

NYC Real Estate Attorney Natalia Sishodia Discusses How to Avoid the Transfer Tax in NYC

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NYC real estate attorney Natalia Sishodia (<https://sishodia.com/how-to-avoid-the-nyc-transfer-tax/>) releases a new article explaining how to avoid the NYC transfer tax. The lawyer mentions that an individual who is selling or purchasing real estate in New York City needs to be aware of the closing costs they will be required to pay. Often, one of the largest costs for a seller or buyer will face at the closing is the state or local transfer tax.

?Those who sell the property or co-op shares in New York City over \$25,000 will be subject to both state and local transfer taxes at the time of closing. This applies to all residential real property, whether it is a single-family home, a co-op, or a condominium. If you are a buyer purchasing new construction, the developer will typically pass these taxes on to you,? says the NYC real estate attorney.

The lawyer explains that there may be some exemptions from the transfer taxes but these are limited. However, there is always a way for transfer taxes to be reduced in NYC. Sellers may be able to potentially reduce their transfer taxes through an agreement called a purchase CEMA. Purchase CEMA, otherwise known as consolidation, extension, and modification agreement, is an agreement between the seller and the buyer.

Attorney Natalia Sishodia says that transfer taxes are usually imposed only on the property?s equity upon transfer. If there is an outstanding mortgage on the property being assumed by the new buyer, the transfer fees will only be calculated based on the amount of equity in the home.

In an example, attorney Sishodia explains that for a \$1 million property with a \$400,000 mortgage assumed through a CEMA, transfer taxes will be calculated on the balance of \$600,00. This can potentially save the seller significant money at the closing of the transaction.

According to the real estate lawyer, ?In a resale scenario, the amount that a buyer is responsible for in mortgage recording taxes is only calculated based on new lending. Consequently, with a purchase CEMA, the buyer will only be responsible for mortgage recording taxes on the new mortgage money they take out for financing any equity in the property. In this case, everyone wins.?

Lastly, the real estate attorney emphasizes the importance of having a skilled attorney when it comes to dealing with matters such as investing in properties. An experienced lawyer may be able to help the client understand their rights and make guided decisions about their purchase.

About Sishodia PLLC

Sishodia PLLC?s team of professional New York foreign investment lawyers pride themselves on their ability to give the most comprehensive advice and guidance possible to their clients. The lawyers at Sishodia PLLC take time to fully understand each client?s unique goals and circumstances, minimizing potential risks and issues. Call them today at (833) 616-4646 for a consultation.

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Sishodia PLLC

Sishodia PLLC is a boutique New York real estate law firm offering experienced, individualized legal solutions to clients ranging from first-time homebuyers to seasoned real estate investors.

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