



Bamberger

*A Guide to Selling
Your Home*



bambergergroup.com/sell

New York City real estate is one of the most fast-paced and competitive markets in the world.

But over the years we've spent helping New Yorkers sell their homes, we realized many in our industry and beyond describe this process in unnecessarily confusing, overly complicated, and, at worst, dangerously misleading terms.

This doesn't need to be the case. That's why we've created our very own Bamberger Group Seller's Guide to break down every step you will take when you choose to sell your home. We hope you find it useful and empowering.

*We want to hear from you.
Please don't hesitate
to reach out—we're available anytime
via phone or email.*



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The Bamberger Group Seller's Guide

How to Sell Your Co-Op or Condo

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I. The Decision to Sell

While every seller is motivated by unique personal and financial reasons to leave their home, it is important to consider the following alternatives to listing your apartment before making the leap:

Subletting

Whether you need to sell your home at a time when the market is weak or have plans to one day return to your apartment, we believe taking on a tenant could be a viable strategy that will allow you to move out without letting go of your home. Look into your co-op's rules on subletting to educate yourself on the responsibilities of becoming a landlord.

Leaving your home empty

We understand that this can be an unpopular choice for many New Yorkers who need to move. An empty apartment can be a financial burden and a waste of space. However, this may be a stronger alternative than you think, especially if your co-op is not sublet-friendly or if your moving plans are short-term. Depending on your situation, it might be cost-effective to wait for a stronger seller's market.

II. Selling Your Apartment

We suggest you study the value of your home and the market in which you're choosing to sell.

- Calculate the overall value of your home. Draw on any available data related to apartments similar to your own—both in your building and in the neighborhood—to determine this price.
- Understand the mortgage market. If you notice a trend of relatively low interest rates, you may have a larger pool of buyers motivated by the prospects of a low interest loan.
- Take note of the inventory of homes on the market. A low number of comparable apartments to yours could mean the opportunity is ripe for you to list.
- Consider what you need from the sale to make your next move feasible.
- Meet with brokers. Initial consultations are free, and can be a good opportunity to get your home appraised by a professional without having to make a full commitment to sell.

III. The Broker

The Broker Route: Why or Why Not?

Selling an apartment can be tedious and exhausting. There are several reasons most New York City homeowners prefer to enlist the services of a broker to handle the process of selling. We've summarized two of the most important factors below:

The Emotional Burden

Selling the place you call home is an inevitably emotional task. This is a reality that prospective buyers are largely indifferent to. The fastidious care you put into your home has little to no value to the next person who will live there. It can be very difficult to separate your personal biases as a homeowner from your ability to sell your home without representation. On the other hand, you may be unaware of several positive attributes that make your apartment appealing to a potential buyer. It often takes a second set of eyes to recognize the objective value of a home.

Lack of Experience

A good broker will have not only sold similar apartments to yours in the past; they've probably done it dozens of times before. The road map to closing is built on thin ice, with countless variables that could easily derail a deal from closing. A broker with years of industry experience will have a better handle on how to guide your deal to the finish line.

What does a broker do?

We describe the job of the ideal broker as 50% marketing and 50% sales. Half of the value is in how the real estate agent communicates with potential buyers, other brokers and the seller, while the other half is in how the broker presents the apartment in the marketplace in terms of price and exposure.

Your ideal broker will possess a fundamental understanding of what makes your home unique and the skillset to project its value effectively to as many potential buyers as possible. Some of these skills include: a firm grasp of visual and verbal skills that will present your home in its best light, a team that can effectively execute their vision, a strong network of connections, and a reliable and trustworthy reputation.

Brokers will work for a larger corporation, a boutique operation, or specialize in one specific building. **No matter who you choose to sell your home, we strongly urge you to work with one of our fellow REBNY members.** Belonging to the Real Estate Board of New York is a basic requirement for any experienced broker working in our city's real estate industry. The organization works to mediate any and all internal disputes that may arise between colleagues during the process of buying and selling a home.

How to find the right broker

Whether you find your broker through personal contacts, neighbor referrals, or doing online research, you'll go through a similar vetting process with all potential candidates.

The first step is a phone call. You will provide a few key details about your apartment and decision to sell. In turn, the broker should tell you some basics about their experience in real estate and their initial thoughts on how they would sell your apartment. If you are comfortable with how the broker plans to sell your home, you will invite them over for an in-person consultation.

The interview

This interview is the most important interaction you will have throughout the entire experience of selling your home. It is your opportunity to get to know the person who will be representing your home and, by extension, yourself. Take your time and ask important questions. Remember, you are buying a service, not a product. A broker who advertises a reduced commission will likely provide a lesser service.

Be sure to ask the broker the following questions:

1. What is your strategy for selling my home, and why is it unique?
2. What have you sold in my building, and what were those experiences like?
3. What does your current workload look like? How do I know you will prioritize selling my apartment among your other listings?
4. What will our communication look like?
5. How will you conduct showings of the apartment, and how often will you run open houses?
6. What will our contract look like?

Loose ends

Once you've found someone you trust to represent your home on the market, you should move quickly to have the following information handy before listing your apartment:

Seller expenses: put together a chart of taxes and fees you'll need to pay, which include but are not limited to: **City and state taxes, mansion taxes, flip tax, building fees, move out fees, attorney fees.**

Choosing an attorney: Your attorney will handle the contract on the final deal you choose to accept. Note that most apartments are accepted in "as is" condition, which means that you, as the seller, guarantee that appliances and fixtures are in working order but that the buyer needs to accept the state of any other aspects of the apartment at the time of the sale. Be sure to inform your attorney of any special exclusions you may want to put in the contract, such as window shades, blinds or expensive lighting fixtures.

A Note on Price

The typical attorney fee for these representations range from \$2,500 to \$3,000. As with brokers, be wary of "discount" attorneys who may not properly perform due diligence on your behalf.

IV. Preparing the Listing



You will go through the following four steps to prepare your home's "listing lifetime,"

Establishing a selling price

This is an art, not a science. No algorithm determines your home's ideal price point. You and your broker may experiment with a range of asking prices, depending on the demands of the market at selling time.

Signing a listing agreement

This contract between you and your broker will stipulate some key details of your business relationship:

- The listing price for your apartment.
- The amount and terms of your broker's compensation.
- The authority you will grant to your broker to represent your home on the market and represent you in doing business with potential buyers and their brokers.
- The duration of your listing with the broker.

Taking photos

Your broker will bring a photographer to your home to take pictures for the listing as well as to separately create a floorplan. Be prepared to rearrange furniture for ideal shots that showcase the spatial potential of your apartment. A good broker might also suggest affordable staging and interior design options.

Preparing the space

There are a few small steps you can take to greatly improve your apartment's impression on buyers. They include, but are not limited to:

- Applying a fresh coat of white paint to the walls and ceiling.
- Polishing and buffing the floors.
- Decluttering countertops, tables, desks, and shelves.
- Removing personal & family photos.
- Putting bulky and extraneous furniture into storage.
- Cleaning the windows.
- Tightening up loose ends. Consider buying a new shower curtain. Repair damage from wear and tear on cabinetry and remove scuff marks on walls and corners.
- Cracking a window, or at least setting up a fan or air conditioner to keep the apartment well-ventilated.

Scheduling showtimes

Be sure to note all potential scheduling conflicts when establishing showtimes with your broker. Keep in mind that the most popular showtimes are after work hours and on weekends.

V. The Listing's Lifetime

Your broker should report to you once a week and after every open house, regardless of whether any offers have been made or how long your apartment has been on market. It is your right as the seller to stay informed and updated on the sale of your property.

The first thirty days

The "sexy" month of your listing. These first thirty days mark a critical time during the selling period, in which the novelty of your listing will result in its highest levels of exposure to potential buyers and their brokers. Be prepared for your listing to generate a lot of interest online, as well as higher traffic at open houses.

But there's one major myth surrounding your listing's time on market which we would like to definitively dismiss: your home is not doomed to sit empty on the market if it does not sell in the first thirty days.

After 30 Days: the Dos and the Don'ts

Do be patient. There is no ultimate guarantee about what the buying pool will look like once you list your home. If your home doesn't get an acceptable offer in the first thirty days, that does not mean a buyer willing to pay the listing price won't appear a few months down the line.

Don't acquiesce to fear mongering. Some brokers may ask you to lower the listing price in order to get a quick sale on your home. A lower price does not guarantee your home will sell quicker. A price drop in the listing may result in unqualified offers that will be rejected by your building's board.

Don't micromanage your broker. There's a reason you heavily vetted them in the first place. Trust plays in an important role in that relationship.

VI. Handling Offers

What Happens When You Receive an Offer?

You will either accept, reject, or make a counter-offer. If you have a broker, they should be heavily involved in helping you manage an offer, especially if you believe that the buyer is a great candidate for board approval.

If you choose to make a counter-offer, you and your broker will begin a dialogue with the prospective buyer and their representative. If all goes well, both parties will come to a meeting of the minds that will result in an offer you and your broker would be happy to accept.

A REBNY financial statement. This industry standard form is used by brokers to help determine a buyers qualifications to purchase your apartment.

VII. Attorney Due Diligence & Contract Signing

Once you and your prospective buyer have come to a meeting of the minds, your broker will circulate a document called a “deal sheet.” This non-binding, informal summary of the proposed transaction will serve as a blueprint for the eventual contract. Shortly after the deal sheet is sent out, your attorney will send a contract of the sale reflecting the terms of the agreement.

Attorney due diligence

Your prospective buyer's attorney needs time to review the contract and ensure that their client is being fairly represented and protected by its conditions. Remember that they are also vetting the cooperative itself to ensure that it is a sound investment for the purchaser.

To this effect, the buyer's attorney will be requesting the following documents from the management company of your building:

- A copy of the Offering Plan and Proprietary Lease, and By-Laws. These are the governing documents of the cooperative, drafted when the building was originally converted to a co-op.
- The most recent purchase (and, if allowed, sublet) applications for the building.
- Financial statements for the co-operative from the last 2-3 years.
- A list of the House Rules.
- Records of co-op board's “minutes” (a transcript of the board's meetings).

Note that you should have received copies of all these documents at some point during your time as a shareholder. If for whatever reason you do not have these documents saved, your management should be able to issue new copies to you for a small fee.

The review of the contract and these documents will usually take four to ten days for your prospective buyer's attorney to complete.

Signing the contract

Once all the aforementioned documents are reviewed—and approved—by the purchaser's attorney, your prospective buyer will be first to sign the contract. The contract will then be passed on to your attorney, who will review any possible changes made to the contract. Pending your attorney's approval of the new contract, you are now read to countersign the contract, thereby rendering it fully executed.

This is a huge milestone in the sales process, and you and your prospective buyer can now gear up for the final leg of the race: the board package.

Contract of sale cooperative apartment, 7-2001
Prepared by the Committee on Condominium and Cooperative of the Real Property Section of the New York State Bar Association

CONSULT YOUR LAWYER BEFORE SIGNING THIS AGREEMENT
Contract of Sale - Cooperative Apartment

This Contract is made as of October ____, 2017 between the “Seller” and the “Purchaser” identified below.

I Certain Definitions and Information

1.1 The “Parties” are:

1.1.1 “Seller”:
Prior names used by Seller:
Address:

S.S. No.:

1.1.2 “Purchaser”:
Address:

S.S. No.:

1.2 The “Attorneys” are (name, firm name, address and telephone, fax):

1.2.1 “Seller’s Attorney”

1.2.2 “Purchaser’s Attorney”

1.3 The “Escrowee” is the Seller’s Attorney.

1.4 The Managing Agent is (name, address and telephone, fax):

1.5 The real estate “Broker(s)” (see ¶ 1.2) is/are:

1.6 The name of the cooperative housing corporation (“Corporation”) is:

1.7 The “Unit” number is:

1.8 The Unit is located in “Premises” known as:

1.9 The “Shares” are the shares of the Corporation allocated to the Unit.

1.10 The “Lease” is the Corporation’s proprietary lease or occupancy agreement for the Unit, given by the Corporation which expires on

1.11 “Personality” is the following personal property, to the extent existing in the Unit on the date hereof: the refrigerators, freezers, ranges, ovens, built-in microwave ovens, dishwashers, garbage disposal units, cabinets and counters, lighting fixtures, chandeliers, wall-to-wall carpeting, plumbing and heating fixtures, central air-conditioning and/or window or sleeve units, washing machines, dryers, screens and storm windows, window treatments, switch plates, door hardware, mirrors, built-ins not excluded in ¶ 1.12 and all in their as is condition, except as set forth herein.

1.12 Specifically excluded from this sale is all personal property not included in ¶ 1.11 and N/A.

1.13 The sale [does] [does not] include Seller’s interest in [Storage] [Servant’s Room] [Parking Space] (“Included Interests”).

1.14 The “Closing” is the transfer of ownership of the Shares and Lease.

1.15 The date scheduled for Closing is on or about 30 days from board approval (“Scheduled Closing Date”) at TBD (See ¶¶ 9 and 10)

1.16 The “Purchase Price” is: \$

1.16.1 The “Contract Deposit” is: \$

1.16.2 The “Balance” of the Purchase Price due at Closing is: (See ¶ 2.2.2)

1.17 The monthly “Maintenance” charge is \$ (See ¶ 4)

1.18 The “Assessment”, if any, payable to the Corporation, at the date of this Contract is \$N/A, payable as follows:

1.19 [Seller] [Purchaser] shall pay the Corporation’s flip tax, transfer fee (apart from the transfer agent fee) and/or waiver of option fee (“Flip Tax”), if any. N/A

1.20 Financing Options (Delete two of the following ¶¶ 1.20.1, 1.20.2 or 1.20.3)

1.20.1 Purchaser may apply for financing in connection with this sale and Purchaser’s obligation to purchase under this Contract is contingent upon issuance of a Loan Commitment Letter by the Loan Commitment Date (¶18.1.2).

1.20.2 Purchaser may apply for financing in connection with this sale but Purchaser’s obligation to purchase under this Contract is not contingent upon issuance of a Loan Commitment letter.

1.20.3 Purchaser shall not apply for financing in connection with this sale.

1.21 If ¶ 1.20.1 or 1.20.2 applies, the “Financing Terms” for ¶ 18 are: a loan of \$ for a term of years or such lesser amount or shorter term as applied for or acceptable to Purchaser; and the “Loan Commitment Date” for ¶ 18 is calendar days after the Delivery Date.

1.22 The “Delivery Date” of this Contract is the date on which a fully executed counterpart of this Contract is deemed given to and received by Purchaser or Purchaser’s Attorney as provided in ¶ 17.3.

1.23 All “Proposed Occupants” of the Unit are:

1.23.1 persons and relationship to Purchaser: Purchaser

1.23.2 pets: NONE

1.24 The Contract Deposit shall be held in a non-IOLA escrow account. If the account is a non-IOLA account then interest shall be paid to the Party entitled to the Contract Deposit. The Party receiving the interest shall pay any income taxes thereon. The escrow account shall be a segregated bank account at Depository:

Address:
(See ¶ 27)

1.25 This Contract is continued on attached rider(s).

2 Agreement to Sell and Purchase; Purchase Price; Escrow

2.1 Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Seller’s Shares, Lease, Personality and any Included Interests and all other items included in this sale, for the Purchase Price and upon the terms and conditions set forth in this Contract.

2.2 The Purchase Price is payable to Seller by Purchaser as follows:

2.2.1 The Contract Deposit at the time of signing this Contract by Purchaser’s good check to the order of Escrowee; and

VIII. The Board Package & Interview

The board package begins with a review of any financing agreed upon for the sale of the apartment. A bank will send an appraiser to appraise the value of the apartment. In some cases, they will need access to your home, unless they have recent information on file.

Note: If your buyer and you have agreed to a financing deal, there will always be a due date for a loan commitment letter from the bank to finance the purchase.

The Board Package—A Seller's Perspective

The most important form you will provide your buyer while they put together their board package is the government-mandated lead paint disclosure form. If your building was built before 1978, you are required to inform your buyer of any knowledge you may have pertaining to the use of lead paint in your building. Other forms may depend on building policy entirely, and are usually related to move-out processes.

The Waiting Game

Between the appraisal and board package, it could take up to 40 to 50 days to get the board package delivered. Once submitted, it can take anywhere from two weeks to a month for the board to do its review. Only then does the board decide whether to grant your potential buyer an interview.

So it's worth noting, for all your patience, that you're in great shape if the board decides to schedule an interview. If there's any underlying reason to not accept a potential purchaser, the board will make this decision during the package review process. There's a legal motivation behind this: if a co-op board decides to not accept a purchaser after a face-to-face meeting, they face a higher chance of being sued for perceived fair housing violations. In our

experience, your prospective purchaser already has a high chance of getting accepted into the building once they get the interview offer.

The Board Interview—A Seller's Perspective

There's not much you can do for your buyer as they prepare for their interview. But if your broker also happens to represent the prospective purchaser, it's their professional duty to use their knowledge gathered from working in the building to prepare the buyer for the experience.

Expect the board to come to a decision about your prospective buyer within no more than a week's time.



IX. Closing the Deal

At this point in the process, everyone involved in the deal gets to take their check home, and you pay the final fees on your apartment. Each building and management company structures its closing fees differently, so be sure to research what you will owe as a seller, prior to closing. A schedule of fees for the buyer and seller can usually be found in the purchase application.

- The New York City sales tax: This will be a 1% fee on your home if its value is \$500,000 or less, or a fee of 1.425% if its price exceeds \$500,000.
- The New York State sales tax: This will be a 4% fee of your home's value.
- Known colloquially as a "flip tax" (though not a tax at all), this is a fee that you co-op will charge in order to transfer your shares in the building to your buyer. Co-ops maintain this share as a source of revenue and maintaining cash reserves for your building. While usually paid by you, the seller, there are instances in which co-ops charge the buyer with paying the transfer tax.
- Mansion tax: 1% of the home sales price if over \$1,000,000. This is typically negotiated with the purchase price.

Congratulations! Once you've paid off your final fees, you're ready to move onto a new stage in your life and into a beautiful new home. If you navigated this experience successfully, we have no doubt you'll be ready to take on any other series of moves and sales that your future may have in store. We wish you continued success, and remember: make it yours.





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