



STEP 1: ON YOUR OWN OR WITH A REAL ESTATE AGENT?

How to sell your NYC apartment

Selling a co-op or condo in New York City is easier than getting a child admitted to preschool here. But it's not the more straightforward exchange of money for property common elsewhere in the country. Multiple blessings are required: By lenders--which must approve the buyer, the apartment and the building before your buyer can get a mortgage--and by neighbors, in the form of co-op and condo board approvals. Even in a seller's market, pricing your apartment too optimistically, or picking the wrong buyer—one who gets rejected by a co-op board or a lender, for instance—can turn your apartment into a pariah and cost you money. Here's what you need to know.

Do you need a real estate agent? The pros and cons of FSBOs

With real estate commissions in NYC at around 6 percent of the sale price, the cost of an average two-bedroom Manhattan apartment well over \$1 million, and the market favoring sellers, the lure of selling an apartment without a broker is obvious.

But particularly in NYC, for-sale-by-owner undertakings (also known as FSBOs) are not for the faint of heart, the busy, or the ignorant.

A close reading of [The FSBO Diaries](#)—an online account of an Upper West Side couple's attempt to sell their co-op without an agent--will give you an idea of some of the challenges you will face. (Read it in chronological order.) And somewhat famously in the local brokerage community, the founder of FSBO.com [gave up and hired a broker after six months trying to sell his \\$2 million Chelsea condo on his own.](#)

If you do decide to fly solo, here are some things to understand:

- There are actually two types of FSBOs: The kind where you pay no commission to brokers, and the kind where you offer a commission to a broker who brings you a buyer. That amount can be anything that you want, but 3%--the typical “co-broke” split that a buyer’s broker would receive if you had hired your own broker at a 6% commission—will get you the most exposure to buyers working with brokers.
- If you pay no commission, you will be marketing only to buyers working without a broker. That wipes out a huge percentage of prospective buyers.
- Even if you do offer a commission, your apartment will not necessarily appear on the radar of many buyers’ brokers. That’s because FSBOs usually do not show up in brokers’ internal listing systems, which brokers typically rely on when scheduling a day of showings.
- Many brokers refuse to bring clients even to fee-paying FSBOs—in effect, blackballing your listing--because they do not want to encourage the success and proliferation of FSBOs.
- If you do manage to find a buyer, and that buyer does not have a broker, you will be responsible for preparing the buyer for the board package and board interview, if there is one. Also, because you will be speaking directly with the buyer, your level of liability regarding legal disclosures may be increased.
- A buyer who recognizes that you are a FSBO will often expect to “share” in any cost savings that you might have.

That said, so long as you have a realistic sense of what your apartment is worth, it’s certainly worthwhile to see whether one of your neighbors might be interested in buying it before you hire a broker. You may wind up saving the broker’s fee and pocketing a premium from a neighbor eager to combine apartments; in addition, co-op board approval is usually, though not always, a shoo-in when selling to a neighbor.

How to interview a real estate agent

Let's start with how NOT to pick a real estate agent: By the numbers.

Exaggerating your apartment's market value is literally the oldest trick in the book. Fall for a high-baller, and you are setting yourself up for months of price cuts and the attendant frustrations of keeping your place in showing condition and making yourself scarce at a moment's notice.

One way to filter out these agents is to develop an accurate sense of what your apartment is worth. Research comparable sales in your building and neighborhood online to make sure your expectations (and a broker's assessment) are reasonable.

When interviewing an agent, be sure to ask questions like:

How many listings do you currently have?

There is no magic answer, but make sure you understand what's really going on in their business. Lots of listings raises the question of whether the broker has the resources to service more clients. No listings may mean the agent is not successful; or it may mean they just closed three deals the month before or tend to work mostly with buyers. Listings can also give you insight into the markets the agent is most familiar with. For example, if they have four listings in the Bronx but no others, and you're in the West Village, you might be concerned.

How long have you been working as an agent?

Be wary of hiring anyone with less than two years experience unless they are a junior member of a larger team with lots of experience.

Do you have any other listings in my building or any listings comparable to mine?

Similar listings is a positive, because the agent can easily push buyers your way.

What education do you have that prepared you for a career in real estate?

New York City is not Iowa. A multi-million dollar property is likely to be best represented by a highly educated person. You should expect at least a college education; there are lots of brokers with law degrees, MBAs, masters in real estate development and more. These people not only tend to be highly competent agents, but they also tend to relate better to Manhattan and Brooklyn buyers.

Do you have an assistant or team?

You want to know whether the agent has the infrastructure to service your listing. What if they're busy? What if the agent has to work with a buyer on a Sunday and you need them to run your open house? What if they have multiple listings to service? A team, a partner, and/or an assistant is preferable because one agent can't do it all if they're actually a busy agent.

What happens if you're unavailable and a buyer or their broker calls for a showing?

Do they have a call service or assistant? What are your agent's showing hours (will they do before and/or after business hours, do they take Saturdays off)? Again, there's no magic answer but you should be aware of what your agent can and will accommodate in order to make informed decisions.

May I see your marketing plan for my apartment?

Some but not all agents will give you a marketing plan before the exclusive listing agreement is signed. At a minimum, ask, "Assuming I sign with you will you provide me with a copy of your marketing plan so I can follow the plan as time goes on?" If they say no, they may not really have a formal plan.

STEP 3: NEGOTIATING THE LISTING AGREEMENT

Tips for negotiating a listing agreement

When you hire a broker, you will be asked to sign a listing agreement. Here's what it covers along with what may or may not be negotiable.

Duration

Since an agent doesn't get paid or recoup expenses (on advertising, for instance) unless and until your apartment sells, most will insist on six months to feel confident the job will get done. In rare cases, if your apartment is obviously "special" enough to sell quickly, or for a very high price, this time period may be negotiable.

Commission

Antitrust laws dictate that there can be no “standard” or “required” commission—in other words, commissions are legally negotiable. That being said, agents are not required to accept less than what they ask for, which, in Manhattan has traditionally been 6% (split two ways if another broker brings in a buyer). In today's sellers' market, many agents may agree to reduce their commission to 5% (or even 4% if the eventual buyer is not represented by a broker). Anything less is very rare in Manhattan except in higher price ranges (multi-million dollar properties).

Keep in mind that getting your agent to agree to a 5% commission is not necessarily a good thing, because it reduces the amount the buyer's broker will receive in a “co-broked” transaction from 3% to 2.5%. (That may not sound like a lot expressed as a percent, but on a \$1 million sale, it's \$5,000.) If an agent is taking a buyer to see 10 properties that are offering a 3% co-broke, that agent might not even bother to show the one that only offers a 2.5% co-broke.

Exclusivity

You will be asked to sign an “Exclusive Right to Sell” agreement. That means the agent will get paid the commission agreed to no matter who finds the buyer. So even if you find a buyer yourself, you still owe that commission, **unless you have negotiated some limited exceptions.**

“Co-Exclusive” agreements--where you will hire two brokers to work together--most often occur in the ultra-luxury market, and can happen when the seller believes that for an eight-figure property, the broker may be more likely to find the buyer from their “network” rather than just through marketing. Thus, having two broker “networks” might be better.

“Open listings” surface once in awhile. An open listing is made available to all brokers on the same basis. These are not a very viable option for the average seller, but sponsors (building owners) sometimes use them. Sponsors have deep relationships in the brokerage community and may be able to call 10 brokerages, be taken seriously, and say “if anyone in your office finds a buyer for my property on ABC Street, I'll pay them a 3% commission, but it's not going to be anyone's exclusive.” Realistically, a normal seller cannot do this.

STEP 4: PRICING YOUR APARTMENT

How to name the right price for your apartment

As brokers are fond of saying (at least, after the listing agreement is signed), your apartment is only worth what someone else is willing to pay for it.

Accordingly, the best way to estimate market value is to put your apartment on the market and see how much buyers offer for it. The problem with this approach is the almost universal tendency to overestimate the value of one's apartment...and then let it linger without appropriate, quick price cuts until it gets stale and ultimately fetches less than it would have if priced correctly.

To estimate market value as correctly as you can before listing your place, find a recent sale in your building and line (look up your building's sales history on StreetEasy.com) and then adjust for variables like views, floor, condition, etc. There are lots, and lots, and lots of approaches—and mountains of guesswork--when it comes to comparing sales. This article delineates some of the nuances and variables.

It may also be helpful to attend open houses of comparable apartments in the neighborhood to see how yours stacks up, so you can make the appropriate price adjustments.

STEP 5: PREPPING AND MARKETING YOUR APARTMENT

Getting your apartment ready to sell

It's your agent's job to help you identify what you need to do to prepare your apartment for sale in order to command the highest price possible.

Cleaning, purging and staging

For most sellers, this involves, at a minimum, a lot of purging to make apartment feel better and to depersonalize it so that buyers can project themselves living there. Strive to be as objective and dispassionate as you can, relying on the advice of your agent, who has no sentimental attachment to your belongings and, like you, wants to maximize sales price.

Depending on the condition and appearance of your apartment, you may need to do some repainting, regrouting, and even minor renovations (such as replacing a bathroom sink or kitchen countertops, refinishing floors, or upgrading appliances). Your agent may also recommend that you hire a stager to rearrange your possessions (and occasionally fill them in with borrowed items) to maximize the aesthetic appeal of your space.

Videos and photos

When it comes to photos, do not compromise: Insist on high-quality professionally shot photos, and invest in the time, effort, and minimal expense necessary to primp your apartment beforehand. (See [4 Photostaging Tips for Serious Sellers](#) and [7 Essential Photostaging Tips](#).)

Many brokers swear by the marketing power of a great video as well, and in the YouTube era, it's hard to argue. (See [How to Make a Killer Video of Your Apartment -- and Why You Should](#).)

Open houses

Some people believe [open houses are a complete waste of time](#) and mainly serve as a way for agents to meet potential clients. Others think they're important and should occur once or twice a month. For a description of what should occur (and what should not) at your open house, see BrickUnderground's [three-part series on open houses](#).

Showings

It's your responsibility to keep your apartment in "showing" condition and to accommodate showings. Making showings difficult will make selling your property difficult.

Among the things that can sabotage showings:

- Pets and children and their respective belongings
- Tenants who don't care and may even be antagonistic.

- Vacant apartments are harder to sell and usually sell for less (they need to be staged).

Your broker needs to be as accommodating to buyers as you are—ready and willing to show your apartment when requested. An agent that has a team of two or more agents or is more likely to accommodate all showing requests than a single agent.

STEP 6: NEGOTIATING WITH A BUYER

Tips for negotiating with a buyer

One of the advantages of working with an experienced real estate agent is that they are also experienced negotiators. When the offers come rolling in, here are a few things to keep in mind to keep in mind:

Don't accept the first offer as is

You may be leaving money on the table.

Always counter an offer

Some people think it's a waste of their time, but the reality is that the time necessary to make a counter-offer (even just restating your original asking price) is minimal. Some buyers are just “testing the waters” and may immediately come up even if your counter is just below your original asking price. If the buyer continues to make unrealistic offers, it's not necessary to continue engaging with them.

If you're serious, don't make your counteroffer too small

A reduction of 1% of the asking price can be perceived as an insult, whereas 1-3% shows you're willing to play ball.

Insist that prospective buyers provide a mortgage pre-approval, or proof of funds if they intend to pay cash

This should be done at the time the first offer is submitted.

Understand that negotiating for the purchase of a home is often an emotional experience for both you and the buyer

Always take a step back and put the transaction in perspective. Try relying on the two year rule: Ask yourself if the point being negotiated will matter to you in two years. If the answer is no, give in on it.

Don't focus exclusively on price

If you're deadlocked, consider whether to bring other issues into play like closing costs, the purchasing timeline, and adding or dropping contingencies.

If you receive multiple bids, compare the offers closely

Are they all relying on financing or is one planning to pay cash? (In the current credit environment, all-cash is king, all other things being mostly equal.) Do they already have their financing lined up? Are they at or near their maximum loan amount? If you're selling a co-op you will also need to scrutinize the prospective purchasers to determine which is most likely to pass the board. You will need to request a financial statement at the very least.

Don't blab about personal information

Your broker should not be sharing your reasons for selling (pregnant with twins? getting a divorce? job transfer?), because a well-prepared buyer's broker will use all such information against you when negotiating a deal.

How to make your apartment is appraised correctly

Nothing throws a deal into last-minute free fall than an appraisal that comes in too low. A low number spooks buyers and potentially upsets the loan-to-value ratio required by your buyer's mortgage lender -- meaning that either the buyer has to pony up more cash or you need to cut your price.

It's very difficult to challenge an appraisal once it's been reported to the lender, so you and your broker should be there doing everything you can to help the appraiser get it right:

- Prepare a dossier of comparable sales in the building and neighborhood, which also details the condition of each apartment and compares it to yours. Don't expect the appraiser to know the neighborhood either; explain the benefits of your building's location and how your building is similar or different to others especially those with comparable sales.
- Your information packet should also document any improvements to the apartment, building and neighborhood.
- Fix small defects (loose or missing tiles, stained grout) beforehand. Freshly painted walls and ceilings give the impression that the apartment is well maintained.
- Tidy up your apartment--make the beds, wash the windows, clear the counters. A mess indicates the apartment may not be maintained properly.
- Don't hover. It betrays anxiety and may give the impression that something is wrong.

12 reasons why your apartment isn't selling

It's been months and your apartment still hasn't sold. Here are some possible explanations and suggested approaches:

1. It's overpriced.

There is no single strategy for how to handle this. If your apartment has been on the market for 30 days without an offer, you will need to reevaluate your pricing and determine if the asking price that's dissuading buyers. You or your broker should also be periodically checking on your competition. If they adjust their pricing, you should be prepared to as well. This question should be asked again every few weeks if your property continues to remain on the market.

Price reductions are typically small but substantial. You can lower it by as little as a half of percent or as much as a few percent. Large price drops occurring all at once should not be required if the listing was properly priced to begin with. However, if you decided to "test the market" with a high price at the outset, consider getting back on track with your first price adjustment.

2. Lot-line windows will be permanently bricked up soon due to construction next door.

Cut the price, or take the apartment off the market until the windows, and possibly the construction, are done.

3. There is a huge construction site next door

Drop your price and/or install soundproof windows, or take your apartment off until the construction is done.

4. Your co-op has a land lease that's about to expire or an underlying mortgage about to come due

Cut the price, or take the apartment off the market until the new lease or mortgage is in place.

5. The maintenance or common charges are too high

Reduce the price and/or consider offering to pay 6-12 months of these costs as an incentive.

6. There are pending lawsuits in your building

There's no easy solution. You can only control the price, which may have to be adjusted to compensate for the perceived risk. Consider disclosing these early on to a serious purchaser. There's no point in having it come out for the first time when contracts are out with the attorneys.

7. Many apartment owners are delinquent on their maintenance or common charge payments

Again, you will have to compensate for the perceived risk by making the purchase price all the more attractive.

8. There are too many apartments for sale in your building

You will need to really stand out. Consider non-price options such as staging, catered open houses, etc. However, you will need to be priced more attractively than the rest of the pack to elicit offers; see also #9 below.

9. There's nothing special about your apartment

There is one surefire way to get more buyers to at least consider your apartment: Make it stand out to their brokers. **Offer to pay the buyer's broker a higher commission**--say, 4% instead of the standard 3% co-broke. Add a deadline to spur even more interest.

10. Your co-op board has a reputation for turning down buyers

It will be very important that you work with a broker that has experience selling your building. They will be the first line of defense in ensuring that unqualified purchasers are weeded out before going into contract.

11. The board turned down your buyer because the price was too low

This is more common than you think, as boards--whose members also own apartments in the building--engage in a possibly misguided effort to preserve

property values. Courts have ruled that boards can turn buyers down **for any reason except illegal discrimination**. However, **your attorney may be able to restructure your deal** in a way that pleases you, your buyer, and the board.

12. It's all your broker's fault

There's nothing like a wallflower apartment to put stress on your relationship with your agent. If things have deteriorated, first talk to your agent. If that doesn't fix the problem, speak to the branch manager (often referred to as a Managing Director) at your agent's brokerage. If there are irreconcilable differences, most brokerages will recognize there's no point in trying to enforce a listing agreement when the seller can simply be uncooperative going forward, and will agree to terminate the agreement or switch you to another agent in the firm.