

Survive Selling a Co-op in New York City

In collaboration with Brad Malow - NYC Real Estate Specialist

Full Article with Video: <http://expertbeacon.com/survive-selling-co-op-new-york-city#.T8kFLVKIjL->

Video Only: http://www.youtube.com/watch?v=BcoZbcB3ZH4&feature=player_embedded

Selling a co-op in NYC is not as straightforward a process as selling a home in other parts of the country. The transaction requires multiple steps that include: a lender's approval of the buyer, the building and the apartment, the submission of the buyer's financial background to the co-op's board of directors, and an interview for the purchaser to garner the board's approval. There are many actions a seller can take to ensure a smooth, successful process.

DO:

- [check with your co-op's managing agent before putting an apartment on the market](#)
- [familiarize yourself with the current market conditions](#)
- [counter any offer that is made](#)
- [plan on a 3-month process once you have a deal](#)
- [hire a real estate agent experienced with co-ops](#)

DON'T:

- [accept an offer without pre-qualifying your buyer](#)
 - [stop showing your apartment until contracts are signed](#)
 - [submit an incomplete purchase application to your board](#)
 - [hire an attorney who is inexperienced with co-op transactions](#)
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DO

Do check with your co-op's managing agent before putting an apartment on the market

Get all of your ducks in a row before marketing your apartment. Call your managing agent to verify any sale procedures that might be required by the board. Be sure to request copies of all necessary forms related to the sale of your home, and update yourself on the building's policies (subletting, co-purchases, guarantors, etc...). Also, double-check the board's expectations and requirements with regards to a potential buyer's financial criteria. By staying ahead of the game, you will be fully prepared when an interested buyer comes along.

Do familiarize yourself with the current market conditions

Markets vary from neighborhood to neighborhood in New York City. You will need to gain an understanding of your current market to aid in accurately pricing your home. Review recent quarterly market reports, and research the most recent sales in your building as well as those within the immediate area. Be sure to make objective comparisons to buildings similar to your own. If you find it difficult to detach yourself emotionally from the sale, enlist a real estate agent to aid with a ‘comparative market analysis’. Pricing your home correctly will be among the most important factors in selling your apartment for the highest dollar amount in the quickest time possible.

Do counter any offer that is made

An offer on the table means there is an interested buyer on the other end. If a low-ball offer is made on your property, don’t let it go by dismissing it outright. Be sure the buyer’s qualifications are in line with the board’s requirements, and try making a counter offer at the asking price or slightly below. Indicate to your buyer that you are serious about your price and perhaps they will return with a more serious offer. Remember that very often when someone places an offer on an apartment, it is because they can see themselves living there. Use that to your advantage.

Do plan on a 3-month process once you have a deal

Selling a co-op usually takes about 90 days from the time you accept an offer – sometimes longer. You will have to coordinate with your managing agent (or your board of directors) for the approval of your buyer and the ultimate sale of your home. Take this timeline into consideration especially if you are purchasing another property.

Do hire a real estate agent experienced with co-ops

Managing a co-op sale is a delicate process. You can alleviate yourself a great amount of stress by hiring a real estate agent experienced within the co-op market. Expect the agent to aid in accurately pricing your apartment, strategically marketing your home and qualifying buyers that meet your board’s (and a lender’s) financial criteria. Your emotional attachment to your home can also complicate or even hinder the negotiation process. A trusted agent will advocate on your behalf to achieve the best price for your home.

DON’T

Do not accept an offer without pre-qualifying your buyer

Every board requires that a buyer meet certain financial requirements in order to purchase within their building. It is of utmost importance that you pre-qualify your buyer prior to accepting any

offer. General financial guidelines necessitate that a buyer possess at least two year's of mortgage and maintenance payments in liquid assets after the down payment, a gross monthly debt to income ratio that does not exceed 25-30% and good credit. These requirements absolutely vary from building to building so be sure to check where your board stands on financial approvals. As the sale process is lengthy, you do not want to find yourself in a situation where your buyer is turned down at the very end due to lack of qualifications.

Do not stop showing your apartment until contracts are signed

In New York City, a deal is not official until a contract is signed, and this usually happens one to two weeks after an offer is accepted. Thus, a buyer still has the opportunity to back out of a deal within that one to two week timeframe. Keep showing your apartment for back-up during this period. Maintain records of all open houses that contain the names, phone numbers and email addresses of people who view your apartment. In the event your deal falls through, you can reach out to these potentially interested individuals.

Do not submit an incomplete purchase application to your board

You never get a second chance to make a good first impression. Pay close attention to the way your buyer's purchase application is organized. Review all paperwork, and check for spelling and mathematical errors. As most applications require personal and professional reference letters for the buyer, take the time to read these prior to submitting. If you are confused by anything, chances are the board will be as well. The mere presentation of the packet materials can pave the way to an easier approval.....or a difficult turndown.

Do not hire an attorney who is inexperienced with co-op transactions

Your real estate attorney is the only individual who should provide you with legal advice in the process. He or she is responsible for negotiating the sale contract and making sure you are protected from any mishaps. Use someone with whom you are comfortable and who has experience dealing with co-ops. Seek recommendations from trusted friends and family or ask your real estate agent for referrals.

SUMMARY:

Selling a co-op in New York City requires patience, knowledge and diligence. Gather all of the necessary information and materials before you jump into the process. Always qualify your buyers, and lean towards choosing a candidate who has the best chance of passing your board. While you can certainly attempt to go it alone, partnering with a real estate expert in the co-op market can definitely save you time and money.