



corcoran

The Easy Guide to Selling a Home in New York City



Let's sell your home.

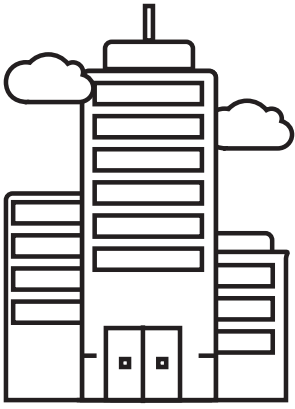
Some domestic chores are well-suited to the weekend warrior—things like painting a bedroom or planting perennials. Other tasks, like rewiring an electrical outlet or putting in a bathtub, are probably best left to a pro. Selling your home is one of those things. For 50 years, Corcoran's real estate professionals have been helping New Yorkers—even serious weekend warriors—navigate the selling process and come away from the closing table secure in the knowledge that every "i" has been dotted and every "t" has been crossed. We have 1,400 of the best agents in the business on the ground in the New York City neighborhoods we serve, working to earn—and keep—our clients' trust every single day. We're here for you.

Pamela Liebman
President and CEO
The Corcoran Group

Even for homeowners who have navigated the selling process before, the prospect of preparing a home for sale, pricing it right, marketing it effectively, showing it smartly, negotiating the sale, and managing a closing can be daunting, to say the least. And doing it in New York City is all that and more. This compact e-guide aims to jump-start your home-selling education, with terms you need to know, questions you should be asking, and tips for making the selling process—from finding an agent to sealing the deal—less stressful and more satisfying. And when you're ready to continue the conversation, we'll be there. Drop us a line at sell@corcoran.com to get in touch with a Corcoran expert.

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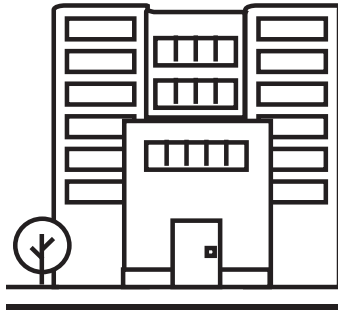


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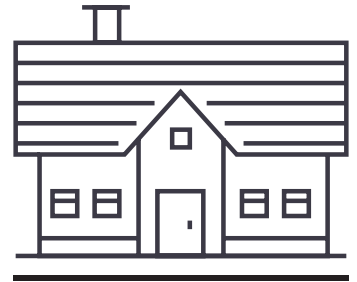
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What to Ask a Prospective Seller's Agent

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Finding an agent
whose personal
and professional
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secret to success.
”

Have questions of your own?
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When you're enlisting the assistance of an agent to sell your apartment—and signing a contract of exclusivity with her—it's essential to have a good feeling about the relationship. After all, you will be spending plenty of time working together over the next few months, and there may be moments of stress now and then. How do you know if an agent is the right person to sell your home? Do a little detective work, and ask a few pointed questions, before you sign on the dotted line. Above all, finding an agent whose personal and professional values align with yours is the real secret to success.

Do you have a lot of listings?

The answer to this one is open to a bit of interpretation: Lots of listings can suggest a genuine powerhouse of an agent who gets results fast, or a juggling minimalist who'll do just enough for each client to keep the lights on. Very few listings can suggest either a meticulous agent who'll devote themselves to your sale, or a greenhorn who'll hurry things along to get the commission.

How often will we be in touch?

This is no time to be coy. Ask your agent about their communication style, and if the answer doesn't suggest the required degree of attentiveness, keep looking. You can reasonably expect weekly status calls and emails, and a careful debriefing after each showing and open house.

How will you fight for me?

Yes, there may be fighting. Of course, look for an agent who promises a bold negotiation style and pledges without prompting to push for the best terms and conditions for you. But don't be shy about requesting proof, either by chatting with a former client or simply requesting a few war stories. If an agent can't effortlessly recall occasions when they fought for a client's interests and won, you may want keep looking.

What's your marketing plan?

In exchange for exclusivity, your agent needs to create a comprehensive marketing plan for your apartment, one that includes advertising, online listings, and a calendar of open houses—both for prospective buyers and for other brokers. And in markets that are unusually competitive (like New York City), don't be afraid to turn up the heat.

What else will you do for me?

It's the little things that matter, and an agent who makes a big deal of your apartment on social media or makes time to, say, attend your home inspection—and gather feedback from the inspector—may be a keeper.



What You Need to Know About Listing Agreements

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The contract spells out how your agent will market and present your home, and how much the broker will be paid for it.”

When you decide to sell an apartment in New York City, it's common practice to sign an exclusive listing agreement with a broker. The contract, which typically runs six months or longer, spells out exactly how your apartment will be marketed, what access your broker will have to your place (and when), and how much your agent will be paid for their services. Here are six basic terms you need to know about listing agreements.

Commission.

A percentage of the sale price, defined in the listing agreement, that is paid to the agent by the seller at the closing table.

Exclusivity.

An exclusive agreement will spell out the terms of the contract and state that your agent now has the sole right to sell your property for the duration of the agreement. That means the commission will be paid even you find a buyer yourself.

Marketing.

When signing an exclusive listing agreement, it's important to discuss how the apartment will be staged and advertised, how showings will be handled, and when open houses will take place.

Protection Clause.

For any exclusive agreement, this piece of the contract protects the seller's interests. It also protects the agent or broker (and guarantees their commission) for a certain period of time after the expiration date. This is important if, for example, a prospective buyer brought in by the agent during the agreement period reappears and makes an offer after the agreement has expired.

Timing.

Most exclusive agreements run for a term of six months. If your apartment hasn't sold by the end of that period, it's time to have a sit-down with your agent to discuss fresh strategies (and, perhaps, revised pricing). From there, you can re-up the agreement or decide to part ways.

How to Discover the History of Your NYC Home



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even an unassuming
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Think new could be for you?
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It's not just glam addresses like the Sherry Netherland and the Dakota that have star-studded mythologies. In New York City, even an unassuming residential tower or converted warehouse can carry a surprisingly scintillating history. Doing a little digging to discover your building's backstory can be an easy and irresistible attention-getter for your apartment. Because, really, who wouldn't want to own the apartment where Truman Capote's cook's cousin's brother-in-law once lived?

Take the obvious first step.

Start the process by dropping your building's street address or proper name, if you're fortunate enough to live in a building with a proper name, into your search engine of choice. Remember to keep it in quotes to keep the process focused. Keep in mind that your neighborhood might've been called something else in olden days. (To wit: Crown Heights was Crow Hill before 1916.)

Mix and mingle in the lobby.

Supers and doormen aren't only good for fixing faucets and accepting Amazon packages. They know their building inside and out, and they're often vast human repositories of arcane building history (and, if you ask nicely, some good gossip). And though the suggestion seems positively un-New York, getting to know your neighbors, particularly the old-timers who've been in the building for years, can prove invaluable as you do your research.

Fall into the BIS.

New York City's Department of Buildings manages the free-to-use Building Information Search site, or BIS, where you can plug in a borough and a street address and reveal some official stats for your building. The info here is pretty dry—things like boiler records and code violations—but you'll also find a juicy stat or two, like a building's landmark status.

Hit the stacks, Jack.

It's safe to say that if anybody knows New York City, it's the New York Public Library. In addition to employing some of the city's smartest actual humans, the institution has built some pretty dazzling online tools for discovery, including the incredible Map Warper, which digitally aligns archival maps with modern mapping data creating a truly illuminating view of the city. There's a learning curve, but in true NYPL form, there's also plenty of user guidance. Also, look for NYPL historian Philip Sutton's excellent New York City residential archaeology guide, "Who Lived In a House Like This?" Find it at nypl.org/blog.

Meet the Gray Lady.

For its digital subscribers, *The New York Times* offers online access to its archives dating all the way to 1851. And there's a surprisingly good chance that your building has merited a mention or two in its pages during the last 168 years. We recently uncovered a dramatic bit of Park Slope history related to the Ansonia Clock Company building and a fire that "lighted up the whole of South Brooklyn" in 1880.



Getting Ready: Purging, Scrubbing, and Staging

Unless you're willing to dial down your price expectations, and you aren't, you've got a little manual labor ahead of you. Before the marketing plan is written, before the listing photos are snapped, and long before your first showing, you'll need to make your apartment truly ship-shape.

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Purging doesn't mean ridding your life of your beloved tchotchkes, just ridding your apartment of them.

”

Pack it up.

Grandma's collection of adorable Hummel figurines has to go—at least into a box. Ditto that wall of family pictures, the stash of dog toys, the Lego minefield in the kid's room, and your doorful of souvenir refrigerator magnets. Purging doesn't mean ridding your life of your beloved tchotchkes, just ridding your apartment of them. And, if we're being totally honest here, unless your taste in home furnishings is unusually refined, you might want to consider just moving out and taking your stuff with you, lopsided recliner and all, and engaging a staging company step in and refurbish it for sale. (See **Stage it.**)

Deep clean it.

Sorry, neatnik: Your trusty Swiffer mop and bottle of Windex aren't going to cut it this time. Selling your apartment requires a deep clean, the sort provided by a team of uniformed professionals. Add a line for it in your budget. Kitchen, bathrooms, floors, windows, all of it—prying eyes will find the crumbs and cobwebs. Don't worry about the walls for now; we have bigger plans for them. (See **Make it shine.**)

Make it shine.

Yes, you must paint. Fresh paint looks terrific and that sweet latex-y scent is catnip to prospective buyers. It doesn't matter if the walls are already white: You'll paint them whiter. And by all means, do some research: Not all white paints are created equal. Some are searing and cold,

others are dingy and yellow. Get some professional advice. This is a good time to take a look at your floors, too. That cruddy carpeting in the bedroom, the curling vinyl in the kitchen, that spot near the door where the varnish is worn to bare wood: Address it before it ends up on somebody's Instagram, hashtag #ick.

Fix it or ditch it.

If it's broken, now's the time to make it right. Seriously consider replacing the almost-cold-enough fridge or the almost-hot-enough oven. Fix the drippy faucet you've gotten used to and the off-kilter blinds in the bedroom. Even if something works just fine but looks as if you found it on the curb, it may need to go. Remember: You're not doing it for the buyer; you're doing it for the seller—you.

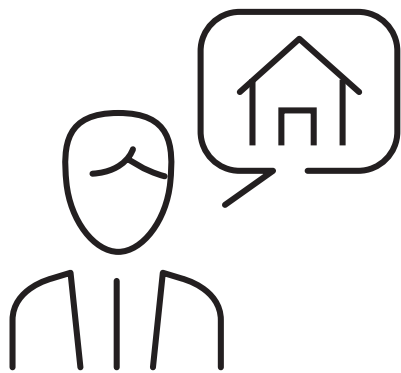
Stage it.

Staging is serious business. Hiring a company to come in and furnish your home with pleasantly inoffensive furniture and décor is a significant investment—at least \$10,000 for a modest one-bedroom and as much as 3 percent of the asking price for a high-dollar apartment, and notably more if the task requires moving out your stuff first. And it's an expense that you as seller will bear alone. But, done right, agents agree: Staging works.

Or, virtually stage it.

So, you can't stomach the cost of a full-on staging, complete with classy rented furniture and silk flowers. For the purpose of listing photography that doesn't show an empty apartment (or, worse, your grubby stuff), virtual staging offers a photorealistic digital version of an actual staging for a much smaller outlay. One small tradeoff: Virtually staged listing photos need to be clearly marked as such.

Ready to roll up your sleeves?
Drop us a line at
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to connect with an agent.



How to Find a Buyer Your Co-op Board Will Love

“The reasons for a ‘not approved’ stamp are myriad, and New York City co-op boards are famous for snubbing the rich and famous.”

So you think you’ve found a buyer. If you’re a co-op owner, that’s the easy part. For prospective buyers—and eager sellers—navigating the co-op board-interview process is the final boss battle in the process; the reasons for a “not approved” stamp are myriad and often inscrutable, and New York City co-op boards are famous for snubbing the rich and famous. (Ask “Material Girl” Madonna about her chilly experience with the San Remo board back in 1985.) Your buyer is largely on their own for the interview process, but there is some specific advice you can offer in advance to nudge the process in the right direction. Here are some tips to help things go your way:

Show them the money.

Before the board interview, your buyer should get their financials in exacting order. Gather two years of tax returns and bank statements, as well as a stack of sterling business and personal references. With very few exceptions, boards will insist that prospective buyers prove that they can cover monthly mortgage and maintenance payments, maintain a debt-to-income ratio of no more than 30 percent, and have sufficient liquidity for any potential assessments the building may pass along to each of the co-op’s shareholders.

Anticipate the objections.

If your buyer plans to snag your place as an investment property, a pied-à-terre, or a city pad for a grown child, they may be in for a tussle with the board. If you have four Pomeranians, get ready to rumble. Ditto reality TV stars, tuba players, and Madonna. Being somebody isn’t necessarily a deal-breaker, but being unprepared to make your case could be.

Get ready to get personal.

Co-op board questioning isn’t only about business, and your buyer should remember that board members aren’t merely interviewing a prospective shareholder, they’re interviewing a prospective neighbor. They may ask about family and friends or their documented successes at work. Ask the board president to provide a list of interview questions in advance, and encourage your buyer to bone up before the big day, so there’ll be no sweating, no stammering, no surprises.

Manage your expectations.

In the end, while Fair Housing regulations prevent a buyer from being turned down due to gender, race, religion, or sexual orientation, the laws don’t require co-op boards to divulge the exact reason for a rejected application. That said, if your board turns down buyer after buyer for no stated reason, there may be a darker motivation at play, and it may be time to seek some sage advice from a lawyer.

Selling ‘As Is,’ ‘Estate Condition,’ or Tenant-Occupied

“
Make an
earnest effort
to fix drippy things,
wobbly bits, and
appliances that
make funny noises.”



Sometimes, the selling proposition isn't as simple as sell-mine-buy-yours. Such situations require some specific guidance.

Selling in ‘as-is condition’

Selling an apartment “as-is” is pretty self-explanatory: What you see is what you get, pal. Perhaps you're in a hurry to sell, or you're cash-strapped and unable to shell out for renovations, or you'd just rather play Fortnite than give up your weekends to pre-sale preparations. Whatever the reason, “as-is” shouldn't mean grubby, cluttered, and broken-down. There are some things you really must do—and some money you really should spend—to ensure you don't take a bath on the sale. Export to a storage unit as much clothing, shoes, board games, exercise equipment, and beanbag chairs as possible. (If you can move out lock, stock, and barrel, all the better.) Hire a deep-cleaning crew. Paint the place, polish the floors. Make an earnest effort to fix drippy things, wobbly bits, and appliances that make funny noises. Maybe replace the toilet altogether. Splurge for a decent photographer, and give serious thought to having the place staged, or at least virtually staged. Your agent will advise.

Selling in ‘estate condition’

So, dear Aunt Ethyl went to that great Classic Six in the sky and left to you her Upper East Side pad, which hasn't seen an update since the Nixon Administration. You could throw some significant coin at it for an update—either a gut renovation or just a kitchen-and-bath makeover—and then sell it or move in yourself. Or you could put it on the market in “estate condition,” which is to say, just as Ethyl left it. The good news is that there's a whole class of buyers who make a point

of seeking estate-condition apartments, either because they're looking for a bargain or because they're seeking a blank slate on which to express themselves.

The bad news is that it can be tougher to find these buyers, and estate-condition apartments often require some creative marketing (and more modest pricing expectations). As with an as-is apartment, new paint and buffed-up floors are more or less essential; a fresh coat of semigloss and shiny wood forgive many sins. And you may do well to fix or replace whatever basics need attention—a chugging refrigerator, for instance—to ensure that the place is, at the very least, liveable.

Selling ‘tenant-occupied’

Here's where things get a bit more complicated, and if you're reading this, chances are you already know the basics of the New York City real estate scene. Unless your tenant wants to buy the place themselves (can't hurt to ask), selling an apartment with a renter in place requires a careful review of the lease terms—with your agent and preferably with a lawyer. If the tenant plans to stick around as a renter, and has the lease to back up those plans, you'll need to market the apartment very specifically to investment buyers. No surprise, showing a tenant-owned place is trickier than showing your own apartment. Tenants require a solid 24 hours' notice for showings. In exchange for some flexibility with showings, consider offering them a rent reduction during the selling process, or forgiveness of delinquent rent if they agree to pack up and go west. A better option may be to time your selling plans around the lease renewal date, then inform your renter (with ample notice) that you plan to sell the apartment and won't be renewing the agreement.



Getting Ready: Photo Shoots, Showings, and Open Houses

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Much of your
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Are you ready to talk?
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A good agent, which you've surely found by now, will guide you through preparations for showings and open houses, and may even foot the bill for professional listing photography. But much of your success as a seller rests in your capable hands, and it's the things you do behind the scenes—like making your home camera-ready before the shooter shows up, and getting it ready-in-a-moment for those impromptu midweek showings—that make the magic happen.

Make it picture-perfect.

Natural light is everything in a New York City apartment, so pull back the drapes and let it shine. Hide cords and clutter. Make the bed. Do the dishes. Close the toilet lid. Send Bitsy to doggie day camp. And consider replacing the lightbulbs—in every room, for the sake of consistency—with old-fashioned incandescents, which tend to look warmer and more natural in photos than LED or fluorescent bulbs.

Splurge on a shooter.

You hired a pro to shoot your dream wedding and your Shih Tzu's birthday party and those headshots from your aspiring actor days. Now, hire a pro to shoot your apartment. Home-shoppers are visual creatures, and in New York City, great listing photos can mean the difference between creating a stir and gathering dust. Prepare to spend upwards of \$300 an hour to get the job done right. And if you truly can't float that kind of outlay and your broker won't absorb the cost, at least leave the iPhone in your pocket and shoot with an actual camera.

Fake it till you make it.

It's kind of a cheap trick, but a rented piano can class up the joint in a big way, even if you can't play “Chopsticks.” For \$100 to \$200 a month, delivered, a piano is a universally appealing furnishing that can spark interest in an otherwise less-than-remarkable apartment. Can't fit a baby grand? Consider renting a nice cello, which runs between \$40 and \$70 a month.

Civilize your closets.

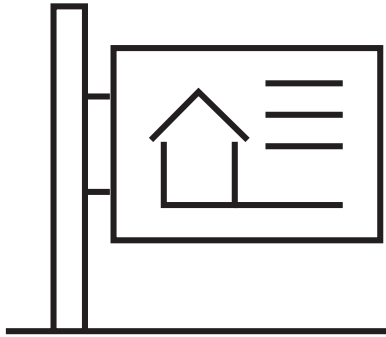
By all means, plurge your apartment of tacky bric-a-brac, your giant collection of Beanie Babies, and that scary black-velvet painting of Bettie Page. Please, though, don't stuff it all in your closets, which will be opened (and judged) during showings.

Make it smell like a sale.

Fresh paint beats fresh-baked cookies, but the lesson is the same: Scent matters. Before and during open houses, and before showings if you can swing it, waft in some inoffensive, seasonally appropriate aromatics, including citrus, cedar, vanilla, fresh herbs, even green tea. Whatever you choose: Keep it mild. And no matter what your yoga teacher says, avoid the incense.

Play up the fear factor.

Open houses may look like friendly, thoughtful strolls through somebody else's house. Don't be fooled: Open-house attendees are eyeing each other as intently as your place, and a strategically timed and conspicuously promoted open house can instill the unshakable fear in attendees that this place won't last long.



How to Sell in a Buyer's Market

If the headlines are to be believed, New York City is in the middle of a buyer's market. For sellers, it'll be a bit tougher to get noticed by potential buyers—and tougher to realize your asking price. Take heart, though: There are a few time-tested strategies for helping your apartment stand out and command top dollar, even when the market isn't quite on your side.

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There are a few time-tested strategies for helping your apartment stand out, even when the market isn't quite on your side.

”

Maximize the visuals.

Actors know it, car companies know it, tropical resorts know it: Great pictures matter. Smartphone snapshots of your apartment just aren't going to fly in a buyer's market, so splurge for a professional real estate photographer. And while you're at it, consider building a website for your apartment, opening a dedicated social-media account, and commissioning a video walk-through.

Up your curb appeal.

It looks clean, but is it clean enough? Buyers notice. Go over your apartment again: Do the white-glove thing on every surface—or, better yet, invite your mother over to inspect it. If there's a shadow of a doubt, hire a crew of pros for a deep clean. And without breaking the bank, look for key pieces—that aging toilet, for instance—to repair or replace.

Set the stage.

Staging—how hard can it be? Plenty hard. Don't DIY. Professional staging teams aren't cheap, but they're masterful at anticipating buyer tastes and making

the most of even small spaces or unusual floorplans. If you can't swing a stager, or can't stop living long enough to let a staging team work its magic, you'll have to take some immediate steps: Clear your home of family photos, piles of newspapers, baskets of toiletries, all those shoes on your closet floor, toys, tacky electronics, pet paraphernalia, your pet, and maybe your children. We joke. On open house day, spring for fresh flowers, open the drapes, and boil some cinnamon sticks to eradicate any lurking stinkiness.

Be in it for the long haul.

In a buyer's market, it may take months for your home to get an acceptable offer, so stay vigilant. Work closely with your agent to identify for new ways to market your apartment, things like setting up a local ad campaign or making better use of Instagram and Facebook. And, while it may be soul-crushing to contemplate yet another open house, stay strong. Consider setting up private showings and stay open to scheduling these whenever it's convenient for a potential buyer. In other words, don't limit showings to weekends.

The nuclear option.

If all else fails, you can always lower the price. Being honest about the market and making some hard choices will help keep you in the mix when buyers are thin on the ground. Working with your agent to devise (or revise) a market-appropriate pricing strategy will keep the showings going and keep low-ball offers to a minimum.



Why Won't My Apartment Sell?

“
You scrubbed,
you staged, you
baked cookies three
Sundays in a row.
And still no nibbles.”

You scrubbed, you staged, and you baked cookies three Sundays in a row. And still no nibbles. It may be time to reassess your approach—and your agent's. Turns out, there are a few commonalities when it comes to why an apartment keeps getting passed over by potential buyers. Some of which, like the disposition of your co-op board or your building's position on pets, are out of your control. Others are more manageable. Fortunately, though, there are a couple of big factors you can control, and a new attitude can breathe new life into your listing.

You've priced it too high.

Easily the biggest hindrance to selling. Take another look at comparable apartments and make sure your pricing falls in line with the competition—in your building and in your neighborhood.

You've selling it wrong.

Take another look at your agent's marketing plan and make sure she's highlighting the best parts of your home, whether that's a breakfast nook, a wood-burning fireplace, an outdoor space, city views—and make sure the photography truly shows your home in the best light.

It's looking past its prime.

When prospective buyers land at your open house, it's probably not their first time around the block. They've seen the competition and they know where your place is falling short. And their judgment is swift and harsh. Take another look at dated kitchen appliances and cabinetry, and bathroom fixtures that aren't quite as happening as they were when Disco was cool. Many buyers, good people, have remarkably little imagination, and even less patience for the “ick” factor. Can't gut your place? Offer to reduce the purchase price, or consider throwing in perks like paying common charges for a few months.

Your timing is off.

That giant construction site next door is doing your open house no favors. And listing your apartment right before the holidays isn't helping either. Timing matters, and if you can wait out things like construction, you may fare better.

Your broker is going soft.

An apartment that gets off to a slow start can be frustrating to a seller, but it can't become frustrating to their broker. If the frequency of advertising has dwindled and the open-house calendar is looking bare, it's time to have a heart-to-heart with your agent—or their boss.



Negotiate Smarter With Buyers and Their Brokers

“Remember that your buyer is being coached in the negotiation game by their agent, who’s looking for ways to sweeten the deal for them.”

A good agent will steer your home sale from start to finish, but when it comes to negotiating the best deal, it’s up to you to decide what works, and to draw a line in the sand. You want to make sure both parties have their documentation in order, and you need to understand that not all offers—even offers of the same price—are created equal. Here are a few key considerations for negotiating sellers.

Make sure they’ve got it.

You want to make sure the deal doesn’t fall through due to a financing glitch. Keep in mind that in a cash purchase, proof of funds is absolutely essential, ensuring that the down payment or closing costs are covered. For a financed purchase, a mortgage pre-approval signifies a lender’s confidence in your buyer’s fiscal strength.

Make sure you’ve got it.

Prep your paperwork for the buyer’s agent and lawyer with utmost care, including a complete offering plan and documents related to the property alterations.

Remember that cash is king.

In today’s market, a cash offer outweighs a financed one, and a cash buyer may fare better if you’re selling a co-op and a board interview looms in their future.

Anticipate the haggling points.

Remember that your buyer is being coached in the negotiation game by their agent, who’s looking for ways to sweeten the deal for him. It pays to consider your response before these requests arrive. Beyond the most obvious point, the price of your apartment, buyers may want to haggle over who pays closing costs, common charges, and flip taxes, along with new kitchen appliances, floor refinishing, and even pieces of furniture.

Be ready to sweeten the deal.

Sellers can get creative if negotiations start to stall. Offering to pay taxes or fees can grease the gears, as can adjusting move-in dates to suit the buyer’s schedule or promising a perk—say, a new fridge.

When in doubt, hold out.

It’s easy to panic if your home has been sitting on the market for a while, but a good agent will work hard to talk you off the ledge. Remember, you can compromise only so far. If negotiations cross the line, retrench and wait for a better offer to arrive. Because one will.

Negotiation conversation?

Drop us a line at
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to connect with an agent.

Real Estate Legalese 101: The Basics

Although you're required by New York City law to hire a real estate lawyer, it's important to understand some of the terms you'll encounter along the way.

Appraisal

A valuation of property by a qualified individual who uses their experience to prepare the appraisal estimate.

Appraisal fee

Fee charged by an appraiser to estimate the market value of a property.

Appreciation

An increase in property value.

As-is condition

The purchase or sale of a property in its existing condition, without repairs.

Asking price

A seller's stated price for a property and a starting point for negotiations.

Assumption clause

A provision in the terms of a loan that allows the buyer to take legal responsibility for the mortgage from the seller.

Back-to-back escrow

Arrangements that an owner makes to oversee the sale of one property and the purchase of another at the same time.

Capital improvements

Property improvements that either will enhance the property value or will increase the useful life of the property.

Capital, or cash reserves

An individual's savings, investments or assets.

Certification of title

A certificate of ownership stating that the title to the specified property is free and clear except for a mortgage.

Closing

The fulfillment of a contract especially for the sale of real estate.

Closing costs

Fees for final property transfer not included in the price of the property. Typical closing costs include fees, taxes, and insurance payments that are due when

you sign a mortgage and take possession of the apartment. These vary based on purchase price and the mortgage itself.

Co-signer

A person who signs a credit application with another person, and assumes equal responsibility for the loan's repayment.

Credit report

A report generated by the credit bureau that contains the borrower's credit history for the previous seven years.

Credit risk

A term used to describe the possibility of default on a loan by a borrower.

Credit score

A score calculated by using a person's credit report to determine the likelihood of a loan being repaid on time. Scores range from about 360 to 840. A lower score means a person is a higher risk.

Deed

A written instrument by which a person transfers ownership of property to another.

Down payment

The portion of a home's purchase price that is paid in cash and is not part of the mortgage loan.

Escrow account

A deposit of funds by buyer and seller — controlled by a third party, typically a broker — until the consummation or termination of the transaction.

Joint tenancy

Two or more owners share ownership and rights to the property. If a joint owner dies, their share typically passes to the other owners, without probate.

Lender

A term referring to a person or company that makes loans for real estate purchases; sometimes referred to as a loan officer.

Mansion tax

Revised in 2019, an eight-step tax on New York City high-end home purchases, starting at 1 percent of the purchase price for homes between \$1 million and \$2 million, and rising to 3.9 percent for homes over \$25 million.

Market value

The price at which a buyer is ready and willing to buy and a seller is ready and willing to sell.

Mortgage

A legal agreement by which a bank or other creditor lends money at interest in exchange for taking a lien on the debtor's property.

Preapproval

A lender commits to lend to a potential borrower a specific or maximum loan amount based on a completed loan application, credit reports, and debt and savings statements, all of which have been reviewed by an underwriter. Preapproval could happen before a property search begins or while the search is in progress.

Punch list

A list of items that have not been completed at the time of the final walk-through of a newly purchased apartment, but for which the seller remains liable.

Terms

The period of time and the interest rate agreed upon by the lender and the borrower to repay a loan.

Transfer of ownership

Any means by which ownership of a property changes hands. These include purchase of a property, assumption of mortgage debt, or exchange of possession of a property.

Transfer tax

Revised in 2019, a tax on the selling price of a home with New York State and New York City components. The newly revised state portion is 0.65 percent for commercial transactions over \$2 million and 0.65 percent for residential transactions over \$3 million. The city piece depends on the cost of the apartment: 1 percent for apartments \$500,000 or less, 1.425 percent for apartments over that amount.

Walk-through

The final inspection by the buyer of a property being sold; the intent is to confirm that any contingencies specified in the purchase agreement such as repairs have been completed.

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