

Manhattan Real Estate Attorney Peter Zinkovetsky Explains the Pros and Cons of Purchasing a Co-Op vs. a Condo

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Manhattan real estate attorney Peter Zinkovetsky releases a new article (https://www.avenuelawfirm.com/coop-vs-condo/) discussing the pros and cons of a co-op compared to a condo in the New York City market. The lawyer mentions that around 70% of residential buildings in NYC are co-ops, while condos make up the majority of apartments built in the past 20 years. Weighing the differences between a co-op or a condo can be difficult, but the choice would ultimately be based on an individual?s personal preferences and inclinations.

Compared to buying a condo where the owner will receive a deed to the home, purchasing a co-op involves buying shares in the corporation that owns the residential building. Instead of a deed, a lease will be signed, giving the co-op buyer the right to occupy the apartment they bought in the building.

Additional expenses may come from taxes and insurance when buying a condo. According to the Manhattan

real estate attorney, ?In NYC, the purchase prices of co-ops are usually lower than condos, and you can receive more bang for your buck, so to speak, regarding square footage. Purchasing a condo can also mean higher closing costs since you will be required to purchase title insurance and pay a mortgage tax if you choose to finance your new home; neither of which are required when purchasing a co-op.?

According to the attorney, the flip side is that co-ops can require a higher down payment in addition to at least a year?s worth of mortgage and maintenance charges. A liquid assets requirement for co-op purchases may also be required, with the exact amount varying depending on the co-op. Some co-op buildings also have a flip tax, a transfer fee that could be as expensive as 3% of the purchase price or higher. The board of directors of a co-op can also reject an application to purchase a co-op and limit an owner?s ability to sell their co-op.

Most new developments in NYC are condos that offer include luxury amenities such as gyms, swimming pools, etc., while co-ops own most older buildings. Older structures offer amenities such as fireplaces and more traditional decor. As such, an individual looking to buy a condo may look towards the Financial District and Battery Park, where newer developments are, while those looking for co-ops might gravitate towards buildings around Central Park or the Upper East Side. Monthly expenses such as common charges and maintenance fees might get more expensive the more amenities are offered. Attorney Zinkovetsky mentions that property taxes in a co-op is paid to the corporation, while owning a condo requires paying the taxes directly to the government.

?Overall, the decision between a condo and a co-op is a personal one. Both have their pluses and minuses. Condos often cost more but allow a greater degree of freedom and flexibility than co-ops and an easier approval process. With co-ops, you can save on closing costs, afford more square footage and have lesser monthly fees, but you may lose the flexibility that is offered by condos,? the NYC real estate attorney advises.

Lastly, attorney Peter Zinkovetsky emphasizes the importance of consulting with a real estate attorney experienced in the NYC market. Discussing goals and preferences with an attorney before purchasing can help in reducing the chances of regret and save money, time, and effort.

About Avenue Law Firm

Peter Zinkovetsky is the founder of Avenue Law Firm. He is an experienced and highly rated New York attorney who represents local and international clients. Attorney Zinkovetsky teaches continuing education courses, writes a legal blog, has written articles for the New York Real Estate Journal, and is often invited to participate and present at conferences in the US and worldwide. His team of legal professionals at Avenue

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