**SUBMITTING AN OFFER / WINNING THE BID**

The process of submitting an offer in New York City is non-binding, meaning that a bid is just the start of the purchase process and a buyer is not obligated to follow through on the offer. Until the contracts signed by both buyer and seller and the fully executed contract is delivered, an accepted offer does not guarantee that the deal will happen.

Buyers are free to bid what they wish, though winning bids are generally close to what the comparable apartments (Comps) have sold for. Buyers are also free to bid on as many apartments as they like simultaneously since bids are non-binding.

**WHAT IS REQUIRED TO SUBMIT A BID:**

Bid Specifics:

* Amount
* Down payment amount or percent
* Contingencies – Financing, selling another home, etc.
* Inclusions/Exclusions- I.e. do you want a chandelier
* Closing Date/Period- i.e. within 30 days of board approval- Discuss this aspect with your agent as it will vary from deal to deal.
* Inspection required or not
  + This is a buyer preference though in most cases the inspector will only have access to the interior of the apartment and most buyers forgo this step. The attorney’s due diligence will perform the rest via their multi-layer process (described below). There are situations where an inspector is recommended, though your agent will advise you to these conditions.
* Specifics as to living issues – i.e. Primary Residence, Pied a Terre, Investment unit
* Will there be pets- and if so provide details – i.e. 2 cats, 1 dog (size/weight/breed)

**MATERIALS NEEDED:**

* Completed REBNY
  + This tells the seller you are serious about the process and have the ability to close the deal. Additionally, for co-op’s the seller/seller’s agent can determine whether a board approval is likely or not by reviewing the financial details and ratios – i.e. Debt to Income, Post Closing Liquidity
    - The earlier this is provided in the process- the better, as a good agent might be able to strengthen your bid by finding the best way to present yourself. Many buyers forget to include alternative income streams or find other ways to lower expenses.
  + Bank Pre-approval (if financing)
    - Keep in mind financing in NYC is very different than financing in the rest of the nation. Speak to your agent about understanding the differences.
  + Proof of Funds (if all cash) – The top page or two of bank/brokerage statements proving you have the cash to close the deal.
  + Optional but highly recommended- a buyer biography – typically a few sentences or so that summarizes who you are and why this home is such a great match for you. A buyer biography costs nothing but can add a lot of value to getting your offer accepted.
  + Income Restricted Co-op’s may require 1 or 2 years of tax returns (the 1st two pages of each year) and possibly a current pay stub included in the bid to prove you are within the income restriction.
  + Your Real Estate Attorney’s name/contact info
    - This is optional for the bid- but strategically this is an easy way to strengthen your offer without adding anything to the price. Having an attorney selected in advance tells the sellers that you are serious and ready to move quickly. You also want a specialist in NYC Real Estate as an generalist attorney can slow down or hamper a deal- and be viewed as a weak point in the deal. Ultimately you will need you will need to provide this information within 24 hours (or so) of an accepted offer- so it is better to be prepared in advance.
  + If you are not a U.S. Citizen- let your agent know (most co-op’s will not permit non-U.S. Citizens to purchase).

**ONCE YOU HAVE AN ACCEPTED OFFER:**

Understand that the offer isn’t binding- and a seller could still accept another offer until the contracts are signed by all parties. Timing is extremely important. Expectations:

* Provide your real estate lawyer’s name within 24 hours of an accepted offer; sooner is better. If you don’t have a real estate attorney – I have several that I can recommend.
* Inspection to be completed ASAP prior to contract signing
* Contracts to be signed within a week, two weeks maximum in most instances.

Your attorney will review the building’s meeting minutes, financials, as well as any other relevant documents such as the alteration agreement and house rules. Your attorney may also have a questionnaire for the building to clarify any concerns or to address any other protections for you.

All of the information above is provided to the buyer- and the reason why an inspection will typically only cover the apartment rather than the building as a whole. A buyer can still have an inspection done- but it will typically only cover the interior of the apartment. If a buyer is going to hire an inspector, it should be done prior to contract signing.

Your attorney will also negotiate the contract – in part based on their experience, and also based on specifics of this deal. Once a contract has been signed and delivered to both parties- it is considered a fully executed contract- and you are considered to be “In Contract”.

If there is a board package (condo or co-op)- you typically have 10-14 business days to gather, assemble and finalize the board package. This will include the board application plus any supporting materials requested. Once submitted, a condo will have to approve or use their right of first refusal (rare). Once approved- the deal moves toward the closing stage (financing will slow this down). If this is for a co-op, the board will need to review the board package- and the board package seems like a reasonable fit- the board will then invite the buyers to interview. If the interview goes well- then the deal moves to the closing stage where ownership changes hands.