

Here are some questions and answers to use as a guide when buying your first apartment.

What are the advantages of buying over renting?

When you rent, you have nothing to show at the end of the year. When you buy, you are entitled to certain tax deductions.

Why do I need a real estate agent?

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

What do I do first when buying?

Speak with a mortgage broker and get pre-approved – he/she will ask about your income, and run your credit history. You will then know which is better for you – a co-op or condo – and you will also know how much of a mortgage the bank will be willing to lend you based on your debt, income, and savings information.

How long does it take to get pre-approved?

Some mortgage brokers can pre-approve you right away. Request a pre-approval letter be emailed or mailed to you.

Do I pay a mortgage broker?

No, mortgage brokers are paid by banks.

What else should I do?

Retain an NYC real estate attorney. Purchasing Manhattan real estate is unlike purchasing real estate in any other city/state, and you need an attorney who is familiar with the NYC process.

What is the advantage of working with one agent? Shouldn't I have many agents looking for an apartment for me?

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

Do I pay my agent for his/her services?

No, the seller pays the agent's commission.

What is a financial statement?

Your broker will provide you with a financial statement in which you list your assets and liabilities. Your agent needs this statement at the beginning of the process so they can help you find the best apartment suited to your finances.

What are liquid assets?

Basically, liquid assets are monies that you can access right away, e.g., cash in banks, stock and bonds, mutual funds. They are not pension plans or 401K's, which are reviewed in the purchasing process, but not considered “liquid.”
