

Step-By-Step Renter's Guide

Preparation

Speak with your Real Estate Agent about what you require of a home and a neighborhood.

Defining the price range, size of apartment, and building amenities will give your agent a good starting place for your search, but flexibility in any of these areas will increase your chances of locating a well chosen home.

Your homefinding trip should not be scheduled any earlier than 4 weeks prior to your desired lease start date. The New York City rental market operates on a 30-day cycle and should you visit earlier, it is unlikely that many apartments with your desired move – in date will be available to be seen.

Please view the Landlord Requirements section for a list of items you will need to bring with you on your homefinding visit.

Working With Your Agent

Fully disclose your financial situation to the agent. She/He will guide you to the apartments that best fit your parameters, thereby reducing the time it takes to obtain a lease.

Your Home Finding Visit

Your agent will meet you at your pre-determined location to assist with viewing properties matching your parameters. It often happens that the perfect apartment is found on the first day, however if it is not, your agent will take the knowledge gained from the day and apply it to the next days search. It is imperative that you be honest with your agent and openly express to her/him your likes and dislikes. This will allow her/him to help locate your new home in the shortest amount of time.

The best time to view properties is Monday – Friday, 9am to 6pm.

Although Manhattan does not have a MLS, the many different brokerage firms share their listings, meaning that one agent has the ability to show you everything.

Before you view property, you will be asked to sign Halstead's Commission Agreement. The signing of this agreement is recommended by the Department of State and protects both you and the agent.

For more information on this issue, please visit: www.dos.state.ny.us/cnsl/apthunt.html



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Application and Lease

Throughout all the changes in New York City's real estate market, one thing remains the same: once you have found the apartment you want, it is best to act immediately. If you have prepared the documents listed in the "Landlord Requirements" section, then you are ready for the application process.

The application process is as varied as the landlords themselves. Most frequently you will be asked to complete an application, which together with your letter of employment, previous landlord reference and credit report (run either by your Halstead agent or the landlord) will be submitted to the prospective landlord for approval. Usually there is an application fee that can range from \$25 - \$100. Upon landlord approval, your agent will schedule a lease signing at which you will be required to provide first month's rent, security, and the brokerage commission.

Please see the "Coops, Condos, Condops, and Townhouses" section of this guide for more information on applications and approval time frames.

Remember that in most circumstances a personal check will not be accepted for these fees.

Read the lease and any attached riders in their entirety. Your agent can help define anything that is not clear to you.

Move In Day

Your new landlord will determine how your copy of the lease and keys will be relayed to you.

Speak to your agent or superintendent regarding the move in policies of your building. Routinely an appointment is required.



Landlord Requirements of Prospective Tenants

Prospective tenants may be required to submit numerous items to prove financial ability. As a general rule, landlords require that the prospective tenant have an annual income equal to 40 - 50 times the monthly rent, a good credit history, and a previous landlord reference. (Depending on the landlord, combined incomes for roommates or couples may be used.)

The following is a list of regularly required information:

Minimum Required Paperwork

Letter of Employment

Usually a brief statement on employer's letterhead of annual salary, bonus, position held, and start date. International customers will also want to have included the number of years, if any they worked for their current employer.

Letter from Current Landlord

Should reference length of tenancy and history of paying rent on time. If you cannot obtain a letter, bring the previous landlord's name, address, and phone number.

Good Credit

if your credit is not in good standing or you have no US credit history, you may require a guarantor.

Personal Identification

A Passport or Driver's License. Additional information you may wish to have on hand (normally used in coop/condo applications.)
Copy of Recent Paystubs

Tax Returns

Typically for two years prior

Financial Statement

A statement version should be acceptable

Bank Letter or two months of statements

Confirming status, balance of account(s), and date opened

Two Business Letters of Reference

Usually from former landlords or employers



Landlord Requirements of Prospective Tenants

In addition to the above list, it is essential that you prepare the necessary funds before arriving for your home-finding trip. Landlords do not usually accept personal or out-of-state checks. We suggest bringing funds equal to one month's rent and a month's security deposit in the form of travelers checks or enough credit line on a credit card to be converted into certified checks at a local bank.

The brokerage commission, as stated in the commission agreement, is agreed to be paid at the time of lease signing. Payment may be made in the form of certified check, travelers check, money order or wire transfer.

If you have questions regarding meeting these requirements, speak to your agent or relocation counselor about the possible use of a guarantor.

As a consequence of the stringent requirements of New York City landlords, the use of a guarantor is often employed. A guarantor is an individual that can co-sign the lease. Guarantors should earn in excess of 80 times the monthly rent in annual income. These persons should also own their own home. Guarantors from New York City are best, but ones from the tri state area are usually acceptable. Not all landlords will accept guarantors from other states.

Remember that in most circumstances a personal check will not be accepted for these fees.

Read the lease and any attached riders in their entirety. Your agent can help define anything that is not clear to you.



Coop, Condo, Townhouses, House

Cooperative

Cooperatives, or Co-ops comprise approximately 75-80% of New York City's real estate market. When purchasing a Cooperative apartment, one purchases shares of stock in a Corporation that owns the building and possibly the land beneath. A stock certificate representing the purchased shares and a proprietary lease giving the right to occupy the apartment are conveyed at closing.

The size of the apartment and its amenities determine the number of allocated shares, which therefore determines the amount of maintenance. Maintenance covers the upkeep of common areas, staff salaries, as well as payment of real estate taxes and interest on any underlying building mortgage.

A Board of Directors, whose duties are to conduct the business of the Corporation and oversee the Management Company of the building, is elected from among the shareholders. Typically, the Board reviews the application of each prospective shareholder or lessee and presides over a personal interview prior to approving any purchase or lease. The Board has the right to approve or deny any applicant without cause.

Most Co-ops require shareholders to occupy their apartments as primary residences, however normally an allowance is made for one or two years of subletting. A prospective lessor is required to submit a formal application and personally interview with the Board for its approval.

Financing a cooperative purchase requires the use of a personal loan rather than a mortgage. The lending institution holds the original stock certificate as collateral, since the lien is actually against the shares. As with a traditional mortgage, the interest on the loan is tax deductible.

The Corporation establishes the amount of allowable financing, the most common percentage being 75% or less. Some buildings stipulate 50% or no financing at all.

Estimated time from accepted offer to closing: 3-4 months to purchase,
30 days to lease

Condominium

The ownership of a Condominium apartment is similar to the ownership of real property. A purchaser of a Condo takes title by deed for not only the apartment but also a percentage of the building's common areas. Each owner pays property taxes to the city and common charges to the Board of Managers for their individual units. Real estate taxes are deductible, however common charges are not.

The Board of Managers is elected by the Condo residents to oversee building operations and enforcement of the "house rules." The Board uses the common charges to pay employees, repair and improve the building.



Coop, Condo, Townhouses, House

Condominium (continued)

Condos did not traditionally have an approval process, however in recent years have implemented a procedure whereby purchasers and lessors must submit an application. The Board of Managers reviews this application and must either approve the applicant or exercise the condominium "right of first refusal" to match the purchase price. Although uncommon, the option to purchase the apartment from the current owner rather than have it transferred to the applicant is available to the Board.

Most Condo policies towards subletting are considerably more lenient than Co-op policies. By allowing the right to sublet, Condominiums are often the best choice for investors. Lessors should be prepared to submit an application to the Board to receive approval.

Estimated time from accepted offer to closing: 1-2 months to purchase
10-30 days to lease

Condop

By definition, a Condop is a residential cooperative where the ground floor (typically commercial units) is converted into a separate Condominium owned by either an outside investor or the original sponsor of the building. Because the owner of the Condo is not the owner of the Coop, the Coop does not receive the benefit from the Condo income.

Cooperatives that operate in the style of a Condominium are commonly yet inaccurately referred to as Condops.

Townhouse & House

A purchaser of a Townhouse receives "fee simple" ownership of real property. The owner is responsible for payment of real estate taxes and maintenance and is solely responsible for approving the sale of the property.



Building Terms

Pre-War Buildings are those built before World War II. These buildings tend to be less than twenty stories and are recognized for features such as larger rooms and/or windows, hardwood floors and high ceilings. These can be doormen or non-doormen.

Post War are larger buildings than Pre-War, built between the 1950's through the 1970's. Most will have doormen. They can be found on most city blocks constructed of white, red or brown brick.

Modern Buildings are generally built from the 1980's through the present and tend to be condominiums. They are mainly hi-rises with doormen and/or concierge services. Many will house a health club and/or pool within the building.

Loft Apartments are usually large open spaces with high ceilings and big windows. They are predominantly located in the downtown neighborhoods and seldom have doormen.

Brownstones or Townhouses are usually 4 to 6 stories and are either single-family homes or have been converted into multiple apartments (usually one per floor). Generally, these buildings offer a lot of charm with wood moldings, fireplaces and outdoor space, however rarely doormen.

Walk-up buildings are no more than 6 stories and have no elevator and no doorman. They were originally constructed as multi-family housing. As one can imagine, the higher the floor – the less expensive the apartment.

Studio is one or two rooms combining a living room and sleeping area. The kitchen may be within the same room or separate.

Alcove Studio (or L-Shaped) is a one or two room studio with a separate alcove, which can be used as a sleeping area or "walled off" to form a bedroom. Please note that any alteration to the apartment should always be discussed with the landlord.

Convertible (or flex) is an apartment with either an alcove that can be "walled off" to create an additional bedroom, or whereby the living room is large enough to split, making an additional bedroom while still retaining some of the living room space.

Junior is similar to a convertible in that it is typically an apartment with an alcove adjacent to the living room.

Duplex or Triplex are apartments with two or three floors respectively.

Loft Area or Mezzanine is an additional space created in apartments with very high ceilings. The loft area is usually constructed above the living room, accessible by a staircase or ladder and typically used for storage or sleeping space.

