

# BUYER'S REPRESENTATION GUIDE



COMPASS

# GUIDING YOU HOME

Buying a home is one of the most emotionally and financially significant decisions most people will make in their lifetime. My duty is to represent you and your best interest. With my industry knowledge, exceptional tech tools, and national network, the entire home buying process will be simple and pain-free. Rest assured that you will be in dedicated, trustworthy hands as I guide you to your new dream home.

## How I support you

- Provide real-time market insights on comparable homes with the Compass CMA tool (competitive market analysis)
- Curate a group of listings based on your preferences using Compass Collections
- Use my knowledge of on and off-market listings to find homes that meet your criteria
- Tour the area and share local expertise
- Build your 'buyer team' by connecting you with financing organizations and vendors
- Negotiate the best terms of sale to get your offer accepted



## Proven Success

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100

Lifetime  
Transactions\*

40M

Lifetime Sales  
Volume\*

Rookie of the Year Award  
2018

NJ REALTORS®  
Circle of Excellence Sales Award  
Recipient: 2020, 2021, 2023.

# CARLOS BELTRAN



Carlos Beltran is an accomplished attorney and licensed Broker Associate/Realtor, bringing over 20 years of combined experience in representing buyers, sellers, and investors in luxury residential, commercial, and investment properties across New York, New Jersey, and Florida.

He serves as a valuable intermediary, facilitating communication and collaboration among all parties involved in the real estate transaction.

Let me show you why I am the right agent for you.



When you work with me, you will get:

- Extensive experience in real estate with a track record of successful transactions
- Tailored advice and guidance to meet your unique needs and goals.
- In-depth knowledge of the local market trends and property values.
- Strong negotiation skills to ensure you get the best deal.
- Prompt and transparent communication throughout the entire process.
- Smooth and efficient handling of paperwork and legalities.
- Access to a network of reliable professionals, from lenders to inspectors.
- Dedication to providing top-notch service for a seamless experience.

# CLIENT TESTIMONIALS

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*We want to thank Carlos for making our dreams come true. We couldn't have done this without him. His knowledge of the market, attention to detail, and negotiating prowess enabled us to find the perfect home and get it at the perfect price. It was an incredible and nerve-racking journey as first-time buyers and he walked it with us every step of the way. Not only do we now have an amazing home, but we have an amazing and valuable friend. We're so happy that we've crossed paths. HIGHLY RECOMMEND!!*

Buyer | New York

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*Carlos helped us find our new home over a 6-month process during COVID. We were most appreciative of his attention to detail and responsiveness throughout the whole process. After going out a few times, we had a pretty good idea of what kind of property and price range we would be looking for and Carlos was very thorough in doing background research on the target properties and diligent in following up on communications. We also appreciate his calm and non-pushy demeanor allowing us to consider decisions at our own pace. During the closing process, Carlos helped to keep an open and amiable dialogue with the sellers when the attorney negotiation was leading to some misunderstandings. Overall, we were very satisfied with Carlos's patience and service in helping us through this first-time home-buying experience!*

Buyer | Jersey City

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*Carlos was very hands-on, quick to respond and provide insights that I would have missed. He was always willing to make time to accommodate my schedule and worked well with my lender, lawyer and other parties involved. I had a timeline for purchase, and he worked tirelessly to make sure everything was done within the deadline. I would strongly recommend Carlos.*

Buyer | Miami

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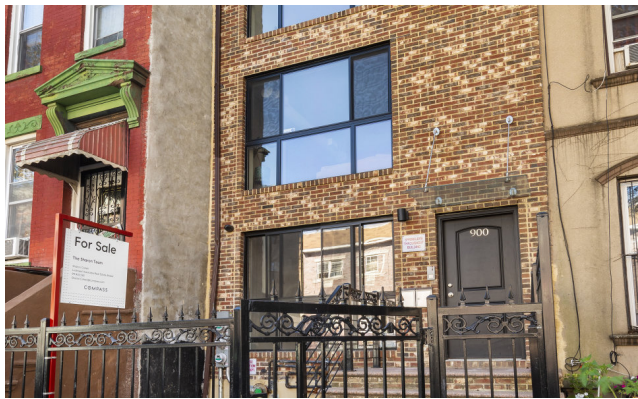
# NOTABLE TRANSACTIONS



**68-76 Wilson Avenue**  
North Ironbound Newark  
0 BD 2 BA 5403 SF \$2,050,000



**99 Hudson Street, Unit 2912**  
Exchange Place Jersey City  
2 BD 2 BA 775 SF \$1,250,000



**900 Madison Street**  
Bedford-Stuyvesant Brooklyn  
5 BD 7 BA 3188 SF \$1,464,000



**25 Ash Street**  
Piermont Rockland County  
3 BD 2 BA 1778 SF \$600,000



**12628 Southwest Marrita Aly Port**  
Tradition Port St. Lucie  
5 BD 5 BA 0 SF \$769,000



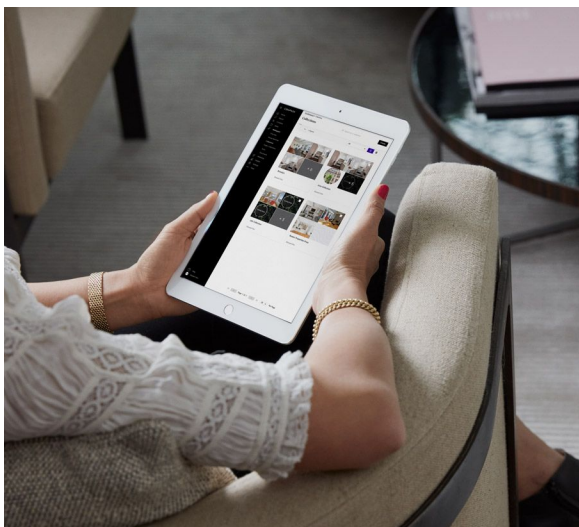
**4200 Northwest 11th Court**  
West Buena Vista Miami  
4 BD 2 BA 1617 SF \$615,000

# COMPASS EXCLUSIVE TOOLS AT MY FINGERTIPS

In the world of real estate today, it's not enough to simply keep up with the latest technology — you deserve an agent who's always one step ahead. At Compass, I have access to AI-driven technology to deliver a modern buyer experience that is collaborative, seamless, and hassle-free.

## Private Exclusives

A private exclusive listing is an off-market home that can be shared by a Compass agent directly with their colleagues and their buyers. As your agent I can provide visibility into these listings.



## Compass Collections

With Compass Collections I can curate a group of listings based on your personal preferences in a visual workspace. There, you can compare multiple properties, monitor market activity in real time, stay in constant contact with me, and invite collaborators to join in on the discussion - all in one central place.

## Compass CMA

Powered by AI, Compass CMA is a tool that lets me provide you with real-time market insights on comparable homes in the area. Now you can feel more confident that your next home is in the right price range and that you are making a competitive offer.

## Compass Search

Compass Search lets you sort by a wide range of features and amenities to pinpoint the perfect home. Plus, you can discover exclusive Compass listings that you cannot find anywhere else and receive real-time notifications of new homes with customized Saved Searches.

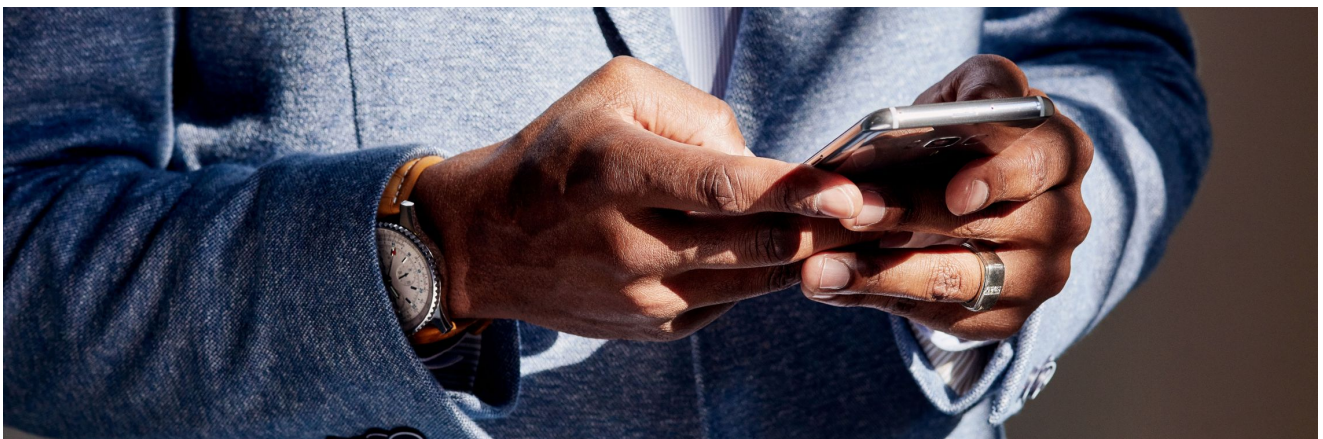
# GET AHEAD WITH THE COMPASS ADVANTAGE

## Investing Billions in Tech to Find Your Next Home

You deserve an agent who has the world's best real estate technology keeping them one step ahead. That's why I chose Compass, a forward-thinking brokerage where the technology of the future is changing outcomes today. Not only has Compass invested almost \$1.5B dollars in tech over a 10-year period<sup>1</sup>, but we continue to spend more than \$100M annually on research and development<sup>2</sup> to help our agents make buying easier for you.

## A 28K+ Network of Top Agents Nationwide

Buying successfully isn't just about what you know, but who you know. When it comes to your next home purchase, Compass has a strong, connected network. In 2023, 11% of Compass transactions resulted directly from referrals to Compass<sup>3</sup>, demonstrating the ability of our agents to help clients navigate markets everywhere at the highest standards. Not only do I have direct access to the country's top properties and the agents who represent them, but I'm keenly attuned to the nuances that make each market so special.



#1

Ranked Brokerage  
in the U.S.<sup>1</sup>

\$230B

2022 Gross  
Transaction Value<sup>2</sup>

28K+

Top real estate agents  
across the country

<sup>1</sup> #1 2022 closed sales volume. T. Velt, "eXp Realty, Compass earn No. 1 spots in RealTrends 500 brokerage rankings." RealTrends, Online, HW Media, 3/09/2023, <https://www.realtrends.com/articles/realtrends-500-exp-realty-jumps-to-no-1-sides-compass-no-1-volume/>.

<sup>2</sup> Gross Transaction Value is the sum of all closing sale prices for homes transacted by agents on the Compass platform. We include the value of a single transaction twice when our agents serve both the home buyer and home seller in the transaction. This metric excludes rental transactions.





# THE HOME BUYING PROCESS AT A GLANCE

01

Buyer  
Consultation

02

Sign Buyer  
Representation  
Agreement

03

Get Pre-  
Approved

04

Find  
Properties That  
Fit Your Criteria

05

Submit and  
Negotiate  
Offer

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Prepare for Purchase

06

Sign  
Contract

07

Home Inspection,  
Disclosures, Reports,  
and Repairs

08

Loan  
Application and  
Appraisal

09

Closing &  
Welcome  
Home!

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Contract to Close

# STEPS TO HOMEOWNERSHIP

## 01

### Buyer Consultation

First, we will connect for an initial consultation to discuss what you are looking for in your next home so I can help guide your search.

## 02

### Buyer Representation Agreement

We will establish a mutual business agreement. This document is designed to increase transparency by laying out my obligations to you, in addition to details on term length, compensation, termination, exclusivity, representation, and property criteria. Once we are both aligned with the terms of the agreement, you will be asked to sign before I can show you or send you any properties.



## 03

### Get Pre-Approved

If you are obtaining financing, getting a pre-approval letter from a lender before submitting an offer is important because it shows you are more likely to meet the proposed settlement date. A pre-approval letter and a good faith estimate from a lender will also give you insight into the projected down payment, closing costs, and expected monthly payment.

# STEPS TO HOMEOWNERSHIP

## 04

### Find Properties That Meet Your Criteria

Using the Compass CMA tool, I will run market analyses on comparable properties in the area to give you a clear understanding of current market value. Together, we will identify your ideal home's location and amenities, and attend open houses in a range of areas. I will listen to your continued feedback and activate a 'collection,' or specialized search for properties as they hit the market until we find a home you love.

## 05

### Submit and Negotiate Offer

Once we find the right home, we will collaborate on a competitive offer. The offer is an agreement to pay a certain price for the home if accepted and may include other terms, such as whether you are waiving any contingencies or in how many days you are willing to close. It is my job to guide you through the decision-making process to ensure you are confident with our offer.



## 06

### Sign Contract

Your contract is the agreement between you and the seller to purchase the property for a specific price. Also defined in the contract of sale is the settlement company, date of settlement, and earnest money deposit amount.

If required, an Escrow Deposit is the amount of money that the buyer will put in an escrow in good faith to demonstrate to the Seller that they are serious about purchasing the property. The money will only be deposited if the contract is signed and agreed by both parties.

# STEPS TO HOMEOWNERSHIP

## 07

### Home Inspection, Disclosures, Reports, and Repairs

It is my responsibility to coordinate all desired home inspections within the agreed timeline and contractual contingencies. We will also review and discuss the disclosures and preliminary title report. You may approve or negotiate credits and/or repairs. Prior to closing, remember to schedule a final walk-through of the property to verify property is still in acceptable condition and any negotiated repairs were done.

## 08

### Loan Application and Appraisal

If you are obtaining financing, your lender will let you know the list of financial documents necessary to provide to the lender, including a couple months of bank statements, tax records, pay stubs etc. Typically, you will have a mortgage contingency of the agreed upon length to obtain a mortgage commitment. Once your lender has all of your documents, they will review them and issue a Clear-to-Close, which means your loan is complete and the file will be sent to the title company for closing. Your lender will have an appraisal done on the property.



## 09

### Closing

Congratulations! You are now a homeowner. Welcome home!



# STEPS TO HOMEOWNERSHIP

## SEARCH FOR YOUR NEW HOME

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Together, we will search all available listings that meet your search criteria until we find the one that you can see yourself calling home. There is no "normal" timeline when searching for a home. It may take two weeks or ten months. I will be there every step of the way!

### **Different Types of Listings**

As soon as a budget has been identified, it's time to start searching for properties!

#### **Condominiums**

Condos offer a low maintenance way of living. The individual units share responsibility for the interior common spaces, exterior maintenance, and roof of the building, while repairs and maintenance are paid from the reserve funds of the condominium association.

Condo fees are a major consideration when it comes to purchasing a condo. The fees for larger buildings can be as high as \$500+ per month while smaller buildings or row house conversions can be around \$200 per month.

#### **Co-Operatives (Coops)**

Rather than paying rent that covers condo fees, residents of co-ops actually purchase a share of a corporation which owns the entire building. As part of the purchase, residents sign a property lease for their unit and have a common share interest in all of the communal spaces. Day to day living is much the same as condo living---the differences are more in the ownership structure and taxation.

Since the Co-op Corporation owns the entire building, co-op fees include real estate taxes for the entire building. Co-ops are more restrictive on lending and may have designated co-op lenders. Jocelyn will research which lenders work with the coop. You will need a pre-approval with a lender that is designated to lend money for the coop.

Additionally, the Co-op Board will require an interview with prospective buyers. Usually these interviews are more of an introduction to the building and board members, but they are also a great opportunity to ask any questions that you may have about the association or building.

### Single Family Homes

Single family homes can be detached homes, row houses, or townhouses. Depending on the community, there may be a Home Owners' Association that oversees the property and, therefore, will charge a fee. The fee is usually much less than a condo or coop fee because it doesn't cover building maintenance or insurance. The fee may sometimes include lawn and common area maintenance.

### Open Houses

Open houses are a convenient way for listing agents to show a property. Typically, open houses on Saturday and Sunday afternoons. While I try to accompany clients to all showings, feel free to walk into an open house if you are walking by. The agent may ask you to sign in. You can sign your name and then my name. The agent will follow up with me instead of bothering you.

### Online Searching

Many multiple listing service (MLS) databases, such as Zillow and Trulia, are available to you online. While actively finding listings to show you, feel free to perform your own search and send us any properties that you find interesting.

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### Apps

Here are mobile apps (Android and iOS) that we love to use:



#### Compass

This app is your guide to finding a home you'll love.



#### Compass Markets

This app provides the smartest and most relevant real estate data.



WORKSHEET

# FRAMING YOUR PREFERENCES

Use this worksheet to write down your thoughts  
on an ideal home and neighborhood.

	Home	Neighborhood
Needs		
Wants		
Must Nots		



# STEPS TO HOMEOWNERSHIP

## SPEAK WITH A LENDER

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Some buyers may already walk into the first consultation with a pre-approval letter from the lender they've decided to work with, others may not. I encourage each client to receive quotes from at least two different lenders, and I am happy to connect you with trusted lenders.

It is important to obtain a pre-approval letter from a lender before placing an offer, since this shows the seller and the listing agent that you have already started the process and are more likely to meet the proposed settlement date. In addition, a pre-approval letter and a good faith estimate from a lender will give you insight into the projected down payment, closing costs and expected monthly payment.



### Documents to gather:

- Two most recent pay stubs covering the last 30 days
- Federal Tax Returns for the past two years
- W-2's for the past two years
- Bank statements covering the last 60 days
- Retirement/401k statements for reserves

# OriginPoint

## A Mortgage Made for You

Today's market is changing quickly. In order to get the best possible rate and total peace of mind, buyers are relying on OriginPoint. OriginPoint directly connects me with the top loan officers in the industry, which means you will have a cohesive team driving transparency and efficiency throughout every step of the mortgage process. The result? A seamless, stress-free home-buying experience for everyone involved.

### **Personalized solutions make all the difference.**

With OriginPoint, buyers have a dedicated mortgage advisor that is always available through the entire transaction and beyond. They have answers to their questions before they even ask, and solutions that are totally customized for them.

### **What does the best possible rate look like?**

It all depends on your personal needs and goals. In today's market, mortgage rates are fluctuating at a record pace, which means buyers need one-on-one expert guidance more than ever. Your OriginPoint mortgage advisor will provide deep insights into the market and their implications on your unique home purchase.

### **Let's get started**

Getting a mortgage is just the beginning of the home buying journey, but it's something you want to get right. Reach out to me today to learn more about getting started with OriginPoint.

# LOAN TYPES

## QUICK TIP

Ask your lender about buying points to lower monthly payments

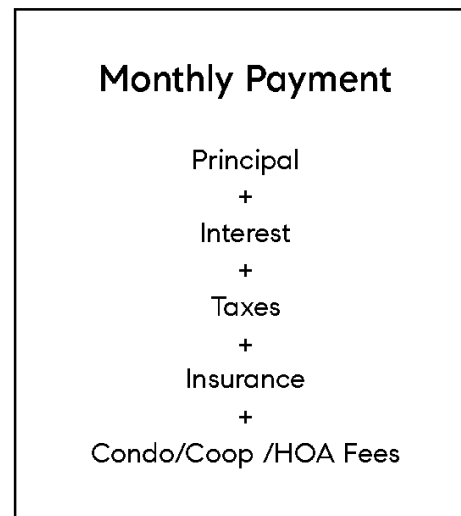
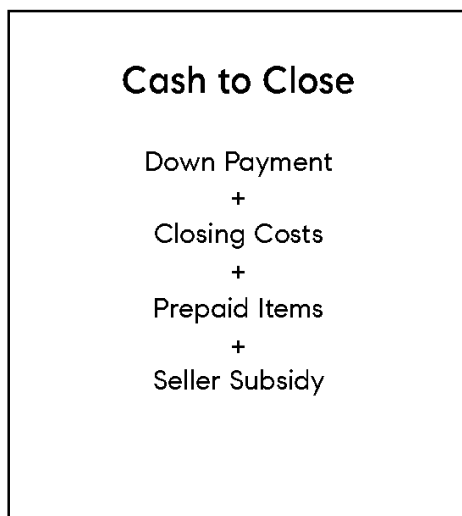


Loan Types	Loan Info	Down Payment*	Eligibility and Restrictions
<b>Conventional (Fixed)</b>	Typically 15–30 year fixed rate	3-20%	Good credit, proven steady income (2 years+ for independent contractors).
<b>Conventional (ARM)</b>	Typically 5–10 year fixed rate, followed by an adjustable rate for the rest of the term	3-20%	Slightly more lenient on credit.
<b>FHA</b>	Typically 30 year fixed rate	3.5%	Option for individuals with lower credit scores. Homeowner occupant only (no investors). Stringent home inspections. Condos must be FHA approved. May take longer to close.
<b>VA</b>	Typically 30 year fixed rate	Not Required	Veterans and spouses only. Homeowner occupant only (no investors). Home condition requirements. May take longer to close.

\*These are general guidelines, and can vary in some cases. Ask your lender for more information about down payment requirements for your loan program.

# FINANCIAL COMMITMENT OF PURCHASING A HOME

A major consideration of purchasing a home is the financial commitment. The two main factors are: (1) the cash needed to bring to settlement (2) the monthly payment.



## Cash to Close

The down payment and closing costs make up the total amount that buyers need to bring to closing.

## Down Payment

The down payment is the cash that you will contribute towards the purchase price. Traditionally, people put 20% of the purchase price down. However, current loan products allow you to put 10%, 5%, 3.5% (FHA), or even as low as 0% (VA/DC Opens Doors) down. Remember that the Earnest Money Deposit (EMD) goes towards the down payment.

## Gifts

A gift is defined as money coming from a direct relative. Depending on your lender and loan product, gifts may be permitted as long as they are accompanied by a letter that acknowledges the money is indeed a gift and not expected to be paid back.

WORKSHEET  
IMPORTANT DATES

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Effective Date

Escrow Deposits	_____	_____
	1st Date	2nd Date
Home Inspection Contingency	_____	_____
	Days	Date
Financing Contingency	_____	_____
	Days	Date
Appraisal Contingency	_____	_____
	Days	Date
Condo/Coop/HOA Document Review	_____	_____
	Days	Date
Other:	_____	_____
	Days	Date
Other:	_____	_____
	Days	Date

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Effective Closing Date



ADDITIONAL  
PAGE INSERTS

# BUYER REPRESENTATION AGREEMENT

Before we start seeing properties, I ask clients to sign this agreement that allows Compass and me, as your agent, to legally and exclusively represent you and your interests. It establishes a formal relationship between us and outlines the terms and conditions under which I will represent you with your property search.

## Essential Components of the Buyer Representation Agreement:

**1. Scope of Services:** Defines the services I will provide you including property search, property showings, negotiation, and assistance with the purchase process.

**2. Property Type and Location:** The agreement may include details about the type of property you are interested in (e.g. single family, condo, commercial property, etc.) and the geographic area where you are looking to purchase.

**3. Duration:** The agreement specifies the period during which you are committed to working exclusively with me (typically 6 months).

**4. Compensation:** The agreement specifies how Compass will be compensated as it relates to your representation. We can have a conversation at the start of your search to discuss payment scenarios so we can memorialize it in writing in this agreement. Commissions are negotiable.

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We will review the agreement together before I ask you to sign anything.

# 50 THINGS A BUYER'S AGENT DOES TO ENSURE A SUCCESSFUL TRANSACTION

01. We will meet for a buyer consultation.
02. Align on the best communication plan throughout the entire process.
03. Encourage you to reach out to a lender for pre-approval and provide recommended lenders (at least 3) if requested.
04. Collect market data and recent comparables in neighborhoods you're interested in.
05. We will complete a buyer questionnaire to understand your needs and objectives.
06. If necessary, I will research off-market opportunities for you to find additional suitable inventory.
07. Create a 'Collection' so you're aware of listings that fit your criteria.
08. Select properties to show you based on your criteria.
09. Pull market trend data to understand what's happening within the broader region.
10. Coordinate showing appointments to gain access to desired listings.
11. Learn relevant details and attributes of the properties shown, including number of bedrooms, bathrooms, square footage, acreage, etc.
12. Attend broker tours to view other available properties on the market.
13. Stay connected to local buyers, sellers, and other agents to maintain a constant view of what drives the market.
14. Reach out to agents with similar listings to understand traffic and buyer demand.
15. Provide objective advice and help you evaluate the pros and cons of different properties.
16. Prepare a Comparative Market Analysis (CMA).
17. Understand the current condition of the property for negotiation purposes with the assistance of experts.
18. Advise you on potential offer strategies that reflect current market conditions.
19. Help you obtain HOA documents if needed.
20. Review all transaction documents with you in advance of writing any offer.
21. Review all forms in the disclosure package.
22. Coordinate additional access to the property, if necessary.



23. Join you while you meet with experts about desired improvements including landscaping, painting, fixture updates, minor and major renovations, etc.
24. If requested, recommend at least three vendors to you on your specific request.
25. Maintain consistent communication to provide market updates.
26. Monitor any changes in the market to refine offer strategy and make needed updates (revising price, terms, etc.) accordingly.
27. Explain the offer process, timeline, and recommended preparation.
28. Align on offer strategy and prepare the offer on your behalf.
29. Notify the listing agent you are submitting an offer.
30. Advise and strategize with you on counteroffer response.
31. Negotiate terms as needed with the listing broker and seller in writing
32. Notify you when terms are agreed upon.
33. Assist with the review of the final contract, disclosures, pre-qualification letter, and wiring instructions, if applicable.
34. Coordinate the signing of the final agreement.
35. Facilitate deposit of earnest money and down payments.
36. Create and execute closing timeline and transaction review.
37. Stay in close contact with all relevant parties through next steps.
38. Share estimated timeline and all documents with client and Attorney(s), if applicable.
39. Coordinate and confirm inspection.
40. Coordinate and confirm appraisal has been received.
41. Confirm loan approval has been received.
42. Coordinate final walk-through and address issues that may arise by communicating with the seller's agent.
43. Remind you to order home warranty (if applicable).
44. Remind you to order homeowners insurance and set up utilities.
45. Request final closing figures from the closing agent (attorney or title company).
46. Advise you to carefully review closing figures with settlement service provider.
47. Facilitate closing for you and the seller.
48. Confirm recording of deed, if applicable.
49. Transfer of keys and property access.
50. Welcome you to your new home!

# Co-op vs. Condo

In New York, there are a few key differences between owning a condo and owning a co-op. Owning a condo is like owning a house. Those who buy condos receive deeds and specified pieces of real estate, while those who buy co-ops maintain shares of corporations that own the buildings where their units are. Condos are typically more expensive from purchase to closing but provide more flexibility to the owner.

	Co-op	Condo
Supply	75% of NYC's housing. Built before 1980s.	25% of NYC's housing. Built after 1980s.
Estimated Closing Time	3–4 months after contract signing.	1–2 months after contract signing.
Approval Process	Very strict and thorough. Personal interview required.	Less rigorous—no interview. Quicker to approve.
Ownership Type	Indirect. Stock certificate and lease.	Direct. Buyer owns real property.
Taxes	Some tax deductions can be taken for owner's share. Taxes are included in monthly maintenance.	Owner pays typical homeowner taxes.
Renting Out Your Unit	Limited, based on building regulations.	Investor friendly.
Resale	New buyer must be approved by co-op board.	New buyer will rarely be denied.
Investor Friendly	Rarely.	Yes.

# Co-ops

Closing cost estimates for the purchaser

	Fee	Estimated cost
Attorney		
	Your Attorney	Consult your attorney (~\$2,500+)
	Lien Search Fee	~\$350
Bank		
	Points	0%-3% of loan value*
	Bank Application, Credit Check, etc	\$400-\$600
	Bank Attorney	\$900-\$1,500
	Mortgage Origination Rate	0-3% of loan amount*
	UCC 1 Filing	\$125
	Appraisal	\$300-\$1,500**
Building		
	Board Package Processing Fees	\$500-\$2,000
	Credit Check Fee	\$100-\$300 per buyer
	Move-in Fee	\$250-\$500
	Move-in Deposit	\$500-\$1,000 (refundable)
	Maintenance Adjustment	Pro-rated for the month of closing
	Recoanition Aareement Fee	\$200-\$300
		Varies by building. Consult the cooperative's transfer agent & board package
Government		
	Transfer Tax Filing Fee	\$100
	Mansion Tax	\$1M to <\$2M: 1.00% \$2M to <\$3M: 1.25% \$3M to <\$5M: 1.50% \$5M to <\$10M: 2.25% \$10M to <\$15M: 3.25% \$15M to <\$20M: 3.50% \$20M to <\$25M: 3.75% \$20M or more: 3.90%

# Condominiums

Closing cost estimates for the purchaser

	Fee	Estimated cost
Attorney	<hr/>	
	Your Attorney	Consult your attorney (~\$2,500-\$5,000+)
Bank	<hr/>	
	Points	0%-3% of loan value*
	Bank Application, Credit Check, etc.	\$400-\$600
	Bank Attorney	\$900-\$1,500
	Appraisal	\$300-\$1,500*
	Tax Escrow	~ 2-6 months of property taxes**
	Mortgage Recording Tax	1.8% of mortgage amount < \$500,000 1.925% of mortgage amount > \$500,000+
	Mortgage Origination Fee	~0 – 3% of loan amount
Building	<hr/>	
	Board Package Processing Fees	\$500-\$2,000
	Move-in Fee	\$250-\$1,000
	Move-in Deposit	\$500-\$1,500 (refundable)
	Common Charges Adjustment	Pro-rated during the month of closing
	Condo Credit Check	\$300-\$500 per buyer
	New Development	1% < \$500,000
	Residential NYC Transfer Tax*	1.425% < \$500,000+
	Progressive NY State Transfer Tax*	.4% for residential transactions < \$3M .65% for residential transactions > \$3M

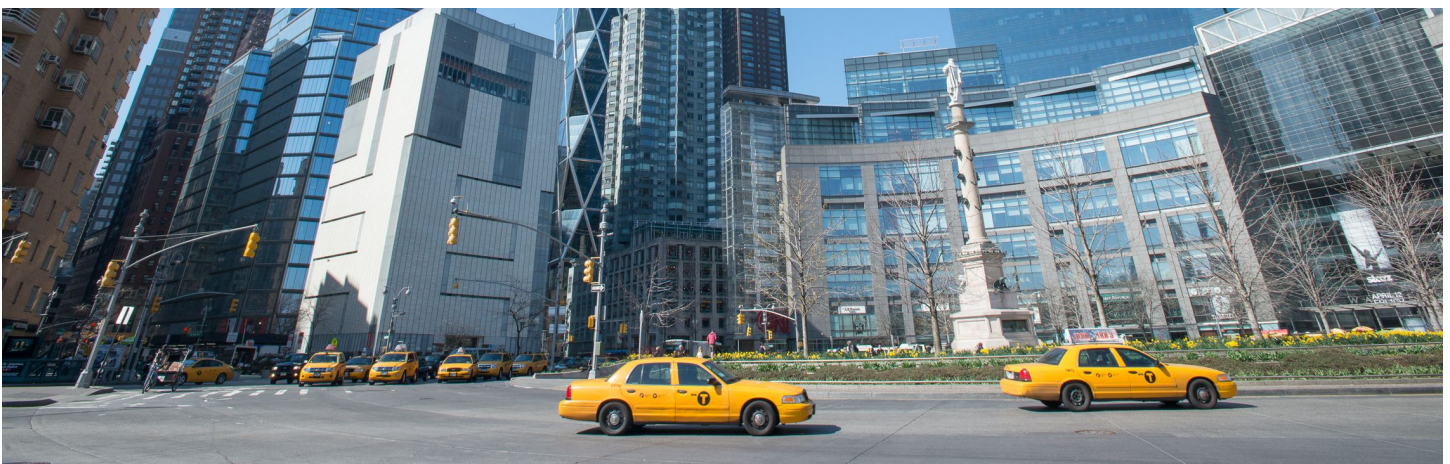
NYC & NYS Transfer Taxes are paid by the purchaser in case of a new development

\*varies depending on lead product/program selected \*\*varies based upon size of loan and lender

# Condominiums

## Closing cost estimates for the purchaser

Fee	Estimated cost
<hr/>	
Government	
Recording Fees	~\$250
Title Insurance	~0.45% of purchase price
Municipal Searches	\$350-\$500
Real Estate Tax Adjustment	Pro-rated amount depends on when the tax is collected
Mansion Tax	\$1M to <\$2M: 1.00% \$2M to <\$3M: 1.25% \$3M to <\$5M: 1.50% \$5M to <\$10M: 2.25% \$10M to <\$15M: 3.25% \$15M to <\$20M: 3.50% \$20M to <\$25M: 3.75% \$20M or more: 3.90%
Residential Deed Transfers Title	\$75
Fee Closer	\$100-\$500
Lenders Policy Title Insurance	Rates may vary



# THINGS TO CONSIDER WHEN BUYING & SELLING IN NEW JERSEY

**Realty Transfer Fee:** Sellers are subject to a 1% Realty Transfer Fee on all home sales, typically excluding buyers.

**Mansion Tax:** For home sales surpassing \$1 million, buyers may face an additional 1% fee.

**Sellers Exit Tax:** Geared towards ensuring sellers settle taxes before relocating out of state, the Exit Tax applies to all sellers. Serving as a prepayment of estimated taxes on the property sale, it's due on or before the closing, offsetting annual state taxes.

**Sale of a Residence:** Sellers of primary residences may qualify to exclude a portion or the entire gain from income. Following federal rules, this exclusion allows single filers up to \$250,000 and joint filers up to \$500,000, contingent on owning and living in the residence for 2 of the 5 years before the sale, applicable nationwide.

Additionally, New Jersey has an average effective tax rate of 2.42%, calculated on the assessed value of your home.

When dealing with Condos and Cooperatives, it's important to factor in condo HOA fees and maintenance fees for cooperatives. Maintenance fees in cooperatives typically cover taxes, insurance for the building, amenities, and the operating costs of the building – things like staff, maintenance, the building's underlying mortgage, insurance, and cleaning.

These fees contribute to the overall cost of ownership and should be carefully considered as part of the financial planning process when purchasing or selling a property. Understanding the breakdown of HOA and maintenance fees provides transparency into the ongoing costs associated with these types of properties.



## Navigating Florida Condo Purchases: Key Insights on Milestone Inspections and SIRS Reserve Studies

Florida has recently enacted stringent regulations aimed at bolstering the safety and structural integrity of condominium buildings through the Florida Milestone Inspection and Structural Integrity Reserve Study (SIRS). These measures are designed to ensure compliance with safety codes and the availability of adequate reserves for essential repairs. Under the new law, milestone inspections are mandated for all Florida condo buildings with three stories or more, necessitating assessments every 30 years, irrespective of their proximity to the coastline. Local enforcement agencies have the flexibility to adjust this requirement to 25 years based on specific environmental conditions. In conjunction with milestone inspections, condo associations or co-ops must conduct a Structural Integrity Reserve Study, pinpointing necessary funds to address building integrity issues, covering eight elements that make up the SIRS, including the roof, structural systems, fireproofing, exterior painting, plumbing, electrical systems, windows, and other elements over \$10,000 impacting structural integrity.

Associations are obligated to establish a reserve fund, fully fund it, and utilize it for structural repairs. Inspection reports must be shared with owners, tenants, and prospective buyers, published on the association's website, and repairs initiated within 365 days of receiving the report. The Structural Integrity Reserve Study must be completed at least every ten years. Before a developer relinquishes control of an association to unit owners, a structural integrity reserve study must be completed for each building on the association property that is three stories or higher. These findings in the study provide owners and potential buyers of condominium and cooperative units with more information regarding any future assessments they might be responsible for. These regulations aim to ensure prompt repairs for building safety and disaster prevention.

Neglecting to address these issues in a building can pose significant challenges, potentially resulting in the imposition of substantial assessments on residents. In such scenarios, residents may be obligated to bear the cost of these assessments, and prospective buyers will need to consider these potential financial implications as part of the overall property transaction. The existence of unresolved issues and impending assessments may impact a buyer's decision to proceed with the transaction. Therefore, current residents and potential buyers must be well-informed and comprehend any forthcoming assessments associated with unresolved building issues.



# KEY TERMS TO KNOW

## **Adjustable Rate Mortgage (ARM)**

A mortgage with an interest rate that changes over time in line with movements in the index. ARMs are also referred to as AMLs (Adjustable Mortgage Loans) or VRMs (Variable Rate Mortgages).

## **Adjustment Period**

The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.

## **Amortization**

Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

## **Annual Percentage Rate (APR)**

The total finance charges (interest, loan, fees, points) expressed as a percentage of the loan amount.

## **Assumption of Mortgage**

A buyer's agreement to assume liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.



## **Balloon Payment**

A lump sum principal payment due at the end of some mortgages or other long-term loans.

## **Cap**

The limit on how much an interest rate or monthly payment can change, either of each adjustment or over the life of the mortgage.

## **Certificate of Reasonable Value (CRV)**

A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.



# KEY TERMS TO KNOW

## **Closing Statement**

The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.

## **Condominium**

A form of real estate ownership where the owner receives title to a particular unit and has proportionate interest in certain common areas. The unit itself is typically a separately owned space whose interior surfaces (walls, floors, and ceilings) serve as its boundaries.

## **Contingency**

A condition that must be satisfied before a contract is binding. For example, a sales agreement may be contingent upon the buyer obtaining financing.

## **Conversion Clause**

A provision in some ARMs that enables you to change an ARM to a fixed-rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed-rate mortgages. This conversion feature may cost extra.

## **Cooperative**

A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

## **Earnest Money / Escrow Deposit**

The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

## **Escrow**

A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all paperwork and distribution of funds.

## **FHA Loan**

A loan insured by the Insuring Office of the Department of House and Urban Development; the Federal Housing Administration.

# KEY TERMS TO KNOW



## **Federal National Mortgage Association (FNMA)**

Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by the FHA or guaranteed by the VA, as well as conventional home mortgages.

## **Fee Simple**

An estate in which the owner has unrestricted power to dispose of the property as they wish, including leaving by will or inheritance.

## **Finance Charge**

The total cost a borrower must pay, directly or indirectly, to obtain credit.

## **New Development**

If you visit new construction communities on your own, please remember to register your agent. This will provide you with support from both the realtor and the developer through the building process.

## **Open House**

A convenient way for listing agents to show a property. Typically Saturday and Sunday afternoons.

# KEY TERMS TO KNOW

## **FIRPTA Rules for Buyers**

It is important for foreign buyers to navigate the intricacies of the US real estate market. Specifically, the needs and challenges of foreign buyers in understanding local regulations and tax implications including F.I.R.P.T.A and obtaining a tax identification number, to finding the right property and financing options.

Florida Senate Bill (SB) 264, which went into effect on July 1, 2023. Subject to certain exemptions, the law restricts select persons from "foreign countries of concern (China, Iran, Russia, North Korea, Venezuela, Syria, Cuba)" from directly or indirectly owning, having a controlling interest in or acquiring by purchase, grant, devise or descent any interest in any additional real property in Florida. There is a notice in the Purchase & Sale Agreements and Title Companies will have you sign an affidavit at closing.

## **Pre-Approved**

Advanced approval from a bank or other lending institution for a home mortgage.

## **Debt-to-income ratio**

The percentage of an individual's monthly gross income relative to the amount of debt owed.

## **Appraisal**

Assessment of the property's market value, for the purpose of obtaining a mortgage, performed by a licensed appraiser.

## **Assessed Value**

Value placed upon property for property tax purposes by the tax collector.



# KEY TERMS TO KNOW

## Home/Flood Insurance

Any property that has a mortgage is required to obtain insurance. (It is also wise for homeowners who pay cash for a home.) Florida has several increased risks for insurance companies which include hurricanes, sink holes, and flooding. It may be necessary to allot more of your housing budget toward insurance than in other states, so it is important to include this figure in your monthly payment calculations.

## Inspection

A licensed professional conducts a formal review of the property to find visible issues that need to be repaired. Buyers typically make their offers contingent on an inspection, but sellers can conduct a pre-offer inspection to appeal to buyers. The buyer may choose to do additional inspections like radon and a sewer scope.

## Lien Search

A background check on the property and the seller to ensure there are no outstanding debts or claims upon the property.

## Title Insurance

Insurance to protect the buyer and lender against losses arising from disputes over the ownership of a property.

## Recording Fees

A fee paid to the local government to officially report a sale of a home; usually paid by the buyer.



## COMPASS UTILITY CONCERGE

Our team is committed to ensuring a smooth and stress-free move for you. We will be there to assist in setting up various aspects, including:

- A dedicated personal move concierge to guide you through the entire process.
- Internet/TV setup
- Electric/Gas setup
- Obtaining move quotes from licensed and insured movers (or enjoy up to a 20% discount on rental trucks)
- Facilitating the change of address and DMV updates
- Arranging for home security/monitoring with complimentary equipment
- Providing quotes for renters/homeowners insurance
- Offering exclusive discounts from both national and local retailers.

Rest assured, our comprehensive services are designed to make your move a seamless and hassle-free experience. We look forward to assisting you in every step of the way.



# I LOOK FORWARD TO WORKING WITH YOU

I go above and beyond to support my clients search for their perfect home, providing guidance and advice through every step of the process to make it seamless and hassle-free. Together, we will collaborate to find a home that meets your needs, your budget, and your lifestyle - so that you can confidently make your dream home yours when you find it.



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