**Manhattan Real Estate Guide**

### Manhattan Zip Codes on Forbes Most Expensive Zip Codes 2010 List

<table>
<thead>
<tr>
<th>Rank</th>
<th>Zip Code</th>
<th>Neighborhood</th>
<th>Median Home Price</th>
<th>% Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>#5</td>
<td>10014</td>
<td>The West Village, Greenwich Village</td>
<td>$3,785,445</td>
<td>Up 7%</td>
</tr>
<tr>
<td>#7</td>
<td>10065</td>
<td>Upper East Side, (East 60's)</td>
<td>$3,626,001</td>
<td>Up 14%</td>
</tr>
<tr>
<td>#9</td>
<td>10012</td>
<td>Soho</td>
<td>$3,221,371</td>
<td>Up 22%</td>
</tr>
<tr>
<td>#12</td>
<td>10013</td>
<td>Tribeca</td>
<td>$3,101,848</td>
<td>Up 7%</td>
</tr>
<tr>
<td>#22</td>
<td>10003</td>
<td>The East Village</td>
<td>$2,825,587</td>
<td>Up 12%</td>
</tr>
<tr>
<td>#25</td>
<td>10021</td>
<td>Upper East Side</td>
<td>$2,671,676</td>
<td>Up 6%</td>
</tr>
<tr>
<td>#26</td>
<td>10028</td>
<td>Upper East Side</td>
<td>$2,601,550</td>
<td>Up 8%</td>
</tr>
<tr>
<td>#32</td>
<td>10024</td>
<td>Upper West Side</td>
<td>$2,486,757</td>
<td>Up 6%</td>
</tr>
<tr>
<td>#40</td>
<td>10069</td>
<td>Riverside South</td>
<td>$2,235,185</td>
<td>Up 55%</td>
</tr>
<tr>
<td>#45</td>
<td>10007</td>
<td>Park Row</td>
<td>$2,147,184</td>
<td>Down 16%</td>
</tr>
<tr>
<td>#50</td>
<td>10011</td>
<td>Chelsea</td>
<td>$2,110,581</td>
<td>Up 7%</td>
</tr>
</tbody>
</table>

*Source: Forbes.com*

### Cooperative (Co-op) vs. Condominium (Condo) Real Estate in NYC

In Manhattan about 75% of available housing is in rental buildings. Of the approximately 25% of housing available for ownership about 80% are co-ops and almost 100% of the grand pre-war apartments on Fifth, Park and Central Park West are in co-operative buildings.

#### Cooperative

A phenomenon that's limited almost entirely to New York City, co-op apartments have been the traditional form of owning an upscale apartment for close to a hundred years. When you purchase within a co-op building, you're purchasing shares of the corporation that entitle you, as a shareholder, to a "proprietary lease."

Co-ops are started and run by corporations. Instead of selling units to individuals in exchange for rent, co-ops sell "shares," which include both the residence and a portion of the common areas of the building, including the laundry or fitness area, lobby, etc.

#### Condominium

As opposed to a co-op, a condominium apartment is "real" property. A buyer receives a deed just as though he or she were buying a house on an individual plot of land. Each individual apartment in a condominium receives its own tax bill. There is still a monthly common charge similar to the maintenance charges in a co-operative.

These charges don't include real estate taxes and are not tax-deductible. They also tend to be lower than in co-ops because there is no underlying mortgage for a condominium building. The straightforward nature of buying a condo coupled with the fact, that in some
Generally, the larger the apartment, the more shares of the corporation owned. Co-op shareholders contribute a monthly maintenance fee to cover the building expenses.

The corporation first pays the real estate taxes, mortgage of the building, salaries and maintenance; that cost is then split among the owners of the residences, each owner paying an amount that is in relation to the "share" that he or she has in the building.

The fee covers such items as heat, hot water, insurance, staff salaries, real estate taxes and the mortgage indebtedness of the building. Portions of the monthly maintenance fees are tax deductible due to the building's underlying mortgage interest. Also, shareholders can deduct their portion of the building's real estate taxes.

In a co-op, owners only own their unit and common grounds until they decide to move, at which point ownership transfers back to the corporation. They cannot transfer title or ownership at any point. Advantages of purchasing a co-op over a condo include:

1. Lower cost due to competition
2. Owners receive "shares" in the entire building--and therefore own--the building's common features
3. Owners may be eligible for a number of tax deductions

In a co-op, the building's Board of Directors decides whether to accept applicants as owners or not. A potential buyer fills out an application and interviews with a representative of the building. Rules and ownership details vary by building. Co-op boards never have to disclose to anyone their reasoning for rejecting an applicant.

One disadvantage of living in a co-op is the extreme down payment expected. Although financing is an option for some, most will be expected to pay quite a bit more than the traditional ten percent down. 50% is not uncommon, and some co-ops don't finance at all, expecting full payment up front.

In each case, they can be financed up to 90% of the purchase price and sublet them at will, makes condominiums the number one choice for flexibility. Young buyers, investors, and buyers that choose to use creative financing lean towards condominiums.

When buyers purchase a condo, they receive a deed and yearly taxes and other ownership fees. They can sublet their condo or sell it outright if they so choose. Some advantages of condos over co-ops include:

1. Comprehensive financing options; most condo buyers can finance up to 90% of the condo's selling price
2. Easier application process with higher acceptance ratios
3. Less common and maintenance charges

A disadvantage of purchasing a condo is the higher overall cost, since there aren't nearly as many condos as there are co-ops. This is changing quickly as new condo developments pop up all over the New York area.
Average New York City 2010 Rents by Neighborhood and # of BRs

Source: TregNY.com
New York City Rental Terminology

Rent Controlled Building

The rent control program generally applies to residential buildings constructed before February 1947. For an apartment to be under rent control, the tenant (or their lawful successor such as a family member, spouse, or adult lifetime partner) must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized, or, if it is in a building with fewer than six units, it is generally removed from regulation. An apartment in a one- or two-family house must have a tenant in continuous occupancy since April 1, 1953 in order to be subject to rent control. Once it is vacated after that date, it is no longer subject to regulation. Only about 40,000 rent controlled units continue to exist in New York City.

Rent control limits the rent an owner may charge for an apartment and restricts the right of any owner to evict tenants. Rent control operates under the Maximum Base Rent (MBR) system. A maximum base rent is established for each apartment and adjusted every two years to reflect changes in operating costs. Owners, who certify that they are providing essential services and have removed violations, are entitled to raise rents up to 7.5 percent each year until they reach the MBR.

Rent Stabilized Building

Rent Stabilization was established in New York City in the late 1960's to set limits on the amount building owners could raise rents and to set performance guidelines for both the landlord and tenant. There are approximately 1 million stabilized units remaining in New York City.

- Rent increases for one and two year leases are determined annually by the New York City Real Estate Advisory Board.
- Over the past five years, annual rent increases have been in the 3-7% range.
- Tenants are guaranteed renewal rights to stabilized leases provided they have fulfilled the terms of the lease.

Introduced in 1993, luxury destabilization provides for lease-end destabilization of apartments that rent for over $2,000 per month when occupied by a tenant earning more than $175,000 per year.

Non-Stabilized Building

- Landlords set a market-value rent based upon current supply and demand.
- A landlord may, but is not required to, follow rent stabilized guidelines.
- Renewals are not guaranteed unless so stated in the lease.
- Rental buildings with fewer than six units are non-stabilized.

Source: HousingNYC.com
New York City Building Terminology

Brownstone

One to five floors. No doorman. Built in the late 1800s and early 1900s as single-family homes. Many were converted during World War II to create multiple apartments (3-10 units per building). Brownstones have "charm", high ceilings, architectural details, and often wood-burning fireplaces. Typically, square footage is generally less than a similar room count would provide in a doorman building. Closet space and storage is usually sparse.

Elevator Building

Usually six to nine stories; and many are found on side streets. Non-doorman building; many with intercom security and live-in superintendents.

Loft Apartment

Four to eleven or twelve story buildings. Former commercial buildings converted to apartments. Large open space. Usually an elevator (sometimes a freight elevator) but no doorman service. Most are found in SoHo, Tribeca, or Chelsea. Some have restrictions regarding tenancy such as a status as a certified artist.

Luxury Doorman

Twenty to forty or more floors, and a twenty-four hour doorman. These tend to be postwar buildings. The more luxurious buildings also have a concierge who provides services such as receiving laundry and packages. Some of these buildings have a health club and/or swimming pool and a parking garage.

Prewar Building

Typically nine to sixteen floors. Doorman and non-doorman. Built 1900's to 1940's. Exterior and interior architectural detailing. Common features include high ceilings, hardwood floors, arched doorways, or fireplaces.

Postwar Building

Since 1946 there have been more than five decades of new construction in Manhattan. Exteriors are usually white, red, or brown brick. Usually less expensive than pre-wars. Long corridors with many apartments per landing. Eight foot ceilings, big closets and small kitchens. Laundry facilities are usually in the basement.

Walk-Up Building

Up to six floors. No elevator or doorman. Originally built as multi-family housing, this is one of the cheapest apartment options.

Source: NYCBlogEstate.com
New York City Rental Rule-of-Thumb to Calculate Minimum Salary

Helpful rule of thumb for calculating minimum salary of NYC apartment renters (standard clause in rental applications): "Please note that in order for an applicant to qualify for an apartment his/her total annual income must be equal to or more than the monthly rent x 45 (combined incomes not always accepted). If the tenant does not meet our income requirement, a guarantor will be considered. Guarantor's income must be equal to or more than the monthly rent x 90."