

# Purchaser's Residential Closing Costs

Westchester & Rockland Counties

(see other side for seller's closing costs)



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## Universal Closing Costs applies to all transactions

- Counsel fees (typically \$1,000 – \$2,000)
- Financing Fees: consult lending institution for financing fees
- 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



## Real Property Closing Costs applies to both condominiums and houses

### Universal closing costs

- + There is a **mortgage recording tax** if the buyer is financing:

All areas "but" Yonkers 1.05% of the mortgage amount then deduct \$30  
For Yonkers "only" 1.55% of the mortgage amount then deduct \$30

tip

- + **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.

tip

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


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

## 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)
- + **Eligible projects** A discount on the title policy (for both borrower and lender) if the project is 10 residential units or more

- Calculate NYS transfer taxes on base price
- Then add to purchase price,
- Then calculate NYS and NYC 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** (in cooperatives and condominiums)
- + **Real estate taxes** (in condominiums and houses)
- + **Water, Oil, Propane** (if applicable)



## 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)



# Seller's Residential Closing Costs

## Westchester & Rockland

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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*
- **City Real Property Transfer Tax - not an exempt individual**

**Yonkers:** 1.5% of purchase price

**Mt. Vernon:** 1% of purchase price but first \$100,000 of price exempt

**Elsewhere in Westchester:** Not applicable



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### Cooperative Apartment Closing Costs

- 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)**



### Condominium Closing Costs

- Universal closing costs** +
- Real property closing costs**
- + **Waiver application fees (typically less than \$1,000)**
- + **Move out fees and deposits (approximately \$1,000)**



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