

Investors Guide

Why Invest in Manhattan Real Estate?

Living in Manhattan is about more than tapping into one of the world's cultural and financial centers... It's also proven to be a smart investment. Owning a slice of the Big Apple is a great way to...

Manhattan real estate is a safe place to put your money. It seems no matter what happens to the world economy, **Manhattan real estate stands strong**. Resilient and Steady.

Demand for Manhattan real estate is higher than supply. And this will be true for a long time, thanks to Manhattan Island's boundaries and the city's strict zoning laws. Plus, New York City's population is growing rapidly. It has been for years. **Everybody wants to live in Manhattan**, which ups the value of your investment.

Manhattan real estate offers unmatched variety, whether we're talking neighborhoods, home types or demographics... There's somewhere for everyone, and there's somewhere for you to invest your money. Let us help you find it.

- **Attain financial security**
- **Earn solid returns**
- **Diversify!**

I Want to Invest in Manhattan... So What's My Next Move?

Contact Susan, she will walk you through it all. She knows what you need to know about Manhattan. Whether you're from in town or out of town. Have us make you a feasibility report, based on your goals, interests, and questions.

The most basic question might be... Which is a better investment for you: brand-new property or a re-sale?

- Investing in **new buildings is often less expensive**. Smaller down payments, fewer restrictions on buying and selling, lower property taxes... We have the resources to help you find ways to invest in new buildings.
- The **re-sale market also offers variety and value**. Re-sales are more popular than ever. If a re-sale might be your best bet, we'll help you maximize your investment by taking a look at...

1. Building upkeep and features
2. Location
3. Neighborhood safety
4. Property quality

Can a foreigner purchase real estate in Manhattan?

Yes, and many do. The percentage of Manhattan condominiums owned by foreign nationals fluctuates from year to year, but roughly 15 percent of Manhattan apartments are owned by foreigners. But while there are no legal restrictions for foreigners looking to buy Manhattan real estate, some Manhattan co-ops require would-be apartment buyers to present United States tax returns as part of the application process. No such restrictions apply on Manhattan condominiums or townhouses, though, and many foreign buyers prefer condominiums to co-ops for that reason.

What makes Manhattan real estate such a good investment?

It's something of a cliché that the three most important things in real estate are "Location, location, and location." In Manhattan real estate, though, the old saying happens to be true. Manhattan apartments can be expensive, but they are among the most popular real estate investments in the world for good reason, and a large part of what makes Manhattan apartments such a safe investment is, simply, the fact that they are located in Manhattan. Investing in an apartment in an emerging Manhattan neighborhood such as the Financial District, Harlem or the westernmost reaches of Midtown West may be a more aggressive move than buying an apartment on the Upper East Side or a condominium in Greenwich Village, but virtually any apartment in Manhattan will retain its value as long as New York City remains America's capital of arts, culture, finance and cool. And for all the ups and downs in the Manhattan real estate market, New York City will always be New York City.

Would I be better off buying a Manhattan condominium or a co-op?

That depends on what kind of Manhattan apartment you're interested in. More than three-quarters of Manhattan's housing stock is co-op, but the balance has shifted slightly in recent years. While virtually all of the Manhattan's classic pre-war apartment listings are in co-ops, many of the new construction apartment buildings in Manhattan are condominium. Co-ops tend to be slightly less expensive than condominiums -- usually about 10 percent less -- although co-ops charge maintenance fees that can increase the cost of living significantly. Living in a co-op does have its perks, although the famously complicated process of being approved by Manhattan co-op boards can be difficult for foreigners who do not pay taxes in the United States, as U.S. tax returns are often required as proof of income during the approval process. It's also difficult for everyone else -- Manhattan co-op approval processes are notoriously onerous, often taking weeks or months, and many co-ops are strict about the amount of financing buyers are allowed. Condominiums do not have such restrictions, and are as a general rule much easier to buy and sell than co-ops; additionally, new construction Manhattan condominiums offer generous tax

benefits for buyers, which can result in significant savings. For more on the differences between co-ops and condominiums, check out Susan's Buyer's Guide.

Do I need to have a real estate agent assist me in buying my Manhattan apartment?

Are you required by law to use a real estate agent if you're going to buy a Manhattan apartment? No. Should you have one? There are many reasons why the answer is yes. First and foremost, both for foreign buyers interested in a Manhattan condominium or co-op purchase and for native New Yorkers, having an experienced agent on your side offers the benefit of having someone who has been there before helping to coordinate the process. Finding a Manhattan condominium isn't all that difficult -- and if you're at New Construction Manhattan, you already know this -- but the process of purchasing a Manhattan condo can take weeks or months, and involves many moving parts and different participants. An experienced real estate agent like Susan Singer can greatly ease and expedite the process, and spare the apartment buyer plenty of stress and anxiety. Given that sellers will be employing their own seller's agent -- whose job is to work on behalf of the apartment's seller -- it can help a great deal to have a similarly experienced agent on your side, whose fiduciary duty is to you. Also, you'll owe your buyer's agent no money on the deal -- in New York City, both the seller's agent and the buyer's agents' fees are paid by the seller.

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Should I pursue a mortgage on my apartment?

Virtually all Manhattan apartment buyers do opt for a mortgage, if only because Manhattan apartment listings tend to be too expensive for outright purchases. International apartment buyers can get mortgages from U.S. banks, and can finance up to 60% of the apartment purchase price. International buyers who opt for mortgages should be prepared to supply copies of their visas, as well as verifications of employment and financial viability and four financial references. There are various taxes associated with mortgages, as well, but it is difficult to overstate the advantages of a good mortgage for those looking to purchase a Manhattan apartment. If you're buying a Manhattan apartment as an investor, obtaining a mortgage can confer sizable tax benefits. And if you're buying a Manhattan apartment to live in, a good mortgage can still be a great help -- by making your dollar go farther, and by making it possible to purchase a more expensive apartment than you might otherwise be able to afford. Given the cost of the average Manhattan condominium or co-op, that's no small consideration.

The Manhattan apartment I want to buy has a tax-abatement. What does that mean?

There are a number of tax incentives in New York City that can come into play on a Manhattan apartment purchase and a good financial advisor and real estate agent should be able to explain the tax benefits of any apartment listing. If you're searching for a new construction condominium, there's a good chance that the condo development participates in New York City's Tax Exemption Program. For condominium conversions, apartments can have the J-51 tax abatement; new construction condominiums have 421-A tax abatements -- the most common tax abatement in New York City real estate -- or a 421-G tax abatement. A 421-A tax abatement benefits apartment buyers by phasing tax exemptions over the course of a 10-year period, with a

100% exemption from real estate taxes on the first two years of home-ownership, and abatements decreasing by 20% every two years until, by the 11th year of ownership, the apartment owner is paying the full real estate tax amount. Apartments with a 421-G tax abatement -- which is available only to apartments south of Murray Street, primarily in Manhattan's Financial District -- enjoy even more generous terms, with tax benefits phased in over a period of 14 years. Other abatements can provide up to 25 years of tax relief. Given New York City's real estate taxes, any tax abatement is helpful, especially coming on the heels of the expensive process of purchasing a Manhattan apartment. Susan is able to explain your tax abatement with you, and put you in touch with a financial advisor who can help you get the most out of your tax abatement.

How are property rights registered for Manhattan apartments?

At the closing, your attorney will record the title for the apartment you have purchased with your information, at which point he will submit those documents to the New York City Register. At the closing, the title for your apartment will be photographed, copied and filed for the public record, and those documents will be available to anyone who needs to see them.

I would like to rent out my Manhattan apartment after I purchase it. How can I do that?

To a great degree, this depends on what kind of Manhattan apartment you purchase. Manhattan co-ops are notoriously unfriendly to rentals, but Manhattan condominiums offer much more latitude. Susan is able to assist you in listing and renting your apartment. Many international buyers choose to rent their Manhattan apartments in order to cover their monthly taxes and the various fees associated with apartment ownership, and rental fees can also help defray monthly mortgage costs. Make sure to check with your building's board before attempting to rent your apartment -- most Manhattan apartment buildings allow for only long-term rental agreements (that is, leases of 12 months or more), although a few do allow month-to-month leases. Whatever your choice, the right Manhattan real estate agent is just as vital in helping you rent your apartment as in purchasing your apartment. Which is another reason, if you still need one, to work with a real estate agent you can trust?