

Purchaser's Residential Closing Costs

Long Island

(see other side for seller's closing costs)



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Universal Closing Costs applies to all transactions

- Counsel fees (typically \$2,000 – 3,000)
- Financing bank fees: varies depending on loan product
- Mansion tax: applies to transactions at \$1,000,000 or over

- Flat 1% of entire transaction price
- If building is mixed use and total price is \$1,000,000 or more, pay mansion tax only on residential portion, even if residential portion allocation is less than \$1,000,000

Peconic Bay Transfer Tax

➢ East Hampton, Southampton, Shelter Island

- Improved property:
 - First \$250,000 exempt, then 2% of purchase price
- Unimproved property:
 - First \$100,000 exempt, then 2% of purchase price

➢ Riverhead, Southold

- Improved property:
 - First \$150,000 exempt, then 2% of purchase price
- Unimproved property:
 - First \$75,000 exempt, then 2% of purchase price

Real Property Closing Costs applies to both condominiums and houses

If borrowing, mortgage recording tax: 0.80% less \$30

+ Title charges: regulated by statute, no variance among title companies on insurance charges.

• Buyers that finance typically purchase both a title policy for themselves and the bank, but the bank policy is issued at a simultaneous rate

• Other charges apply for searches and filing fees and vary among insurers

Condominiums only

- Universal closing costs +
- Real property closing costs
- + Move in fees and deposits (approximately \$1,000)



Condominiums Only new construction / conversion



In addition to , sponsor may include purchaser payment of:

- + Sponsor's legal fees: (up to \$3,000)
- + Sponsor's transfer taxes: based on adjusted price
- + Working capital fund contributions (up to two months common charges)
- + Reserve fund contributions (up to three months common charges)
- + Share of resident manager's unit (depends on % common interest)

- Calculate NYS transfer taxes on base price
 - Then add to purchase price,
 - Then calculate NYS transfer taxes again
- (including mansion tax if applicable)*

tip



Adjustments For Seller Prepaid Expenses

Although not strictly a closing cost, buyers are typically contractually required to reimburse sellers for prepaid expenses. As this must be done at the closing also, this cash flow must be accounted for. These items may include one or more of:

- Maintenance / common charges
- Real estate taxes
- Water
- Oil



Coops only

- Universal closing costs
- + If financing, recognition agreement fee (up to \$400)
- + Coop search report (up to \$300)
- + Application fees (up to \$1,000)



Content Disclaimer:

All information provided is subject to periodic law and rule changes. Figures are current and accurate as of January 2011

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Universal Closing Costs applies to all transactions


- **Brokerage commission**
- **Counsel fees (typically \$1,000 – \$2,000)**
- **NYS Transfer Tax: \$2 for every \$500 of the price, or portion thereof**
 - *But a continuing lien deduction allowed if a CEMA is filed*
- **NYS Estimated Capital Gain Withholding: 8.97% of the estimated gain must be withheld at closing and submitted to NYS Income Tax, but exempt if:**
 - *Seller is a New York State resident at time of sale or*
 - *Property was seller's principal residence for 24 months in the last five years under Internal Revenue Code ("IRC") section 121 or*
 - *1031 exchange*
- **Federal Withholding (FIRPTA): Purchaser withholds 10% of the purchase price in escrow if seller is not an exempt individual**
 - *But most sales are exempt if seller is a US Citizen, permanent resident, or otherwise exempt*
 - *Non-exempt individuals can apply for a pre-determination letter however*



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Cooperative Apartments only

-  **Universal closing costs**
- + **Transfer agent fees (up to \$1,000)**
- + **Flip tax (varies depending on building, formula must be considered)**
- + **Payoff bank fees (\$400 per payoff bank)**
- + **Move out fees and deposits (approximately \$1,000)**





Real Property Closing Costs applies to both condominiums and houses

-  **Universal closing costs**
- + **Pickup fee to title closer (\$200 per outstanding mortgage)**
- + **Filing fees (up to \$500)**



Condominiums only

-  **Universal closing costs** +
-  **Real property closing costs**
 - + **Waiver application fees** (*typically less than \$1,000 but some condominiums impose much higher fees in connection with a transfer*)
 - + **Move out fees and deposits (approximately \$1,000)**



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