

Glossary Of Terms

The following guide will give you general closing costs associated with the purchase or sale of a cooperative or condominium. Please note that these are estimates and that potential buyers and sellers should consult their real estate attorney and financial advisor for specifics. We do not represent that these cover the spectrum of potential costs, but rather is a general guide.

Types of Buildings:

Brownstones or Townhouses:

These are typically four to six story buildings built in the 1800s to early 1900s. They are either single family houses or have been converted into multiple apartments. As a single family home, a townhouse or brownstone offers buyers privacy and the ability to purchase without the cooperative board process. Generally, these buildings afford more charm, with features such as gardens, fireplaces, beautiful floors and ornamental wood moldings. These buildings typically do not have a doorman. One can also purchase a co-op or condo unit in a townhouse building. Some apartments in townhouses can have grand living spaces and be quite expensive. The term “brownstone” refers to the type of material used as facing on the front of the structure.

Types of Apartments:

New York City real estate jargon is unique. Familiarizing yourself with the following terminology will facilitate the buying process. It is also important to know that New Yorkers speak in “number of rooms,” as well as using the terms below. A room in Manhattan must be at least 100 square feet and have a window, except in the case of a kitchen. Most kitchens are considered rooms unless they are Pullman types in which the kitchen is part of the living room. Bathrooms are not considered rooms. So, a Three Room Apartment would be comprised of a living room, kitchen and bedroom. A Four Room Apartment would have a living room, kitchen, and two bedrooms, or one bedroom and a dining room. You’ll hear the term “Half of a Room”, e.g., Three and a Half Rooms. This means that the living room has an alcove adjacent to it which is not quite the size of a true room, or in some cases it may mean a foyer large enough for dining.

Types of Buildings:

Pre-War Buildings:

Pre-war buildings are those built before World War II. These buildings are usually 10 to 20 stories, provide spacious apartment lay-outs and gracious architectural amenities with features such as large rooms, fireplaces, hardwood parquet floors and high ceilings. These can be doorman or non-doorman buildings.

Post-War Buildings:

Post-war buildings were built between the late 1940s and 1970s. They are generally high-rise and are constructed of white, red or brown brick. Most will have doormen. Post-war apartments may actually afford more living space than their pre-war counterparts in studio, one and two bedroom sizes. They have ample closets, a live-in superintendent and laundry facilities.

High-Rise Full Service Buildings:

These are generally associated with new construction or are apartment buildings that were built starting in the 1980s. They are typically condominiums, 20 to 40 or more stories with doorman and concierge services. Other amenities often include: health clubs and swimming pools, valet services and parking garages.

Elevator Buildings:

This description is usually reserved for a non-doorman building that is 6 to 20 stories tall. There is usually an intercom security system, and some may have video security. These buildings can fall into either the pre-war or the post-war category.

Types of Apartments:

Studio:

One or two rooms with combined living and sleeping area. If the studio is one room, the kitchen will be Pullman style. If it is two rooms, the kitchen will be separate.

Alcove:

An alcove is an area adjoining the living room space of an apartment. It is generally less than 100 square feet and is not considered a full room, but is often called a half room. It can be used as a “dining alcove” or “sleeping alcove.” Depending upon size, it may actually be “walled off” to create an additional bedroom.

Alcove Studio:

This is either a one and a half or two room apartment with an often L-shaped alcove which can be used as a sleeping area.

Junior or Convertible:

This is an apartment with an alcove off of the living room which can be converted into a bedroom or used for dining. A Junior Four, for instance, would be a three room apartment (living room, kitchen and bedroom) which has the potential to be four rooms by using the alcove space to create an additional room.

Duplex:

In New York, this means an apartment with two floors or levels, not two apartment units.

Types of Buildings:

Loft Buildings:

These buildings either were previously built for commercial or manufacturing purposes and are now used for residential living spaces, or are newly constructed as loft buildings. The spaces typically offer higher ceilings (9 to 20 feet), open spaces and original details such as supporting columns, tin ceilings, etc. They are usually found in Greenwich Village, SoHo, TriBeCa, Chelsea, Flatiron, Nolita, and lower Manhattan, and often do not have the services of a doorman building.

Walk-Up Buildings:

This is the least expensive type of housing, and the quality can vary widely. Usually these are four to five story buildings with no elevator, hence the term “walk-up.” They were originally constructed as multi-family housing and lack the charm and elegance of traditional brownstones or townhouses.

Types of Apartments:

Loft Area:

This is an additional space created in apartments with very high ceilings. The loft area is constructed above the traditional living area, accessed by a staircase or ladder, and used for extra storage, sleeping or living space (e.g., a mezzanine).

Classic:

The word “Classic” is usually followed by a number indicating the number of rooms in an apartment. It is generally associated with pre-war apartments that meet a criteria of room numbers and design for buildings of that period. However, a Classic can exist in a post-war building, assuming it follows the same guidelines. As an example, a Classic Six is comprised of a living room, dining room, kitchen, two bedrooms, and a maid’s room.

Glossary of Terms:

Abstract of Title:

A historical summary of the recorded instruments and proceedings on the title of a property.

Air Rights:

The right to use or control the space above a property. Air Rights can also be sold, rented or leased to another party.

Amenities:

The benefits from home ownership, such as a feature that enhances value.

Appraisal:

An estimate of the value of the property. During a sale, an appraisal may be conducted to determine the offering price.

Assignment:

The process by which a right or contract is transferred from one party to another. Assigned contracts include mortgages, leases and deeds of trust.

Broker:

A state licensed sales agent who acts for property owners and prospective purchasers in Real Estate transactions.

Brownstone:

A 19th century house which shares a common wall with the neighboring property.

Building Amenities:

The assets that buildings offer its owners or tenants. These can include a doorman, health club, club, parking garage, etc.

Building Restrictions:

Building code requirements that affect the size and appearance of the building.

Capital Expenditure:

An improvement to the property that will have a life of one year or more and will increase the value of the property.

Certificate of Occupancy:

In New York City, each building is required to have a Certificate of Occupancy which permits the structure to be occupied by members of the public. This means that the building is in compliance with health and building codes.

Closing:

The transfer of ownership of a property from the seller to the buyer according to the sales contract.

Co-broke:

This is the term used when a broker sends out their listing to other brokers and other firms. The brokerage community then receives the listings and the commission will be split evenly between the seller's broker and the firm that provides the buyer of the property.

Combination:

Refers to when an owner combines two adjoining apartments into one to enhance the value and space.

Commission:

Payment to the broker for his or her efforts on marketing and selling the property. It is usually a percentage of the total purchase price.

Commission Split:

The sharing of commissions between the listing agent and the buyer's broker.

Common Area:

The area on the property or in the building that is available for use to all owners and tenants.

Comparables:

Apartments that are similar in size, condition, location and amenities. Comparables are used to assess or establishing the fair market value of a property.

Glossary of Terms:

Condominium:

A building in which individuals own individual units ("real" property) but share common areas with the other owners of the building. A more liberal type of ownership than co-ops, condominiums also have more lenient policies regarding subletting and pets.

Contract:

A legally binding agreement between two parties. To have a valid contract for the sale of Real Estate there must be: • an offer • an acceptance • competent parties • consideration • legal purpose • written documentation • description of the property • signatures of the principals

Conversion:

Property that changes form of ownership, such as a condominium to a cooperative or a commercial building to a residential building.

Convertible:

A one or two bedroom apartment that has space to make another bedroom. The other bedroom can be made with the construction of a wall; however, the new bedroom must have a window in order for it to be legal.

Deed:

A written document by which title of property is expressed from one party to another.

Duplex Apartment:

An apartment that has two levels.

Escrow:

A state where consideration, benefits, legal rights, money, documents or other valuables are transferred to another party in advance of that party's legal claim to them, on the basis that the legal claim will arise at a given point in the future. It is a form of trust.

Estate:

The word used to describe the collection of all assets of a deceased person. Also, the extent of interest a person has in real property.

Estate for Life:

The interest of real property that ends with the death of a person.

Excellent Condition:

This is used to describe the condition of the apartment; mint is another word for excellent meaning the apartment is in great shape.

Exclusive Listing:

A contract whereby the owner of a property grants a single broker the right to market the property for sale.

Facade:

The exterior front wall of a building.

Financing:

Borrowing money to purchase a property.

Firm Price:

An asking price for a property that is not open for negotiation.

Fixed-Rate Mortgage:

A loan in which the interest rate remains constant over the entire term of the loan.

Flip Tax:

Tax imposed on the cooperative apartment by the cooperative that is typically a percentage of the purchase price that can be paid by either the seller or purchaser.

Floating Rate:

A loan in which the interest rate is not fixed over the term but is allowed to vary according to the change in a specified index.

Floor Plan:

A scale diagram of the arrangement of rooms and their sizes drawn by an architect.

Glossary of Terms:

Foreclosure:

An enforcement process in which the lender under a defaulted mortgage takes title to the property for the purposes of selling it to recoup moneys owed under the mortgage.

Full Bath:

A bathroom with a bath or a shower.

Grandfather Clause:

If a new law is passed or an old law is changed, those people whose activity was legal under the previous law are allowed to continue because of this condition. This law is common with pets; some buildings that do not allow pets now, did in past, therefore, those owners are allowed to keep their pets.

Half Bath:

A bathroom without a bath or a shower.

Interest Rates:

The cost of borrowing money from a lender. Rates change over time and are set by the Federal Reserve.

Lease:

A written agreement to rent a property, or part of a property, from the owner.

Lien:

A legal claim against property for money owed.

Listing:

The agreement that allows a real estate professional to market a property. Available apartments are also referred to as listings.

Loft:

A loft refers to open living space that was converted from commercial space to residential space. Lofts contain very high ceilings, large windows and open space. In New York City, most loft and converted commercial space is located Downtown.

Lot:

A measured section of land.

Maintenance:

Monthly charges paid by the owner or tenant of a cooperative building for that person's share of the cost of keeping the common-use portions of the building in good condition. This includes the daily cost to operate the building and is calculated based on each individual unit's number of shares in the corporation.

Managing Agent:

An independent company that is hired to manage a property. In New York City, most cooperative and condominium buildings are managed by a company which is responsible for the building's operations.

Market Value:

An estimate of the value of a property in relation to the current real estate market.

Mortgage:

Money borrowed from a lender in order to purchase a piece of property. Mortgages vary in terms of length as well interest rates.

Negotiation:

The process of discussing an issue between two parties who are working towards the same goal. Successful negotiation usually leads to a contract and then a sale.

Notarize:

To verify the authenticity of a signature by a certified Notary Public.

Offer:

An expression of the desire to purchase a property at a specific price. To purchase a property, an offer must be made and accepted.

Offers Accepted:

The term used when an owner of a property agrees and accepts the offer and terms of the purchaser.

Glossary of Terms:

Open House:

A specified time when a property that is for sale is advertised by opening its doors to prospective buyers. A broker advertises an open house to help the sale of the property.

Open Listing:

A listing in which the owner of the property hires more than one broker and only pays commission to the one that provides the purchaser.

Ordinance:

A law enacted by the local government.

Penthouse:

A luxury apartment in a high rise building.

Pied a Terre:

A French term that refers to an apartment that is not the owner's primary residence. A pied a terre is used when a person lives in another location and comes to New York several times a month or a few weeks a year.

Points:

A charge levied by the lender to the borrower for prepaid interest on the mortgage. Each point is equal to 1% of the principal of the mortgage.

Post-War:

A post-war building is one that was built after World War II.

Powder Room:

Also known as a half bath. A powder room is a bathroom without a shower or a bath.

Pre-War:

A pre-war building is one that was built before World War II. Common characteristics of a pre-war apartment are fireplaces, moldings and hardwood floors.

Property Tax:

The tax issued on the ownership of property.

Quadrplex:

An apartment that has four levels.

Referral:

A recommendation made to a client about the services of a particular agent or firm.

Rental Building:

A building in which the apartments are rented and not sold.

Rent Control:

Laws that regulate the amount of money that is charged to rent out space.

Reserve Fund:

An account reserved to provide funds for future expenses in order to maintain the cooperative or condominium building.

Sale Price:

The amount of money paid by the purchaser to the seller. Also known as the purchase price.

Security Deposit:

A payment required by a landlord to guarantee that the tenant meets his or her obligations under the lease and to guard against any potential damages that may be incurred during the term of the lease.

Shares:

When one purchases an apartment in a cooperative building he or she is actually purchasing the shares in the cooperative. They represent the proportion of the building owned by the unit owner based on the size and value of the apartment.

Square Footage:

The area measured in square feet of a certain property. Square footage can be measured in different ways and is usually considered approximate. Because condominium apartments have specific laws that determine the way in which the apartment is measured, condominium measurements are more accurate.

Sublet:

The term used when an owner of an apartment decides to rent the apartment to a tenant.

Glossary of Terms:

Tax Deductible:

An expense that reduces taxable income. Each year, shareholders in cooperative apartments are able to deduct a certain amount from their personal taxes. The amount is determined by the amount of shares that are owned.

Terms:

A specified period of time.

Term, Amortization:

The term in which the interest and principal payments of a loan must be made.

Title:

The legal term for the evidence that the owner is in lawful possession of the land and property.

Townhouse:

A townhouse is a private residence in which at least one wall is shared with another residence. In New York City, townhouses are very popular because they offer a more private way of living.

Triple Mint:

Refers to the condition of the residence. Triple mint condition means that the residence is in immaculate condition.

Triplex:

An apartment that has three levels.

Unit:

A single residence within a building.

Utilities:

Services such as water, gas, electricity, telephone and television. Utilities in some buildings in the city are included in the maintenance charges.

Vacate:

To move out and leave the property.

Walk-Up Building:

A building that does not have an elevator. Most walk up buildings are four to six floors.

Walk Through Inspection:

The inspection of a property immediately before the closing with the purpose of ensuring that the property has no new damages.

Zone:

An area set by local law for specific use with certain rules and regulations.