

Timeline guide for purchasing

here are the steps you'll take to find and close the apartment of your dreams...

Speak with a mortgage broker, bank, or financial advisor

Typical time frame: 1 - 3 weeks

It is important to have an idea of how much you can spend on an apartment prior to beginning your search. Keep in mind that financial requirements vary from building to building and bank to bank. In today's mortgage market, it is strongly recommended that you get pre-approval for financing by a mortgage broker ASAP. Your mortgage broker will compare, analyze and help you determine what best meets your needs. As you begin your search you can also start to provide your mortgage broker with required documentation so you are ready to move quickly once you find a property to purchase.

Hire a real estate lawyer

Typical time frame: 1 - 3 weeks

Every one has a cousin or friend that is a lawyer, but when deciding on which lawyer to use, we highly recommend lawyers that specialize in real estate and in your local area, they are truly the experts.

Finding an apartment

Typical time frame: 1 - 3 months

Depending on what you are looking for, it might take one day or one year to find an apartment. The average person sees 20 to 25 apartments before deciding on the perfect one. If you are serious about an apartment, your real estate agent will get the building's financial statement so you and your lawyer can determine if the building is financially solid.

Negotiating on the apartment

Typical time frame: 3 days - 2 weeks

Ask your agent to inquire about assessments, fixtures, window replacements, air conditioners, rugs, floors, curtains, appliances, working fireplaces, washer/dryers, etc. Most homes are sold "as is" unless otherwise noted, appliances are usually included, where fixtures, window treatments, etc., are usually not, but always ask.

Signing a contract

Typical time frame: 3 - 10 days

Generally, in a sales transaction, both the buyer and the seller are represented by a New York City real estate attorney. The seller's attorney draws up the contract for the buyer's attorney and upon receipt, the buyer's attorney performs a "due diligence"—reading minutes, reviewing financial statements of the building, etc. Once all terms are agreed to, the buyer signs the contract and returns it to the seller's attorney along with typically a 10% deposit. Once the deposit is received, the seller executes the contract. Possible contingencies may include financing, Board approval, and closing dates. A contract is binding only after both parties have signed it and value has been rendered (e.g. escrow monies).

Applying for a mortgage and receiving the Commitment Letter from your lender

Typical time frame: 3 - 6 weeks

Mortgage applications cannot be processed without a fully executed contract. If an apartment is being financed, the Board requires a commitment letter from the lender. These letters are generally the last items to complete a coop/condo application. Your real estate agent will work with you on this process.

Completing your Board Package or Condominium Application

Typical time frame: 10 - 20 business days or within 3 days of receiving your commitment

Almost all apartment buildings require Board approval before a closing date can take place. In order to review a potential purchaser, the Board of Directors/Managers review extensive information from the buyer in a Board Package.

Most Boards typically request the following information: full financial disclosure (net worth) with supporting documentation, employment history, current salary, personal and business references, tax returns for the previous 2 years, and credit history.

If a purchaser cannot, or does not want to supply this information, he/she should consider purchasing in certain condos where the requested information may not be as extensive.

Your broker will obtain a purchase application and a list of required documentation for potential purchasers to fill out after a contract has been executed. If there is no financing, it usually takes about 2-4 weeks to gather the information for the purchase application and requested documentation.

Submit Board Package for the managing agent's review

Typical time frame: 1 - 4 weeks

After the buyer's real estate agent completes the Board Package with you, he/she will forward the package to the building's managing agent. The managing agent will review the package to ensure it is complete. The package will then be forwarded to the Board members. After a co-op Board reviews the package, they will decide if they would like to meet the potential purchaser; in the case of a condo, to exercise its first right of refusal or to approve the purchaser.

Meet with the Co-op Board for an interview

Typical time frame: 30 minutes - 1 hour

Co-op Boards typically meet once a month, but note some Boards do not meet every month, especially in the summer. Every Board is different, but generally a Board meeting will be held in the evening on a week night. Although a Board interview may be granted, this does not guarantee Board approval. In a few co-ops, dogs are sometimes asked to attend with buyers. It is critical that purchasers make themselves available to be interviewed by the Board.

Receive approval from the Board

Typical time frame: 1 day - 1 week after the Board interview

The managing agent will generally alert the seller's broker whether a potential purchaser has been approved the Board.

Schedule a closing

Typical time frame: 2 weeks after Board approval

Managing agents generally set the closing date, and buyer's and seller's lawyers will coordinate with the appropriate banks, title company, brokers, etc., for available dates and times.

Typical Time Frame from the time an apartment has an accepted offer to the time an apartment closes is 2 months for most condos and 3 months for most co-ops.