

Steps for Buying a Home in New York City

Buying a home in New York City — or anywhere, for that matter — is not as simple as choosing one you like, buying it, and moving in. If only it were! Several steps are involved, and knowing them will help manage your expectations, give you an idea of a timeline, and inform you of what's needed on your end. From creating your team to closing the deal, here are 10 basic steps for buying in NYC.

1. Assemble your team

Find a buyer's agent you like and trust to help guide you through the process, from start to finish. You'll also want to find a real estate attorney and a mortgage lender, if you're financing. Ask your agent if there's anyone they recommend and can refer you to.

2. Determine your wants, needs, and affordability

Narrow down what you're looking for in a home: neighborhood, size, number of bedrooms, amenities, condo or co-op, etc. Your agent can help you with this. See a mortgage lender to determine how much financing you qualify for, and obtain pre-approval.

3. Visit properties!

It's time for the fun part! Your agent will take you to see properties that meet your criteria and budget. Be open to visiting multiple properties, even if you think you've already found your dream home.



4. Make an offer

Work with your agent to come up with a good offer (or “bid”) on your favorite property. The seller will review your offer and provide a response. Your agent can assist with negotiations, if necessary, until an agreement is reached and the offer is accepted.

5. Prepare to sign the contract

Once an offer is accepted, the seller will present you with a contract of sale. Have your attorney conduct “pre-contract due diligence,” including a review of the building’s financials, co-op or condo questionnaire, offering plan, house rules, and other documents. Review board minutes, if permitted. Also have your attorney review the contract itself and negotiate any changes needed for your protection.

6. Sign the contract and pay the contract deposit

Upon signing the contract, you must then pay a contract deposit, often equal to 10% of the purchase price. It signifies that you’ll fulfill the terms of the contract, and can only be refunded under circumstances like a co-op board rejection or seller default. Once the seller signs, the contract is returned to your lawyer and becomes a binding legal agreement.

7. Finalize your loan

Get a loan estimate from your mortgage lender. If everything looks good, sign an “intent to proceed.” Submit all requested information and documentation, and stay on top of your lender to make sure the loan reaches “clear to close” status. Also have your lender ready to lock in a rate — but not prematurely.



8. Prepare for the board

Have your agent help you put together a board package for the condo or co-op board. Co-ops also require an interview and an approval process. The board package should include your financial records, tax returns, mortgage commitment, and reference letters. Prepare for the interview, if applicable, with your agent.

9. Do a final walkthrough

Your attorney and the seller's attorney will work together to schedule a closing date. A few days prior to this date, do a final inspection of the property and make sure the condition is true to what was specified in the contract.

10. Closing

At closing, you can expect to sign numerous documents and transfer your funds for the sale. The process usually takes a couple of hours. Lastly, get the keys and start your life as a New York City homeowner!

