



Sight Unseen

Thinking about buying into a new building? Read this guide first!

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February 4, 2006

PURCHASING an apartment in a new development that hasn't even been built is a leap of faith. There's no strolling around the apartment to check it out, or any way of knowing who your neighbors will be. Instead, you've got floor plans, renderings, photos and maybe some sample kitchen tiles.

The biggest mistake people make when buying off floor plans?

"They don't understand what they are buying," says Louise Sunshine, president of marketing and sales agency The Sunshine Group.

To ensure you actually like your new place when you move in, here are some tips to understanding floor plans and what to know when purchasing in a new development.

Get exact measurements

Understand the difference between square footage and room dimensions. Floor plans might note an apartment is 1,000 square feet, but that figure takes into account the square footage in closets and hallway. It also includes space between your walls and the building's exterior or your neighbor's apartment.

The best way to calculate space is to look at individual room dimensions, suggests Bill Kowalczyk, vice president at the Corcoran Group.

If floor plans note the living room is 12-feet-by-20-feet, compare those measurements to your current living situation to figure out how much space you truly need. Additionally, many floor plans don't list the size of the bathrooms, so make sure you ask for the square footage of each room.

If you don't want to do all the work in adding up spaces like hallways and closets, figure that any apartment will appear 100 to 200 square feet smaller than the total listed size, says Ariel Cohen, a broker at The Shvo Group.

Also, know that developers measure from the concrete to the ceiling, without taking into consideration finished flooring or floor-mounted sound-proofing, so buyers should also ask for the "true" ceiling height.

Check out the views

Pay particular attention to the direction arrows - north, south, east or west - found on the bottom of floor plans, Sunshine advises. If you're buying an apartment on Central Park West and want a living room with views of the park, make sure you're getting exactly that. Like most marketing companies, The Sunshine Group offers prospective buyers views from apartments, either video taken from a helicopter, or photos from the construction site, so buyers know what they'll be seeing.

Buyers usually can't visit construction sites, so the Corcoran Group's Kowalczyk suggests visiting the block of the proposed development so you know what buildings will block your views.

As for a sense of the outside and inside of a building, some developers offer videos of virtual tours, although the artificial look might deter prospective buyers. Case in point: The virtual tour of Schaefer Landing makes the place look more like a zombie colony than a hip Williamsburg condo.

Watch the finishes

If there's a model unit, buyers will be able to see the finishes and appliances. At the very least, a sales agent should be able to offer you samples of tiles and/or renderings of finishes. But finishes change during the construction phase, so that Pietra Cardosa tile that winds up in your new bathroom might be a few shades darker than the one you expected. Tough luck - the purchase agreement gives developers wiggle room to make minor alterations to finishes.

But if you come across major changes, i.e., there's a different stove instead of the Viking you were promised, you can probably legally challenge the developer.

In extremely rare cases, developers will allow buyers to deviate from the standard finishes offered. At The Milan at 300 E. 55th St., buyers can choose from a variety of finishes for the countertops, floors and cabinets in the kitchen.

More common than choose-your-own finishes is allowing buyers to buy and combine adjoining units for more space, according to Richard Lebow, director of sales and marketing at World-Wide Group, the developer of The Milan.

Get in early

Buy early if you want the best deal on an apartment because prices rise as units are sold. In a typical 100-unit luxury building, developers could raise prices six to 10 times during the sale process, according to the Corcoran Group's Kowalczyk.

A buyer recently closed on a two-bedroom apartment for \$1.525 million at One Kenmare Square - the new Andre Balazs condo development in NoLiTa - and then, in the same day, turned around and sold the apartment for \$1.925 million.

Even after taxes and fees, the profit was about \$300,000, according to Andrew Anderson, the Prudential Douglas Elliman broker who handled the transaction.

How do you get in early? Enlist a savvy broker who will alert you to new building developments. Anderson also suggests finding construction sites and calling developers directly to find out more information about a project.

But be warned: Many developers will not let you sell your apartment before you've closed or before the entire building is sold out.

This can be a huge problem if you find yourself suddenly having to unload. Lee Presser, associate broker at Coldwell Banker Hunt Kennedy, is representing a buyer who went into contract to buy a \$1.25 million unit in a new development before learning that his job was transferring him to Chicago.

"He needs a place to live in Chicago, but he can't buy because all his money is tied up with his deposit," Presser says.

Moving-in delays

Delays are inevitable with new buildings. There's little you can do contractually about delays, although in special cases a developer might return your deposit if the delay is abnormally long.

Delays can be a problem if you've locked in a mortgage rate, but haven't closed on an apartment. If you're already locked in a rate, you risk the potential of losing that rate or might have to pay extension penalties to keep that locked rate, according to Keith Furer, a vice president and loan officer at Apple Mortgage.

"My advice is to be very careful before locking in a rate," Furer says. "My experience is that when it comes to new construction, rarely do things close on time."

Learn to love it

The building is up, you're moved in, and well, you hate your new home.

"It happens all the time," says Shvo's Cohen. "People say, 'I don't like the floors in the lobby, the doorman is ugly,' or 'I don't like my neighbors.'"

Many people have an initial strong reaction, but then slowly adapt to their building - and then love it, adds Cohen.

And what if they don't?

"They sell their apartment," Sunshine says.