### New Development (\*NYC & NYS Transfer Taxes are paid by the purchaser in case of a new development)

Residential NYC Transfer Tax* .....	1% < \$500,000 1.425% < \$500,000+
Progressive NY State Transfer Tax* .....	0.4% for Residential transactions < \$3M 0.65% for Residential transactions > \$3M

### Government & Title

Transfer Tax Filing Fee .....	\$100
Mansion Tax .....	\$1M to < \$2M: 1.00% \$2M to < \$3M: 1.25% \$3M to < \$5M: 1.50% \$5M to < \$10M: 2.25% \$10M to < \$15M: 3.25% \$15M to < \$20M: 3.50% \$20M to < \$25M: 3.75% \$25M or more: 3.90%

# TOWNHOUSES & MULTI-FAMILY HOMES

## CLOSING COST ESTIMATES FOR THE PURCHASER

### Attorney

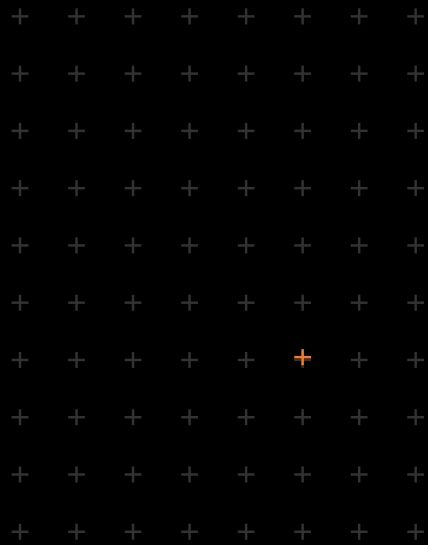
Your Attorney ..... Consult your attorney ~\$2,500 - \$5,000+

### Bank

Points ..... ~0 - 3% of the loan value  
Bank Loan Application Fees ..... \$400 - \$600  
Bank Attorney ..... \$900 - \$1,500  
Appraisal ..... ~\$300 - \$1,500  
Tax Escrow ..... ~2 - 6 months of property taxes  
Lenders Policy Title Insurance ..... Rates may vary  
Mortgage Origination Fee ..... ~0 - 3% of the loan value  
Mortgage Recording Tax ..... 1.8% of mortgage amount < \$500,000  
1.925% of mortgage amount > \$500,000+

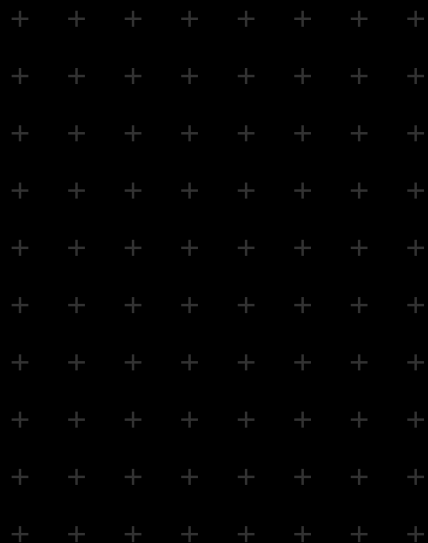
### Government

Recording Fees ..... ~\$250  
Municipal Search ..... 0.4% of purchase price  
Miscellaneous Title Fees ..... \$100  
Real Estate Tax Adjustment ..... \$125  
Mansion Tax ..... \$1M to < \$2M: 1.00%  
\$2M to < \$3M: 1.25%  
\$3M to < \$5M: 1.50%  
\$5M to < \$10M: 2.25%  
\$10M to < \$15M: 3.25%  
\$15M to < \$20M: 3.50%  
\$20M to < \$25M: 3.75%  
\$25M or more: 3.90%



COLUMBIA VITOLO TEAM

# Board Applications



# BOARD APPLICATION BEST PRACTICES

We will assist you in compiling all the information.

The primary purpose of the Board Package is to assure the Board of Directors that the buyers have the financial ability to carry the apartment (Co-Op boards are notoriously more challenging than banks) and to give the Board confidence that as owners, the buyers will be easy shareholders and a welcome member of their community.

Each Board has its own requirements and application forms; unfortunately, no two are exactly alike!

Today, buyers must submit much of this information as part of their offer to purchase, including a REBNY financial form.

1. How will the deal be structured?
2. If you rely on a guarantor or co-purchasing with a parent or family member, ensure that you understand that co-purchasers will be subject to the same scrutiny as the buyer, including attendance at a Board Interview if asked.
3. Do you have pets? If not, do you intend to get a pet?
4. Do you plan to renovate? Be sure you know the alteration policy.
5. Discuss any liabilities – how is your credit?
6. Discuss purchase power and determine Debt to Income ratio. Housing costs (maintenance and mortgage costs for all properties owned) should not exceed 25% of the buyer's gross income.
7. Discuss post-closing liquidity – liquid assets should be two years of housing costs after the apartment purchase. Don't forget about closing costs.

We will review the package and deliver it to the managing agent when you have it all sent over.

Please only sign the application & riders once the review process is complete. Once completed, DocuSign will be sent for signatures.

Please read the instructions on the Purchase Application carefully and plan to provide all the information requested.

We will provide sample reference letters as further guidelines. These letters should be signed and delivered to you, not directly to the board. You will then send them to us to include in the package.

We are available at any time to answer questions and guide you through the process of completing the package.

# BOARD APPLICATION BEST PRACTICES

Here are a few guidelines:

## REFERENCE LETTERS:

1. First and foremost, this should be your first task. You should begin asking for letters as soon as your contract is signed. This gives letter writers adequate time to prepare letters.
2. All personal/social reference letters should be typed and on letterhead. When you are considering who to ask for letters, keep the following criteria in mind:
  - All reference letters must be signed.
  - Every letter should provide a phone & email contact for the letter writer in addition to being on some form of letterhead.
  - Check for typos.
  - Letters should be addressed to:  
Board of Directors  
Condo or Co-Op Name  
Address  
New York, NY Zip
3. Letters should not be sent directly to the building. They should be forwarded to us (or you) for inclusion in the package. Please emphasize this to the contacts.
  - Letters should state how long the writer has known you and what the nature of the relationship is. These letters give the board an opportunity to learn from 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 (i.e., Daniel is an old college chum, a former neighbor; we served on a committee together, etc.)? Why do they think you will make a great neighbor? If the letter writer lives in a Co-Op or has served on the board in their building, it is a good thing to mention in a reference letter.
  - No letters from relatives or employees, please.
4. **Business Reference Letters:** Letters should be typed and on their company letterhead. Generally speaking, these are people who have done business with you now or in the recent past. There should always be a contact number and email address provided for the letter writer.
5. **Tax returns:** All tax returns must be signed.

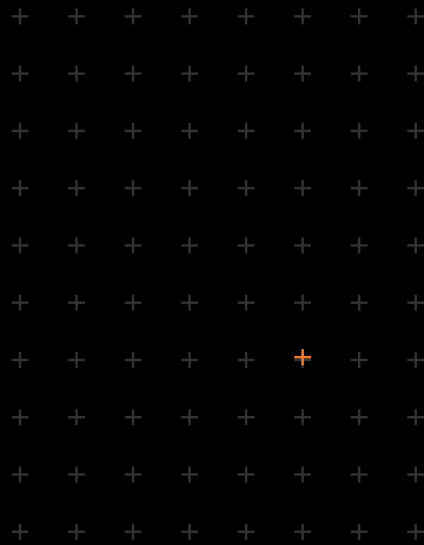
# BOARD APPLICATION BEST PRACTICES

## FINANCIAL STATEMENTS:

1. Fill out the forms entirely and in detail. Remember that any assets claimed must be supported with documentation matching the numbers used on the statement. This is true for each and every dollar. Internet printouts and snapshots are not acceptable. You need the most recent official pdf statements available. We will redact your personal information on these documents and send a copy to you to review before submitting. Instead of bank statements, you can get a letter from your bank stating what your average balance has been for the past three months; it may be easier to provide the bank statements.
2. The only exceptions to the documentation rule would be personal or household possessions, furniture, or cars. Provide insurance records or appraisals if you claim precious artwork or jewelry (if available).
3. Any non-liquid or intangible assets should be described in detail on a separate sheet. Verification must be provided even if the asset is difficult to value.
4. You can also have your accountant provide a balance sheet for your finances.

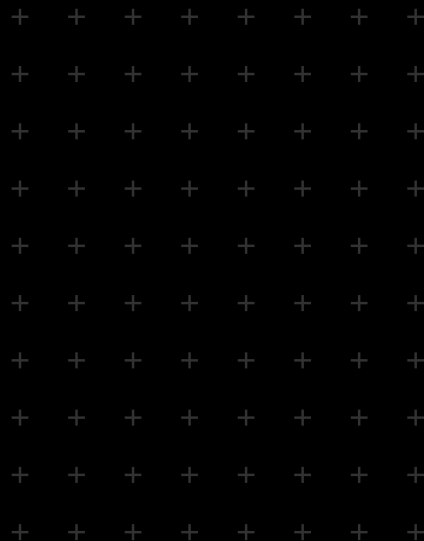
## IF SELF-EMPLOYED:

1. Have a CPA or business accountant verify all the financial information you include in the Board Package and provide a letter stating your income for the past two years and projected income for the current year.
2. Submit description of the business(es):
  - Type of Business(es)
  - Income/Profit Information
  - Brief History
  - List Clients/Accounts, etc.



COLUMBIA VITOLO TEAM

# Disclosures





New York State  
DEPARTMENT OF STATE  
Division of Licensing Services  
P.O. Box 22001  
Albany, NY 12201-2001

Customer Service: (518) 474-4429  
[www.dos.state.ny.us](http://www.dos.state.ny.us)

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## **New York State Disclosure Form for Buyer and Seller**

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### **THIS IS NOT A CONTRACT**

*New York State law requires real estate licensees who are acting as agents of buyers or sellers of property to advise the potential buyers or sellers with whom they work of the nature of their agency relationship and the rights and obligations it creates. This disclosure will help you to make informed choices about your relationship with the real estate broker and its sales agents.*

*Throughout the transaction you may receive more than one disclosure form. The law may require each agent assisting in the transaction to present you with this disclosure form. A real estate agent is a person qualified to advise about real estate.*

*If you need legal, tax or other advice, consult with a professional in that field.*

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## **Disclosure Regarding Real Estate Agency Relationships**

### **Seller's Agent**

A seller's agent is an agent who is engaged by a seller to represent the seller's interests. The seller's agent does this by securing a buyer for the seller's home at a price and on terms acceptable to the seller. A seller's agent has, without limitation, the following fiduciary duties to the seller: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A seller's agent does not represent the interests of the buyer. The obligations of a seller's agent are also subject to any specific provisions set forth in an agreement between the agent and the seller. In dealings with the buyer, a seller's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the value or desirability of property, except as otherwise provided by law.

### **Buyer's Agent**

A buyer's agent is an agent who is engaged by a buyer to represent the buyer's interests. The buyer's agent does this by negotiating the purchase of a home at a price and

on terms acceptable to the buyer. A buyer's agent has, without limitation, the following fiduciary duties to the buyer: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A buyer's agent does not represent the interest of the seller. The obligations of a buyer's agent are also subject to any specific provisions set forth in an agreement between the agent and the buyer. In dealings with the seller, a buyer's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the buyer's ability and/or willingness to perform a contract to acquire seller's property that are not inconsistent with the agent's fiduciary duties to the buyer.

### **Broker's Agents**

A broker's agent is an agent that cooperates or is engaged by a listing agent or a buyer's agent (but does not work for the same firm as the listing agent or buyer's agent) to assist the listing agent or buyer's agent in locating a property to sell or buy, respectively, for the listing agent's seller or the buyer agent's buyer. The broker's agent does not have a direct relationship with the buyer or seller and the buyer or seller can not provide instructions or direction directly to the broker's agent. The buyer and the seller therefore do not have vicarious liability for the acts of the broker's agent. The listing agent or buyer's agent do provide direction and instruction to the broker's agent and therefore the listing agent or buyer's agent will have liability for the acts of the broker's agent.

### **Dual Agent**

A real estate broker may represent both the buyer and seller if both the buyer and seller give their informed consent in writing. In such a dual agency situation, the agent will not be able to provide the full range of fiduciary duties to the buyer and seller. The obligations of an agent are also subject to any specific provisions set forth in an agreement between the agent, and the buyer and seller. An agent acting as a dual agent must explain carefully to

both the buyer and seller that the agent is acting for the other party as well. The agent should also explain the possible effects of dual representation, including that by consenting to the dual agency relationship the buyer and seller are giving up their right to undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship before agreeing to such representation. A seller or buyer may provide advance informed consent to dual agency by indicating the same on this form.

of the real estate broker. With the informed consent of the buyer and the seller in writing, the designated sales agent for the buyer will function as the buyer's agent representing the interests of and advocating on behalf of the buyer and the designated sales agent for the seller will function as the seller's agent representing the interests of and advocating on behalf of the seller in the negotiations between the buyer and seller. A designated sales agent cannot provide the full range of fiduciary duties to the buyer or seller. The designated sales agent must explain that like the dual agent under whose supervision they function, they cannot provide undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship with designated sales agents before agreeing to such representation. A seller or buyer may provide advance informed consent to dual agency with designated sales agents by indicating the same on this form.

### Dual Agent with Designated Sales Agents

If the buyer and seller provide their informed consent in writing, the principals and the real estate broker who represents both parties as a dual agent may designate a sales agent to represent the buyer and another sales agent to represent the seller to negotiate the purchase and sale of real estate. A sales agent works under the supervision

This form was provided to me by \_\_\_\_\_ (print name of licensee) of \_\_\_\_\_ (print name of company, firm or brokerage), a licensed real estate broker acting in the interest of the:

- |   |  |
|---|--|
| <input type="checkbox"/> Seller as a (check relationship below) | <input type="checkbox"/> Buyer as a (check relationship below) |
| <input type="checkbox"/> Seller's agent                         | <input type="checkbox"/> Buyer's agent                         |
| <input type="checkbox"/> Broker's agent                         | <input type="checkbox"/> Broker's agent                        |
| <input type="checkbox"/> Dual agent                             |  |
| <input type="checkbox"/> Dual agent with designated sales agent |  |

For advance informed consent to either dual agency or dual agency with designated sales agents complete section below:

- Advance informed consent dual agency
- Advance informed consent to dual agency with designated sales agents

If dual agent with designated sales agents is indicated above: \_\_\_\_\_ is appointed to represent the buyer; and \_\_\_\_\_ is appointed to represent the seller in this transaction.

(I) (We) \_\_\_\_\_ acknowledge receipt of a copy of this disclosure form: signature of { } Buyer(s) and/or { } Seller(s):

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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## **New York State Housing Discrimination Disclosure Form**

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Federal, State and local Fair Housing Laws provide comprehensive protections from discrimination in housing. It is unlawful for any property owner, landlord, property manager or other person who sells, rents or leases housing, to discriminate based on certain protected characteristics, which include, but are not limited to **race, creed, color, national origin, sexual orientation, gender identity or expression, military status, sex, age, disability, marital status, lawful source of income or familial status**. Real estate professionals must also comply with all Fair Housing Laws.

### **Real estate brokers and real estate salespersons, and their employees and agents violate the Law if they:**

- Discriminate based on any protected characteristic when negotiating a sale, rental or lease, including representing that a property is not available when it is available.
- Negotiate discriminatory terms of sale, rental or lease, such as stating a different price because of race, national origin or other protected characteristic.
- Discriminate based on any protected characteristic because it is the preference of a seller or landlord.
- Discriminate by “steering” which occurs when a real estate professional guides prospective buyers or renters towards or away from certain neighborhoods, locations or buildings, based on any protected characteristic.
- Discriminate by “blockbusting” which occurs when a real estate professional represents that a change has occurred or may occur in future in the composition of a block, neighborhood or area, with respect to any protected characteristics, and that the change will lead to undesirable consequences for that area, such as lower property values, increase in crime, or decline in the quality of schools.
- Discriminate by pressuring a client or employee to violate the Law.
- Express any discrimination because of any protected characteristic by any statement, publication, advertisement, application, inquiry or any Fair Housing Law record.

### **YOU HAVE THE RIGHT TO FILE A COMPLAINT**

**If you believe you have been the victim of housing discrimination** you should file a complaint with the New York State Division of Human Rights (DHR). Complaints may be filed by:

- Downloading a complaint form from the DHR website: [www.dhr.ny.gov](http://www.dhr.ny.gov);
- Stop by a DHR office in person, or contact one of the Division’s offices, by telephone or by mail, to obtain a complaint form and/or other assistance in filing a complaint. A list of office locations is available online at: <https://dhr.ny.gov/contact-us>, and the Fair Housing HOTLINE at (844)-862-8703.

You may also file a complaint with the NYS Department of State, Division of Licensing Services. Complaints may be filed by:

- Downloading a complaint form from the Department of State’s website [https://www.dos.ny.gov/licensing/complaint\\_links.html](https://www.dos.ny.gov/licensing/complaint_links.html)
- Stop by a Department’s office in person, or contact one of the Department’s offices, by telephone or by mail, to obtain a complaint form.
- Call the Department at (518) 474-4429.

There is no fee charged to you for these services. It is unlawful for anyone to retaliate against you for filing a complaint.



# Division of Licensing Services

New York State  
Department of State, Division of Licensing Services  
(518) 474-4429  
[www.dos.ny.gov](http://www.dos.ny.gov)

New York State  
Division of Consumer Rights  
(888) 392-3644

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## New York State Housing Discrimination Disclosure Form

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For more information on Fair Housing Act rights and responsibilities please visit  
<https://dhr.ny.gov/fairhousing> and <https://www.dos.ny.gov/licensing/fairhousing.html>.

This form was provided to me by \_\_\_\_\_ (print name of Real Estate Salesperson/  
Broker) of \_\_\_\_\_ (print name of Real Estate company, firm or brokerage)

(I)(We) \_\_\_\_\_

(Real Estate Consumer/Seller/Landlord) acknowledge receipt of a copy of this disclosure form:

Real Estate Consumer/Seller/Landlord Signature \_\_\_\_\_ Date: \_\_\_\_\_

Real Estate broker and real estate salespersons are required by New York State law to provide you with this Disclosure.

# The New York Times Real Estate

## A New Broker Disclosure Law in New York

Published: December 30 2010

By VIVIAN S. TOY

AS if the process of shopping for an apartment weren't fraught enough, potential buyers and renters will have to deal with another wrinkle this year, when a new real estate broker-disclosure law goes into effect in New York.

The law requires a real estate agent to have clients sign a form stating that they understand whom the agent represents and to whom the agent will give "undivided loyalty," as soon as they enter into a relationship.

Brokers are interpreting that to mean that the form does not have to be produced for everyone who walks into an open house, but rather as soon as someone starts asking substantive questions about a property, and certainly when someone asks for an appointment to see it a second time. Given that many apartment hunters are reluctant even to put their names on a sign-in sheet at an open house, agents do not want to have to present them with forms any sooner than necessary.

The disclosure law is designed to clarify the roles of buyers' and sellers' agents, in order to, as the form itself states, "help you to make informed choices about your relationship with the real estate broker and its sales associates." The form goes on to define the various categories of agent.

Assemblyman Jonathan L. Bing, a Democrat who sponsored the legislation, says the new law increases consumer protection because previous disclosure forms were required only in transactions involving single-family homes and buildings with four or fewer units. Mr. Bing said the state and city Realtors' associations had joined with him in urging passage of the law because it simplifies disclosure of dual agency, in which an agent represents both a buyer and a seller. Buyers can now sign one form providing advance consent to dual agency rather than having to

sign a form for each listing that they might see.

"This is a consumer protection law," said Neil Garfinkel, residential counsel to the Real Estate Board of New York, "but it also protects brokers, because now they will have a written record of what they're already required to do now verbally." If a complaint is filed against an agent for not producing a disclosure form, the penalty is a fine of up to \$1,000 and, potentially, a requirement that the agency return the commission.

The law will also apply to sellers and landlords, but for them it will presumably be less jarring, because they will already be in negotiation with an agent for an exclusive contract. The disclosure forms will be fairly straightforward when agents are acting either for the buyer or for the seller. But often circumstances are less clear-cut, because they are acting as dual agents.

If, for example, a buyer is working with an agent and becomes interested in a listing represented by another agent who works at the same firm, then both agents become dual agents, and neither can provide undivided loyalty to either the buyer or the seller. But they can advocate and maintain confidences for each party. Some agents worry that having to discuss these kinds of possibilities when first meeting clients could frighten them off.

Diane M. Ramirez, the president of Halstead Property, said she favored the law, and noted that Connecticut and New Jersey had similar ones. "Things will be more transparent," Ms. Ramirez said, "and that's good for our industry, and the public will be happy to know that nothing has been hidden."

Ms. Ramirez said that in training seminars some agents worried that the new forms would make it more difficult to make direct deals, in which a seller's agent also represents the buyer. "Those buyers may say they want their own representation when they fully understand that they won't have the agent's undivided loyalty," she said. "But if you disclose it all, there's no

reason you can't treat someone honestly and in good faith, and have the buyer and seller more than pleased with the outcome."

Gary L. Malin, the president of Citi Habitats, said, "Agents are always fearful about anything that can change the ebb and flow of business, but it's a change that we all have to adapt to." He said his firm had trained more than 600 agents on how to explain the form to potential clients and had also written more than 400 landlords with whom Citi Habitats has done business to introduce the new law and form to them. "We thought it would be a good thing to advise everybody," he said, "because it's going to be part of the process for all of us from now on."

Mr. Malin said that while some potential clients might balk at signing the form when they had essentially just met an agent, he hoped that in a few months it would simply become a part of doing business.

Donna Olshan, the president of Olshan Realty, said her agents had been trained by officials from the Real Estate Board of New York, but added, "Nobody knows how this is going to work." Brokers have been told that they must retain every form for three years, including "affirmation" forms, in which an agent states that although he or she has presented a disclosure form to a client, the client has refused to sign it. "We're going to be up to our eyeballs in forms," she said.

The disclosure forms may also be quite an eye-opener for renters. In many cases, when an agent has an exclusive rental listing, the agent is the landlord's agent, even though the broker's fee will be paid by the potential renter.

"Some future tenants may get a little freaked out when we have to put in writing that we represent the landlord," said Steven Halpern, a sales manager for A. C. Lawrence and Company. "But it's not a bad thing to clarify who we represent. And if a good agent builds a relationship in a good way, it won't matter."

# FINANCIAL STATEMENT

Name (s) \_\_\_\_\_

Address \_\_\_\_\_

The following is submitted as being a true and accurate statement of the financial condition of the undersigned on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

ASSETS			LIABILITIES		
	Applicant	Co-Applicant		Applicant	Co-Applicant
Cash in banks			Notes Payable:		
Money markets Funds			To Banks		
Contract Deposit			To Relative		
Investments: Bonds & Stocks -see schedule			To Others		
Investment in Own Business			Installment Accounts Payable:		
Accounts and Notes Receivable			Automobile		
Real Estate Owned - see schedule			Other		
Year     Make			Other Accounts Payable		
Automobiles:			Mortgages Payable on Real		
Personal Property & Furniture			Estate - see schedule		
Life Insurance			Unpaid Real Estate Taxes		
Cash Surrender Value			Unpaid Income Taxes		
Retirement Funds/IRA			Chattel Mortgages		
401K			Loans on Life Insurance Policies		
KEOGH			(Include Premium Advances)		
Profit Sharing/Pension Plan			Outstanding Credit Card Loans		
Other Assets			Other Debts - itemize		
<b>TOTAL ASSETS</b>			<b>TOTAL LIABILITIES</b>		
<b>COMBINED ASSETS</b>			<b>NET WORTH</b>		
<b>SOURCE OF INCOME</b>			<b>COMBINED</b>		
	Applicant	Co-Applicant			
Base Salary			<b>CONTINGENT LIABILITIES</b>		
Overtime Wages			As Endorser or Co-maker on Notes	\$	
Bonus & Commissions			Alimony Payments (Annual)	\$	
Dividends and Interest Income			Child Support	\$	
Real Estate Income (Net)			Are you defendand in any legal action?		
Other Income - itemize			Are there any unsatisfied judgments?		
<b>TOTAL</b>			Have you ever taken bankruptcy? Explain:		
<b>GENERAL INFORMATION</b>					
	Applicant	Co-Applicant			
Personal Bank Accounts at			<b>PROJECTED EXPENSES / MONTHLY</b>		
Savings & Loans Accounts at			Maintenance		
Purpose of Loan			Apartment Financing		
			Other Mortgages		
			Bank Loans		
			Auto Loan		
			<b>TOTAL</b>		



**SCHEDULE OF BONDS AND STOCKS**

Amount of Shares	Description (Extended Valuation in Column)	Marketable Value	Non-Marketable Value

**SCHEDULE OF REAL ESTATE**

Description and Location	Cost	Actual Value	Mortgage Amount	Maturity Date

**SCHEDULE OF NOTES PAYABLE**

Specify any assets pledged as collateral, including the liabilities they secure:

To Whom Payable	Date	Amount	Due	Interest	Pledged as Security

The foregoing application (pages 1 through 5) has been carefully prepared, and the undersigned hereby solemnly declare(s) and certify(s) that all the information contained herein is true and correct.

Date \_\_\_\_\_ 20\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_ 20\_\_

Signature \_\_\_\_\_

# BUYER REPRESENTATION AGREEMENT

Before we start seeing properties, I ask clients to sign this agreement that allows Compass and me, as your agent, to legally and exclusively represent you and your interests. It establishes a formal relationship between us and outlines the terms and conditions under which I will represent you with your property search.

## Essential Components of the Buyer Representation Agreement:

**1. Scope of Services:** Defines the services I will provide you including property search, property showings, negotiation, and assistance with the purchase process.

**2. Property Type and Location:** The agreement may include details about the type of property you are interested in (e.g. single family, condo, commercial property, etc.) and the geographic area where you are looking to purchase.

**3. Duration:** The agreement specifies the period during which you are committed to working exclusively with me (typically 6 months).

**4. Compensation:** The agreement specifies how Compass will be compensated as it relates to your representation. We can have a conversation at the start of your search to discuss payment scenarios so we can memorialize it in writing in this agreement. Commissions are negotiable.

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We will review the agreement together before I ask you to sign anything.

# 50 THINGS A BUYER'S AGENT DOES TO ENSURE A SUCCESSFUL TRANSACTION

01. We will meet for a buyer consultation.
02. Align on the best communication plan throughout the entire process.
03. Encourage you to reach out to a lender for pre-approval and provide recommended lenders (at least 3) if requested.
04. Collect market data and recent comparables in neighborhoods you're interested in.
05. We will complete a buyer questionnaire to understand your needs and objectives.
06. If necessary, I will research off-market opportunities for you to find additional suitable inventory.
07. Create a 'Collection' so you're aware of listings that fit your criteria.
08. Select properties to show you based on your criteria.
09. Pull market trend data to understand what's happening within the broader region.
10. Coordinate showing appointments to gain access to desired listings.
11. Learn relevant details and attributes of the properties shown, including number of bedrooms, bathrooms, square footage, acreage, etc.
12. Attend broker tours to view other available properties on the market.
13. Stay connected to local buyers, sellers, and other agents to maintain a constant view of what drives the market.
14. Reach out to agents with similar listings to understand traffic and buyer demand.
15. Provide objective advice and help you evaluate the pros and cons of different properties.
16. Prepare a Comparative Market Analysis (CMA).
17. Understand the current condition of the property for negotiation purposes with the assistance of experts.
18. Advise you on potential offer strategies that reflect current market conditions.
19. Help you obtain HOA documents if needed.
20. Review all transaction documents with you in advance of writing any offer.
21. Review all forms in the disclosure package.
22. Coordinate additional access to the property, if necessary.

23. Join you while you meet with experts about desired improvements including landscaping, painting, fixture updates, minor and major renovations, etc.
24. If requested, recommend at least three vendors to you on your specific request.
25. Maintain consistent communication to provide market updates.
26. Monitor any changes in the market to refine offer strategy and make needed updates (revising price, terms, etc.) accordingly.
27. Explain the offer process, timeline, and recommended preparation.
28. Align on offer strategy and prepare the offer on your behalf.
29. Notify the listing agent you are submitting an offer.
30. Advise and strategize with you on counteroffer response.
31. Negotiate terms as needed with the listing broker and seller in writing
32. Notify you when terms are agreed upon.
33. Assist with the review of the final contract, disclosures, pre-qualification letter, and wiring instructions, if applicable.
34. Coordinate the signing of the final agreement.
35. Facilitate deposit of earnest money and down payments.
36. Create and execute closing timeline and transaction review.
37. Stay in close contact with all relevant parties through next steps.
38. Share estimated timeline and all documents with client and Attorney(s), if applicable.
39. Coordinate and confirm inspection.
40. Coordinate and confirm appraisal has been received.
41. Confirm loan approval has been received.
42. Coordinate final walk-through and address issues that may arise by communicating with the seller's agent.
43. Remind you to order home warranty (if applicable).
44. Remind you to order homeowners insurance and set up utilities.
45. Request final closing figures from the closing agent (attorney or title company).
46. Advise you to carefully review closing figures with settlement service provider.
47. Facilitate closing for you and the seller.
48. Confirm recording of deed, if applicable.
49. Transfer of keys and property access.
50. Welcome you to your new home!



## Exclusive Buyer Representation Agreement

This Exclusive Buyer Representation Agreement (“Agreement”) is by and between [REDACTED] (“Buyer”) and Compass RE NY, LLC dba Compass (“Compass” or “Buyer’s Broker”, together with “Buyer”, the “Parties”).

1. Appointment. Buyer hereby retains Compass, a licensed New York State Real Estate Broker, represented by The Columbia Vitolo Team at Compass (“Agent”) to represent Buyer as Buyer's exclusive agent for the purpose of assisting Buyer in locating and purchasing property in New York City (“Property”) during the Term (defined below) upon the terms and conditions set forth herein.
2. Exclusive Representation. Buyer hereby retains Buyer’s Broker as Buyer’s exclusive representative to represent Buyer in the location and acquisition of Property in accordance with the terms of this Agreement. Buyer shall work exclusively with Buyer’s Broker and shall not directly contact or work with any other real estate Broker or agent with respect to locating and viewing properties (the “Potential Property” or “Potential Properties” as the case may be) during the term of this Agreement. Buyer shall negotiate for Potential Properties exclusively through Buyer’s Broker and shall refer to Buyer’s Broker all inquiries in any form from any other real estate agent, seller or any other source, including Potential Properties located by Buyer.
3. Buyer Relationship with Another Broker. Buyer represents that Buyer is not subject to another Buyer Representation Agreement with another broker or agent for the Property. Buyer agrees not to enter into any other such agreement or relationship with another agent or broker during the Term (defined below).
4. Term. This Agreement is effective for [REDACTED] months from the date of this agreement (“Effective Date”) (the “Term”), unless extended by mutual written agreement of both Parties. If prior to expiration of this Agreement, Buyer has entered into an Agreement of Sale for a Property, the ending date of this Agreement shall be extended to the earlier of (i) the termination of the applicable Agreement of Sale, or (ii) the date on which the settlement occurs under the Agreement of Sale.
5. Agency Relationship. This Agreement creates an agency relationship with Buyer’s Broker and Buyer. Buyer acknowledges receipt of the New York State Agency Disclosure Form.
6. Dual Agency. Buyer acknowledges that Buyer’s Broker also represents sellers that are selling properties. In the event that Buyer’s Broker shows Buyer a Potential Property where Buyer’s Broker is also representing the seller of a Potential Property, a dual agency relationship arises (a “Dual Agency Property”). If Buyer does not wish to see a Dual Agency Property, Buyer should inform Buyer’s Broker of such a decision. If Buyer chooses to view a Dual Agency Property, Buyer hereby provides its advanced informed consent to dual agency to Buyer’s Broker. Buyer acknowledges that when Buyer’s Broker is acting as a dual agent, Buyer’s Broker cannot provide undivided loyalty to either party but Buyer’s Broker has an obligation to maintain the confidences of each party and to treat each party honestly and fairly. If a dual agency relationship is created, Buyer’s Broker will obtain the acknowledgement and consent of Buyer and the seller to the dual agency relationship before proceeding with a transaction. Buyer also acknowledges that (i) Buyer may request that Buyer’s Broker act as a Dual Agent with Designated Sales Agents and (ii) in the event of a dual



agency, Buyer's Broker may collect a commission from the seller as agreed to in the listing agreement between Buyer's Broker and the seller, as well as an offer of compensation offered by the seller to Buyer's Broker.

7. Buyer's Broker's Representations and Services. Buyer's Broker shall: (a) use reasonable efforts to identify Potential Properties that meet the purchasing priorities, as set by Buyer; (b) arrange for showings of Potential Properties that are suitable for Buyer (c) assist Buyer in negotiating terms of an offer for Potential Properties at a price and on terms acceptable to Buyer; and, (d) generally advise and assist Buyer throughout a sale and purchase transaction.
8. Buyer's Duties & Representations and Warranties. Buyer agrees to (i) provide Buyer's Broker with their purchasing priorities and timely consider properties selected by Compass or Buyer, (ii) submit through Compass any offers to purchase or acquire property, and (iii) provide accurate and relevant personal information to Compass related to the purchase of a Potential Property. Buyer also agrees to act in good faith toward the completion of any purchase agreement regarding a Property entered into in furtherance of this Agreement. Buyer understands and agrees that Buyer must take steps to protect itself including by investigation of information and discovery of the legal, practical and technical implications of discovered or disclosed facts. Buyer agrees to read all documents provided to Buyer in a timely manner.
9. Compensation.
  - a. **Buyer understands and agrees that real estate commissions are not set by law and are fully negotiable.**
  - b. In the event Buyer, or any other person or entity acting on Buyer's behalf, acquires, exchanges for, or obtains an option on a property (the "Purchased Property") during the Term or during the Protection Period, as hereinafter defined, Buyer agrees that Buyer's Broker shall be deemed to earn and will receive, at the time of the closing of the Purchased Property, a commission in the amount of 3% percent of the gross purchase price (the "Commission"). Gross purchase price shall be equal to total amount Buyer pays Seller for the Purchased Property including, but not limited to, a garage space, storage unit and/or a cabana.
    - i. In the event a seller offers compensation to the Buyer's Broker, Buyer's Broker will disclose to Buyer any compensation offered by the seller to Buyer's Broker prior to preparing any offer on Buyer's behalf. If the seller's offer of compensation is equal to or greater than the Commission listed in this section, no compensation shall be due to Buyer's Broker from Buyer. Buyer's Broker agrees that it will not receive compensation in excess of what is listed above from any other source for its representation of Buyer unless separately agreed to by Buyer and Buyer Broker in writing.
    - ii. In the event the commission offered to Buyer's Broker by the seller is less than the Commission, Buyer agrees to compensate Buyer's Broker the difference between the commission offered and paid by the seller and the Commission.
    - iii. In the event that the Commission is not being paid by seller, Buyer shall be responsible to pay Buyer's Broker the Commission. The Commission will be due and payable to Buyer's Broker when title or ownership passes to Buyer at the Closing.
10. Commission on Leasing of Property. In the event that Buyer, or any other person or entity acting on Buyer's behalf, leases a property introduced to Buyer during the Term or during the Protection Period, as hereinafter



defined (the “Leased Property”), Buyer’s Broker shall receive, at the time of the signing of the lease for the Leased Property, a commission in the amount of 15% percent of the first year’s rent of the Leased Property (the “Leasing Commission”). The Leasing Commission is due and payable to Buyer’s Broker at the time of lease signing for the Leased Property.

11. Protection Period. Buyer acknowledges that if within 90 days of the termination of this Agreement (the “Protection Period”), Buyer, or any person or entity acting on Buyer’s behalf, acquires, exchanges for, obtains an option on, or leases a Potential Property shown to Buyer by Buyer’s Broker Buyer’s Broker shall be entitled to the Commission or Leasing Commission as set forth in this Agreement.
12. Other Buyers. Other potential buyers may be interested in the same properties as Buyer. It is agreed that Compass may represent such other potential buyers whether such representation arises prior to, during, or after the termination of this Agreement. In any such situation, Buyer understands that Compass will not disclose to any other potential buyer the terms of the Buyer’s offer or any other confidential information concerning the Buyer and also will not disclose to Buyer the terms of any other buyer’s offer or any confidential information concerning the other buyer(s).
13. Disclaimer. Buyer hereby acknowledges that Buyer’s Broker is being retained solely as a real estate professional and not as a tax advisor, engineer, attorney, home inspector, architect, contractor or other professional service provider. Buyer’s Broker has recommended to Buyer that Buyer seek the advice and counsel of qualified experts in connection with, but not limited to, the physical condition of Potential Properties and as to legal matters with respect to such Potential Properties. Buyer hereby acknowledges that it is Buyer’s sole responsibility to obtain such services and to retain any experts as per Buyer’s sole election.
14. Arbitration. All fee disputes, claims or controversies arising out of or related to this Agreement shall, upon demand of either party, be submitted for binding arbitration, to the American Arbitration Association (AAA) or, upon mutual agreement, to another dispute resolution service and will be governed under New York State law. All proceedings will be conducted at a location in New York chosen by the arbitrator. Reasonable attorneys’ fees and costs shall be awarded to the generally prevailing party in the arbitration.
15. Attorney’s Fees. If any action at law is necessary to enforce the compensation provision of this agreement, the prevailing party shall be entitled to reasonable attorneys’ fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.
16. Compliance with Laws. The Parties agree that each will act in compliance with the fair housing laws of the United States and the State of New York and that neither will participate in discriminatory practices or ask or answer questions regarding race, creed, color, sex, age, marital status, national origin, familial status, disability, military or veteran status, sexual orientation, government assistance or any other class or characteristic deemed protected by law.
17. Entire Agreement. All prior understandings and agreements between Buyer and Buyer’s Broker are merged in this Agreement and this Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.



18. Modification to Agreement. This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a separate written agreement signed by all of the parties to this Agreement.

19. Additional Terms and Conditions:   NONE    
\_\_\_\_\_  
\_\_\_\_\_

**BUYER**

**COMPASS RE NY, LLC DBA COMPASS**

\_\_\_\_\_  
Name:  
Date:

\_\_\_\_\_  
Authorized Representative:  
Date:

\_\_\_\_\_  
Name:  
Date:

**COMPASS AGENT**

\_\_\_\_\_  
Name:  
Date:

# KEY TERMS TO KNOW

## **Adjustable Rate Mortgage (ARM)**

A mortgage with an interest rate that changes over time in line with movements in the index. ARMs are also referred to as AMLs (Adjustable Mortgage Loans) or VRMs (Variable Rate Mortgages).

## **Adjustment Period**

The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.

## **Amortization**

Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

## **Annual Percentage Rate (APR)**

The total finance charges (interest, loan, fees, points) expressed as a percentage of the loan amount.

## **Assumption of Mortgage**

A buyer's agreement to assume liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.



## **Balloon Payment**

A lump sum principal payment due at the end of some mortgages or other long-term loans.

## **Cap**

The limit on how much an interest rate or monthly payment can change, either of each adjustment or over the life of the mortgage.

## **Certificate of Reasonable Value (CRV)**

A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.

# KEY TERMS TO KNOW

## **Closing Statement**

The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.

## **Condominium**

A form of real estate ownership where the owner receives title to a particular unit and has proportionate interest in certain common areas. The unit itself is typically a separately owned space whose interior surfaces (walls, floors, and ceilings) serve as its boundaries.

## **Contingency**

A condition that must be satisfied before a contract is binding. For example, a sales agreement may be contingent upon the buyer obtaining financing.

## **Conversion Clause**

A provision in some ARMs that enables you to change an ARM to a fixed-rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed-rate mortgages. This conversion feature may cost extra.

## **Cooperative**

A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

## **Earnest Money / Escrow Deposit**

The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

## **Escrow**

A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all paperwork and distribution of funds.

## **FHA Loan**

A loan insured by the Insuring Office of the Department of House and Urban Development; the Federal Housing Administration.

# KEY TERMS TO KNOW



## **Federal National Mortgage Association (FNMA)**

Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by the FHA or guaranteed by the VA, as well as conventional home mortgages.

## **Fee Simple**

An estate in which the owner has unrestricted power to dispose of the property as they wish, including leaving by will or inheritance.

## **Finance Charge**

The total cost a borrower must pay, directly or indirectly, to obtain credit.

## **New Development**

If you visit new construction communities on your own, please remember to register your agent. This will provide you with support from both the realtor and the developer through the building process.

## **Open House**

A convenient way for listing agents to show a property. Typically Saturday and Sunday afternoons.

# TRUTHS AND PRINCIPLES FOR BUYERS



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## DO I NEED A BUYER'S AGENT WHEN PURCHASING IN A NEW DEVELOPMENT?

The onsite sales team works for the sponsor and their job is to get the sponsor the highest price. Their fiduciary duty is not to the buyer. Sure, they are knowledgeable and want to make the deal happen but having a buyer's broker on your side that is experienced in new development purchases will be able to see beyond what is being offered to you, and give you the ability to look behind the curtain.

This business is about relationships and knowing that one developer just discounted a similar apartment last month by 8% because they are friends with someone who did a deal in the building is the difference between you believing that getting 5% off is the best they can do or getting another \$100,000 discount. StreetEasy is a great tool and the fact that it aggregates most of the NYC listings is beyond helpful. By all means, use it, but when it comes time to get serious about buying, the smart money is using an experienced buyer's agent.

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## HAVING A SEASONED BUYER'S AGENT IS BETTER THAN STREETEASY

Going it alone? Think StreetEasy is all you need? Let me tell you why you are at a disadvantage by not working with a buyer's agent in your home search. Firstly, have you seen the inventory lately? There are 54 two-bedrooms on the market in Tribeca alone between \$2 and \$3M. Do you have time to visit all 54? A good buyer's agent who specializes in a specific neighborhood will be able to look at those 54 listings and tell you which 8 are the best apartments.

A buyer's agent's job is to help you find what you want by being 10 steps ahead of you. What we have found is that most buyers start their search asking for X, Y and Z and end up buying Z, Q and R. Searching for a home is a process. Having an expert on your side who knows what is out there to guide you and help point you in the right direction is more than

just helpful — it can be the difference between getting that gem of an apartment or missing out on one.

For those buyers who are looking for something less common, like a 25' townhouse on Jane Street, having a seasoned buyer's agent on your side is also a must. Many times, the really great trophy homes trade off-market or, at least, we find out about them before they get listed on the open market. Having someone on your side to go beyond what you see listed on StreetEasy is smart practice.

If you deal directly with the listing agent and are unrepresented, it is important to remember they have a fiduciary responsibility solely to the seller. They only have an obligation to represent the seller's best interest, not yours. This is true regardless of how nice they are. This is not something that should be discounted.

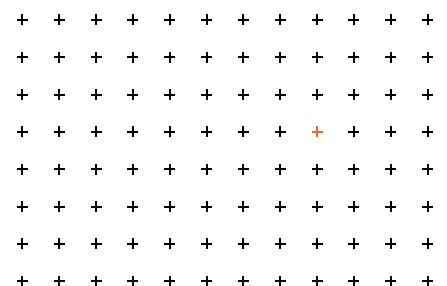
Also, while the duty of the listing agent to be honest goes without saying, they also may not be disclosing all of the facts that will help you negotiate the best deal. For example, that corner two-bedroom facing Crosby Street? The same unit is coming on the market three floors higher with a renovated kitchen next month. To borrow an expression from the finance world, having a broker with "juice" is always a good idea.

Remember, a good buyer's broker is looking to build a relationship. It doesn't matter if you buy next month or in two years; a good broker will want to make you happy and work hard for you without pressure.

Having access to the data that StreetEasy provides does not make one an expert on the complicated and often opaque NYC market. Knowing that the apartment that just closed on the 5th floor was a distressed seller who was in the middle of getting a divorce or if you are a first-time buyer, having a veteran broker educate you on the buying process, from mortgages to bidding wars, is priceless.

Speaking of bidding wars, how many have you been through? We have seen at least 50 and will give you the benefit of everything we have learned throughout those deals. Sometimes, it seems like more of an issue of a particular type of buyer who has purchased before, believing that they know the market and are able to negotiate for themselves a better deal. Rarely is this a fact.

Finally, it's good to have a resale broker by your side to tell you what kind of properties are easier to resell than the others, which will play a role in what you decide to buy.



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## ASSEMBLE AN ALL STAR TEAM

Thinking about buying? You should have a team: a seasoned real estate broker, a mortgage professional, and a top real estate attorney all working together to achieve the same goal for you. This is exactly what you want as a buyer.

Any top broker will be able to assemble this team for you. Take their recommendations as they come from years of experience and trial-and-error. There is no reason to approach this process alone. With a team behind you, everyone will be working with your best interest in mind.

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## BUY MORE THAN YOU NEED

A sizeable chunk of our business comes from clients who are trading up. From one bedroom to two bedrooms, two bedrooms to three bedrooms, and so on. Real estate is a long-term game. The transaction costs do not favor the short game of trading every couple of years. You should buy the home that you can live in for the next 5 to 10 years without being forced to move out due to changing circumstances. The only people that lose money in real estate are people that NEED to sell when the market is down. If you can hold out until the market comes around again, you can weather the storm. I can't emphasize enough the importance of buying up or reaching a bit. It will pay off in the end.

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## SHOULD I WORK WITH A BROKER AS A BUYER?

Yes! Are you kidding? This is Manhattan and probably 90% of all the deals market-wide involve a buyer's broker. Make sure they are seasoned and have sold several dozens of apartments. A great broker will not only guide you to properties that you probably would not usually consider (they look at apartments all day and know what's out there), they will help you to really understand its value, and they will make sure you get it by knowing how to deal with the other broker. Best of all, working with a buyer's agent is free. Remember: the seller's agent has a fiduciary duty to get the seller the most money possible, while the buyer's agent is loyal to you. While you may think that surfing StreetEasy is the way to go it alone, that will all be forgotten when you do find a great buyer's agent. Put together the strongest team possible when buying an apartment, and your first draft is the best broker you can find.

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Did you fall in love with a property? Is it a 25 ft-wide townhouse on West 9th Street? Or the perfect little jewel box of a studio overlooking Duane Park? Buy it. Trust us. We never hear clients who regretted buying something special. We only hear about the ones that got away.

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Regardless of the budget, whether \$500,000 or \$30 million, every buyer makes trade-offs when it comes to purchasing a home. What we have seen over the years is that the search process for buyers is one that starts out very wide and narrows in the more properties they see. Buyers should most certainly start out with a wish list from location, price, views, to size and amenities. What tends to happen is that a buyer's priorities will become clear. What you thought was the most important requirement in your new home in the beginning often changes along the way.

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We asked one of our favorite real estate attorneys, Pierre Debbas of Romer Debbas for his advice after seeing thousands of buyers purchase apartments. In his opinion, the biggest obstacle for a residential deal is people get attached to a property, take negotiations personally and start to make decisions based on emotion rather than logic. We agree.

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**PEOPLE ALWAYS REGRET  
WHAT THEY DIDN'T BUY,  
NOT WHAT THEY DID.**

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**FOCUS ON YOUR TOP 2 OR  
3 PRIORITIES (LOCATION,  
VIEWS, CLOSET SPACE) AND  
THEN MAKE CONCESSIONS  
FOR EVERYTHING ELSE.**

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**DON'T GET EMOTIONAL;  
THINK OBJECTIVELY.**

---



## ATTORNEYS

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