



When shopping for a property, here are things to consider.

Most apply to a primary residence, but there are additional concerns for commercial property at the end of the handout.

AREA

1. Location, Location, Location—This is not just a cliché, but a fundamental principle in real estate. The neighborhood you choose to invest in can significantly impact the property's value. Consider the proximity to your employment and family, along with transportation options. Look on Google Maps for that area's boundaries; note that Brokers often use a trendy name to attract buyers to areas that may not accurately reflect the neighborhood.
2. Transportation issues – proximity to public transportation, subway stops, and express stops are more valuable.
3. Parking and Alternate Side-of-the-Street Regulations –What are the regulations for parking on the street? Is a permit required for overnight street parking? How many times a week must you move the car for street cleaning? Where is the parking for visitors?
4. Shopping: What grocery stores, dry cleaners and laundry mats are nearby, and how much do they cost? Do any of the stores offer delivery?
5. Schools – What are the public and private school options in the area? – how are the schools rated? Even if you do not have children, particular emphasis should be placed on elementary schools because homebuyers are often motivated by schools. (think resale)
6. Medical Care – how far away is the nearest hospital or medical center? (mainly a concern in rural areas for older purchasers)
7. Fire Station & Police – What is the nearest firehouse or fire hydrant? What is the police jurisdiction?

BUILDING SETUP, FINANCES & RULES

8. Cooperative or Condominium – what is the building's ownership structure?

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9. Conversion - Is the property sale a “conversion” offered by a sponsor whereby the property was previously a rental property? If yes, when was it a non-eviction plan (so that renters could remain for life)? How many or what percentage of the units are still sponsor-owned? Are these units vacant or occupied by renters? Approximately how many sponsor-owned units turn over each year? (It is best to get a copy of the offering plan and review the house rules)
10. Reporting – When does the building’s fiscal year end? When do financial statements become available to owners?
11. Purchaser Financing – Does the building restrict financing by purchasers?
12. Seller Flip Tax (Transfer Tax) – Some buildings have a 'flip tax ', which is a fee paid by the seller upon the sale of the property. This tax can significantly impact your net proceeds from the sale, so it's important to understand if the building has a flip tax, and how it is calculated.
13. Reserve Fund -How much is in the building’s reserve fund? How many months of the operating budget/income does the reserve fund represent?
14. Assessments - Are there any planned or ongoing assessments? When was the last time the building assessed its owners, and what was the reason for raising funds? Was the assessment payment allowed to be paid over multiple months? And if yes, how many months? Was a discount offered to those who prepaid the full assessment? And if yes, how much was the discount
15. Monthly Charges - What percentage did the maintenance fees (cooperative) or common charges (Condominium) increase over the past three years? Was it done a little bit each year or less frequently?
16. Accounts Receivable – have the Accounts Receivable (amounts due from shareholders) increased substantially (over 15%) in the past year? If yes, what is the reason? Is there a problem with shareholders paying their common charges? How many were delinquent at the end of the year?
17. Accounts Payable – has the Accounts Payable (amounts the building owes to its vendors) increased substantially (over 15%) in the past year? If yes, what was the reason – i.e., lack of cash on hand, dispute with vendors, significant projects?
18. Debt – is the building financed? What is the amount of the debt? What is the interest rate (fixed or variable)? What is the debt term? If the debt comes due within the next ten years, is the building financially sound to refinance the mortgage?

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19. Board Interview—Is an interview required of all purchasers? Is there an application package? (Get a copy in advance.) Has the Board a track record of turning down people who work from home?
20. Subletting: What is the building’s policy on subletting? How often can you do it? Are there fees associated with a sublet? Does the sub-letter have to be interviewed?
21. Short-Term Rentals—Does the building allow short-term rentals such as Air BNB or VRBO? Who monitors the situation to protect other residents from transients?
22. Guests—Are guests allowed to reside in the unit when the owner is absent? If there are restrictions, are they based on family relationships? This provision is standard in cooperative buildings.
23. Violations and Litigation – what outstanding violations are on the building? (use the NYC DOB website for a search) Is the building involved in any litigation? And what is the issue?
24. Pets—What is the building's pet policy? Is there a size limit on animals? Can you take your animal in the main passenger elevator, or are you required to use a separate (freight) elevator or the stairs?
25. Renovation – what are the building requirements for a unit owner undergoing a renovation? Do plans need to be submitted to a board? Does the building require review by an outside architect? What are the fees for the architect? Will non-structural wall changes be allowed? Is “wet over dry “allowed?
26. Neighboring Buildings – do they present a challenge regarding occupancy, parking, noise, or change of use that would negatively impact the environment?

BUILDING FEATURES & AMENITIES

27. Age – is the building “Pre-war” or “Post-war” – a common designation for buildings indicating whether it was built before or after 1940.
28. Common areas – what is the condition of the lobby and hallways? Are they in better or worse shape than the unit? Are there any upgrades planned for aesthetic items?
29. Size – What is the total number of units in the complex/building?
30. Doorperson - is there a door attendant? What hours are they on duty? Is there a virtual concierge with a screen that allows you to monitor visitors?

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31. Superintendent/Handyman—Is there a live-in superintendent or on-site management company? How many employees does the building have? How long have they been employed by the building? What is the procedure for reporting an issue?
32. Union- Is the building staff unionized? When is the current contract up for negotiation? If non-unionized, does the building offer its staff equivalent benefits? Does the building pay “prevailing wage”? Is it critical if the owner plans on filing for a residency tax exemption?
33. Elevators- how many passenger elevators are there? Is there a separate freight elevator? Is the unit accessible if the elevators are not working?
34. Laundry - Does the building have laundry facilities? Where are they located? What is the cost per load), Do they take coins or unique credit cards? Are washers/dryers allowed to be installed in individual units at the owner's expense?
35. Gym, pool, sports facilities—Is there a gym, roof deck, or sports facilities? Is there a membership fee to join? Can children use them independently, or must an adult accompany them?
36. Mail & Package Room - How are packages and mail delivered to residents? How do residents handle deliveries if there is no concierge or door attendant?
37. Newspapers- If a resident subscribes to a daily newspaper, will the paper be brought to the resident’s door, or must it be retrieved from a common area?
38. Storage—Does the unit come with extra basement storage space? What is the size? Is there an additional cost to buy the storage space? Is there a waiting list?
39. Bike Room - Is there a bike storage room? Is there an additional cost to store a bike? Is there a limit on the number of bikes a unit can store? Are electric bikes allowed to be stored?
40. Parking—Does the building have a garage or parking lot? Is there a waiting list for a spot? What is the cost per month?
41. Accessibility of Entrance—Is there an entrance ramp or stairs to conquer? Can a disabled visitor or owner easily access the elevator? What are the challenges in accessing the common areas such as the laundry room, gym, rooftop patio, etc.?
42. Height of Building (for NYC) – Is the building more than six stories tall, and is it required by the NYC Facade Inspection Safety Program to inspect and file reports every five years on the facade’s condition? If yes, when was the last report done? What was the condition rating? Is facade repair work planned for the coming year?

43. Energy Efficiency? – what is the building’s energy efficiency rating? Does it have solar panels, or are they being considered? What type of system is used for heating?
44. Third-party use – does the building have commercial space? If yes, who are the tenants? Are the units separately owned, or does the building get rental income? Does the building lease its rooftop to a telecom company?
45. Garden—Is there a building garden or planted area? If yes, who maintains it? Are residents allowed access to the garden or to use a section for personal gardening?
46. Committees or Associations—Does the building have any active committees for residents? What activities do they control?
47. Board of Directors – Who is the Board President? How many total members are on the Board? How long have they been in a position of responsibility? Are meetings open to other owners? When is the annual meeting?
48. Management Company – Is there a Management Company for the property? Who is the Property Manager? How often do they visit the building?

UNIT FACTORS

49. Unit Square Ft. (Size) - What are the number of bedrooms and bathrooms? How many square feet is the unit? Start thinking about the price per sq. ft.
50. Floorplan and layout: Are the bedrooms separated or together? Which works better for your family? Is there an eat-in kitchen? What is the view when dining? What is the distance from the cooking area to the eating area?
51. Shower vs. Tub: Is there at least one bathtub in the unit? If there is a shower, is it a walk-in?
52. Accessibility—Is the unit “accessible” for a disabled person? What adjustments might be required in a renovation to make it accessible?
53. Sun—What direction do the windows face? (South has the most sun.) Would the unit be considered bright and sunny? Do the bathrooms and kitchen have windows? Do all rooms get adequate light?
54. View – Does the unit have a view of something interesting? Is there a possibility that future construction would block the view? Due to government regulations, are there lot-line windows that an owner cannot change?

55. Age - what is the condition of the kitchen and bathrooms? Are the walls sheetrock or plaster? When was the unit last renovated, and what was done during the renovation? What is the condition of the appliances? Is there a sink disposal system, and if not, can one be installed?
56. Appliances –Is there a dishwasher? If not, is installation allowed? Is there a sink disposal? If not, is installation allowed?
57. Exhaust - How is exhaust from the stove removed? Does the bathroom have a vent and fan?
58. Electricity—What is the amperage service to the unit? Is the service adequate to handle new/improved appliances? Can more electricity be brought into the unit if the unit does not have sufficient electricity for desired appliances? And how would that be done?
59. Gas—Does the unit have access to natural gas or propane? Is the cooktop or oven fired by gas or electricity?
60. Flooring – what is the material on the floor? If carpeting, what is underneath? Is there a requirement to install sound absorption material when replacing the floor? Is there a requirement to have a portion of the floor covered by carpeting?
61. Closets – how many closets are in the unit? Is there a convenient one for coats and outerwear? Does the configuration meet your needs? Any special features – such as cedar-lined closets?
62. Ceiling –What is the height? Is there a “dropped” ceiling? Can light fixtures be installed in the ceiling?
63. Air conditioning – is there a building-wide central air conditioning system? If yes, what are the dates during which the system is operational? If owners use window units, are there restrictions on who can install and remove them? Is there an area to store window air conditioners? If there is a thru-the-wall installation - is there a “sleeve” to cover the opening when the air conditioner is removed? (consider drafts)
64. Smoke Alarm and Carbon Monoxide Monitors – Are the safety monitors installed? Are they hard-wired or battery-operated?
65. Evacuation & Fire Escape – what are the exit possibilities in a fire or other emergency?
66. Price – is the purchase price, real estate taxes, maintenance /homeowner association fees, or common charges. Is the cost per sq. ft. comparable to similar properties?

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67. Timing & Motivation – what is the reason the unit is being sold? How time-sensitive is the Seller for closing? How long has the unit been on the market? Has the Seller accepted any offers which later fell through? What was the reason they fell through?
68. Broker –who is the Seller’s Broker? Also, called the “Listing Broker,” – can you contact the listing broker directly so only one broker is involved?
69. Condition & Repairs – Does a home inspection report exist on the property? Are there any outstanding violations on the unit? Is the property being sold in “as is” condition?
70. Neighbors – who lives next door and above and below the unit? Is there excessive noise? Do they park personal items in the common area, such as strollers, bicycles, etc.? (Introduce yourself to your neighbors BEFORE while in attorney review; if they greet you with a gun, reconsider).

MARKET & OTHER FACTORS

71. Is this a Buyer—or Seller-Favorable Market? And is it likely to change within the next 24 months? (Of course, for this, you need a crystal ball.)
72. Is there adequate comparison inventory for me to make an informed purchase?
73. Are interest rate trends going up or going down?
74. Will the unit serve my needs for the next five to seven years?
75. What is the chance that I may have to relocate for employment?
76. Do I have an adequate emergency fund to cover the housing obligations if I lose my job or if a sizeable unanticipated repair is needed?

COMMERCIAL PROPERTY

77. What is the area's going square ft rental rate for similar properties?
78. What type of rent roll can I expect?
79. If occupied, will the property be cash-positive or cash-damaging? How many years will I need to support the deficit? Does a rent-stabilized or rent-controlled lease protect the current tenant?
80. What is the vacancy rate in the area?

Money 101 – REAL ESTATE

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81. Will the property produce a loss due to depreciation expense? And can I use that loss to offset other income?
82. If the space includes retail or commercial space – what type of tenant would be attracted to the property, and what methods are best to reach prospects? (i.e., is it visible to customers – large windows, good signage)
83. What improvements have been made to make the space attractive to tenants?
84. What are the zoning restrictions?
85. Does the space have HVAC (Heating, Ventilation, Air Conditioning) equipment, and in what condition is it?
86. Does the space meet ADA (Accessibility requirements), or will the landlord need to make improvements?
87. Does the property currently employ a property manager? How long have they handled the building? What do they charge? What are their responsibilities? Do they manage tenant communication, rent collection, and lease renewals?
88. Is there parking for employees and visitors?
89. What is the current mix of Residents – are they rental tenants or owners?
90. Is there a freight elevator? Loading dock?
91. Is the building wired for fast internet service and to support Tenants' technology needs?
92. Will the Seller share the property financial reports before I make an offer?