



THE 15 STEP GUIDE TO BUYING A TOWNHOUSE

Buying a townhouse is a milestone for most people, perhaps analogous to embarking on a new career or starting a family. Follow these fifteen steps from the Vandenberg Team so you can be prepared:

1. **Decide what part of town you want to live in and focus on seeing townhouses in your desired location.**

See as many properties as you can to familiarize yourself with what's on the market, and to see how various townhouse configurations feel to you. Often buyers begin by going to open houses, but find the property to vary greatly from the four-line description they found online.

2. **Link up with an agent.**

A good agent can become your eyes and ears and will notify you immediately when appropriate properties come on the market. Make sure you and your agent have a clear understanding of your priorities and needs. More importantly, choose an agent who specializes in townhouses and whose business it is to know all the townhouses currently available in the area where you wish to purchase.

3. **Decide how much work you are willing to do.**

From fixing the bath to combining apartments on two floors to a gut renovation, make sure to educate yourself regarding renovation costs and know all your options. For example: Can you expand the roof up a floor? Dig out the basement? Add an extension in the backyard?

4. **Decide whether you want to buy a townhouse with tenants.**

Familiarize yourself with the details of rent-stabilized and rent-controlled tenancies. Note that many buyers decide to buy a building with tenants because the price is lower. Also, make sure to be familiar with the option of an "owner-occupancy" proceeding to take over rent-stabilized apartments (if necessary).

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5. **Narrow your search to specific criteria.**

After deciding how much work you're willing to do and whether you want regulated or non-regulated tenants in the building for income purposes, limit your search to the properties that fit your criteria.

6. **Be financially prepared and ready to move quickly.**

There are very few properties on the market at any given time that will meet your criteria. Be sure to speak to a mortgage broker and/or a banker who specialize in townhouses to possibly get pre-approved. Also, learn about closing costs, which typically run near 20% to 40% of the purchase price.

7. **Negotiate.**

Negotiations are done between the real estate agents and sometimes offers are made in writing. This typically involves offers and counteroffers, which may stretch over days or even weeks. Note that in New York brokers do not prepare contracts.

8. **Agree on price and terms.**

9. **Hire an attorney who specializes in this sort of sale.**

Beware of attorneys who spend more of their time litigating or doing corporate real estate. It's more productive to have someone who knows townhouses and does many New York City real estate closings.

10. **Inspect the property.**

After you have an accepted offer, have an engineer inspect the property. Be sure they address structural issues, exterior façade or pointing, the roof, the boiler, plumbing, and electrical, so there will not be any surprises after you buy the building. This is also a great time to interview prospective architects and contractors if you are considering a renovation.

II. **Review the seller's contract.**

The seller's attorney will prepare the contract, which in turn is forwarded to the buyer's attorney for review.



12. Sign the contract.

When you sign the contract, generally you will be required to place a deposit of 10% of the purchase price in an escrow account of the seller's attorney. The deposit will be held in escrow until closing.

13. Formally apply to banks if you require financing.

14. Arrange for homeowner's insurance (you won't be able to close without it if you're borrowing from a bank) **and for utilities to be changed into your name.**

15. Close and get your key!

Excerpted from *What to Expect When Buying a Townhouse* by Dexter Guerrieri from the November 2003 issue of *New York Living Magazine*

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