



ESTIMATED CLOSING COSTS

I. CONDOMINIUMS / TOWNHOUSE AND 1-3 FAMILY DWELLINGS

A. FOR SELLER:

Broker	Typically 6%, depending on size and marketing
Own Attorney – Condominium	\$3,500 and up
Own Attorney – Townhouse	\$7,500 and up
Managing Agent – Condo	\$500
Move-Out Deposit or Fee – Condo	\$1,000
New York City Transfer Tax	1% of price up to \$500,000 or 1.425% of <u>entire</u> price when price exceeds \$500,000
New York State Transfer Tax	.4% (.004) of price
Satisfaction of Mortgage Fees	\$450:00
E Tax Filing (ACRIS)	\$150
Gains Tax Withholding (out of State Seller)	8.82% of gain paid
Non – US Resident (FIRPTA)	10% of price withheld or paid

A. FOR PURCHASER:

Own Attorney – Condominium	\$3,500 and up
Own Attorney – Townhouse	\$7,500 and up
Bank Fees: application, credit, appraisal bank attorney and miscellaneous	\$2,500
Short-Term Interest	One month max*
Real Estate Tax Escrow	2-6 months**
Recording Fees	\$1,500
Mortgage Tax	1.80% of amount of Mortgage on Loans <u>under</u> \$500,000 or 1.925% of entire amount on loans <u>exceeding</u> \$500,000
Fee Title Insurance	Depends on purchase price
Mortgage Title Insurance	Depends on purchase price
Misc. Title Charges	\$1,500
Managing Agent's Fee	\$500



Adjustments:

• Common Charges	One month max*
• Real Estate Taxes	1 to 8 months**
Mansion Tax	1% of <u>entire</u> price when price exceeds \$1,000,000
Move-In Deposit or Fee	\$1,000

*Prorated for month of Closing

**Expect to pay eight (8) months' Real Estate Taxes – combined between Seller as an adjustment and escrow established by lender.

Note: When purchasing a condominium unit from a Sponsor, the Purchaser will be required to pay New York City and New York State Transfer Taxes (See "A above for amounts) as well as the Sponsor's attorney's fee (typically around \$2,500).



II. MULTI-FAMILY RESIDENTIAL/COMMERCIAL PROPERTY (4 or more units)

A. FOR SELLER:

Broker	6%
Own Attorney	\$7,500 and up
New York City Transfer Tax	1.425% of price up to \$500,000 2.625% of <u>entire</u> price when it <u>exceeds</u> \$500,000
New York State Transfer Tax	.4% (.004) of price
Payoff Bank Attorney (if Seller has Mortgage)	\$500
Miscellaneous	\$1,500
Transfer security deposits	TBD
E Tax Filing (ACRIS)	\$150
Gains Tax Withholding (out of State Seller)	8.82% of gain
Non US Resident (FIRPTA)	10% of price withheld or paid

B. FOR PURCHASER:

Own Attorney	\$5,000 and up
Bank Fees:	
• Points	0-2%
• Application, credit, appraisal, bank attorney, engineer and miscellaneous	\$6,000
Short-Term Interest	One month max*
Mortgage Tax	2.175% of <u>entire</u> amount of mortgage on loans <u>under</u> \$500,000 and 2.80% of <u>entire</u> amount on loans <u>over</u> \$500,000
Real Estate Tax Escrows	2-6 months
Insurance Escrows	8 months
Fee Title Insurance	Depends on purchase price

*Prorated for month of closing



Mortgage Title Insurance	Depends on loan amount
Miscellaneous Title Charges (recording, etc)	\$1,000 - \$2,500
Adjustments:	
• Rents and Security Deposits	TBD
• Real Estate Taxes	1-6 months
• Insurance	1 year
Creation of Corporation or Limited Liability Company	\$2,300



III. COOPERATIVE APARTMENT

B. FOR SELLER

Broker	Typically 6%
Own Attorney	\$3,000 and up
Managing Agent	\$500-\$1000
Flip Tax (if any)	Consult Managing Agent
Stock Transfer Tax	.05 per share
Move-Out Deposit or Fee	\$500-\$1,000
New York City Transfer Tax	1% of price up to \$500,000 or 1.425% of <u>entire</u> price when price exceeds \$500,000
New York State Transfer Tax	.4% (.004) of price
Payoff Bank Attorney (if Seller has a mortgage)	\$450
UCC-3 Filing Fee (if Seller has a mortgage)	\$125
E Tax Filing (ACRIS)	\$200
Gains Tax Withholding (out of State Seller)	8.82% of gain
Non US Resident (FIRPTA)	10% of price withheld or paid

B. FOR PURCHASER:

Own Attorney	\$3,000 and up
Bank Fees: application, credit, appraisal, bank attorney and miscellaneous	\$2,500
Short-term Interest	one month max*
Move-In Deposit or Fee	\$500 - \$1,000
Managing Agent	\$750
Lien Search	\$350
Maintenance Adjustment	one month max*
Mansion Tax	1% of <u>entire</u> price, only when price exceeds \$1,000,000

*Prorated for month of closing



INCOME TAX POINTERS FOR SELLER (PLEASE CONFIRM WITH YOUR ACCOUNTANT)

1. If the sale is of the Seller's principal residence, having been so for at least two (2) of the five (5) years preceding the sale, \$250,000 of the gain (\$500,000 for married Sellers) will be excluded from capital gains taxes.
2. The federal tax rate on long-term capital gains (property owned for at least a year) has been reduced to 15%. Adding New York City and States capital gains taxes you can estimate around 24% as the total capital gains taxes.
3. A I.R.C section 1031 tax-deferred exchange will allow a Seller to defer payment of capital gains taxes to a later date. This will enable the Seller to have the use of those dollars for investment into the next deal. Please consult your accountant and attorney for further information.

In general, to be applicable, the property being sold must have been held for investment, not as the Seller's home.

4. An Installment Sale involves Seller financing. It will enable a Seller to defer paying capital gains taxes to a time when the Seller may be in a lower tax bracket. Seller financing might also be used to bridge the gap where the parties cannot agree on the purchase price.



FIRPTA

Whenever a Seller is not a United States taxpayer (e.g. foreign person) the IRS requires that 10% of the purchase be paid to it at closing, and an 8288 Form must be filed.

This payment is not necessarily the capital gains tax due on the sale.

We recommend utilizing a “pre-closing audit” with the IRS to establish the capital gains tax that will be due. Only the tax, which can be well below 10% of the price, need be paid to the IRS. The penalties for not filing timely are significant.

NEW YORK STATE ESTIMATED TAX PAYMENT

On the sale of a real property in New York by an individual seller (corporations, trusts and Limited Liability Companies are exempt) who did not use the property as Seller’s primary residence for two (2) of the five (5) years preceding the sale, New York State requires that 8.82% of the taxable capital gain be paid at the time of closing. An IT-2663 or 2664 form must be filed.

TITLE AND MORTGAGE INSURANCE

Title and mortgage insurance need to be calculated on a case-by-case-basis. It varies depending on the purchase price and amount of loan. Also, there are bulk rate discounts for condominiums with more than ten units. For example, on a \$900,000 purchase or a residence with a \$700,000 mortgage, the fee policy and mortgage policy would be \$3,500 and \$835 respectively. Please do not hesitate to email me at cprice@bbwg.com for a specific estimate.

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