

# Selling Guide

*“With all the factors involved in real estate, an analytical mind always helps.”*

— *Stribling Agent*

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## PREPARING TO SELL YOUR HOME

*When selling a home, please bear in mind the following:*

01. Make sure your home is clean and in top condition. Display fresh flowers to add warmth to the environment.
02. Allow your agent to schedule showings at the time of day when your property looks best.
03. Remove any jittery pets and arrange to be elsewhere when your home is being shown.
04. If selling a co-op or condominium, obtain rules and regulations from the managing agent.
05. Obtain documents (offering plan, prospectus, three years' financials, co-op/condo guidelines, etc.) from the managing agent and have them on hand before going to market.
06. Find out if your building has a “flip tax” or working capital deposit and whether the buyer or seller is responsible for paying it.
07. You will need to select an experienced real estate attorney to represent your interests.

*This is how the bidding process typically works:*

01. The bid or offer from a buyer is made orally or in writing through your real estate agent or co-broker, along with the presentation of the buyer's qualifications.
02. You may accept or counter the offer as part of a price negotiation.
03. In the case of multiple bids, you and your agent will execute a strategy to obtain the best price and terms from the most qualified buyer. Frequently, the strategy will involve sealed bids or a deadline for highest and best offers from various bidders.
04. You will work closely with your agent to identify the offer that best satisfies your needs.
05. The conclusion of the process will result in agreement upon the price, terms and closing date.
06. You and the buyer will need to engage capable and experienced New York City-based real estate attorneys to prepare and review a contract of sale.

*Once you have accepted an offer, you will enter the contract stage:*

01. While your attorney prepares the contract of sale, the buyer's attorney will exercise “due diligence” by asking for certain key papers from you or your managing agent. These typically include: *Statement of the building's financial condition* ▪ *The building's by-laws* ▪ *Proprietary lease or offering plan and amendments*.



*"The true measure of a quality real estate broker is not the number of sales achieved, but rather the level of satisfaction experienced by the client throughout the process."*

*— Stribling Agent*

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02. With the approval and agreement of the buyer's attorney, the contract of sale is signed by the buyer. At the signing, the buyer typically presents a deposit of 10% of the sale price.
03. The contract and deposit are forwarded to your attorney, who will obtain your signature.
04. The buyer's deposit is usually held in your attorney's escrow account until the closing date. Normally, any interest earned follows the principal.

*Your real estate agent presents the buyer with the building's board requirements and application papers, which may include:*

*Application • Signed financial statements • Tax returns • Bank statements • Brokerage statements • Personal and financial letters of reference • Professional reference letters • Contract of sale • Bank financing documents (if financing).*

01. The buyer's agent will compile the board package and send it to your agent for review. If everything is in order, the package will then be submitted to the building's managing agent, who will distribute copies to the appropriate board members.
02. Upon review, the board may or may not ask for additional information. A co-op may turn down a buyer. If not, the board will arrange to interview the buyer. Participants should be forewarned that the time lapse between submission of the board package and scheduling of the interview varies greatly from building to building, and from season to season. Generally, condominium buyers are not interviewed. If all goes well, official word of approval will come from the building's managing agent, typically within days of the interview.

*With the board's approval, the final step is the closing.*

01. Ordinarily, the buyer will ask to perform a final inspection of the property immediately prior to the closing. Barring any terms in the contract to the contrary, all fixtures and appliances that are scheduled to convey should be in good working order at this inspection.
02. The closing usually occurs in the office of the building's managing agent. The exact date should be flexible to accommodate everyone (you, the buyer, the attorneys, the banks, and the managing agent). It is best to allow for a potential delay of up to 30 days from the closing date specified in the contract.

## ESTIMATED CLOSING COSTS FOR CONDOMINIUM & TOWNHOUSE SELLERS

01. Broker: Typically 6%
02. Seller's attorney (negotiated flat rate) \$2,500±
03. NY City Transfer Tax: 1% of sales price for sales of \$500,000 or less; 1.425% for sales in excess of \$500,000
04. NY State Transfer Tax: \$2 per \$500 (or 0.4% of sales price)
05. Miscellaneous title company fees (if seller has mortgage): \$450±
06. Move-out deposit or fees (condo): \$1,000 (varies)
07. Managing agent fees (condo): \$500±

These figures are presented as a general guideline only. Actual closings costs will vary for every transaction. Before signing any contract, sellers should have all closing costs explained to them by their attorney.

## ESTIMATED CLOSING COSTS FOR CO-OPERATIVE SELLERS

01. Broker: Typically 6%
02. Seller's attorney (negotiated flat rate): \$2,500±
03. NY City Transfer Tax: 1% of sales price for sales of \$500,000 or less; 1.425% for sales in excess of \$500,000
04. NY State Transfer Tax: \$2 per \$500 (or 0.4% of sales price)
05. Flip tax (if any)\*: Often 2-3%, consult managing agent
06. Managing agent fee: \$600±
07. Stock Transfer Tax: \$0.05 per share
08. Move-out deposit or fees: \$1,000 (varies)
09. Payoff bank attorney (if seller has mortgage): \$500±
10. UCC-3 filing (if seller has mortgage): Up to \$100 per loan

\*Flip taxes vary on amount and by whom they are payable (buyer or seller)

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