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What's included in a deal sheet when you buy a NYC apartment?



Once you've made an offer on an apartment in New York City, the seller's attorney will issue a deal sheet. The deal sheet isn't the same as the contract but, based on your offer, it is a snapshot of the major deal points of the transaction from the price you will pay to the concessions and closing date.

"It is used as the jumping off point for the seller's attorney to draft the contract of sale and needs to be accurate as to these points to prevent delay," says Stephen W. Allen, a partner at Romer Debbas.

What should be included on a deal sheet?

You'll need to review the deal sheet to make sure it is accurate. Look out for these key terms: sales price, down payment, contingencies, closing date, inspection terms, and financing. Erin Sykes, real estate advisor and chief economist for Nest Seekers, says you should also see the broker's commission outlined.

Sometimes the deal sheet discloses items or obligations you haven't been made aware of during the offer process. This might include a reference to a flip tax (and who pays for it) or what fixtures

and appliances are included in or excluded from the sale. (All the more reason to ask your broker these questions before you make an offer.)

Other details to look out for on the deal sheet include restrictions imposed by the board—like whether pets are allowed. "It is crucial that if any of these are not agreed to by the buyer, they are addressed immediately—before a contract is even sent out—before too much time is lost," Allen says.

Is a deal sheet binding?

A deal sheet isn't legally binding. "The deal sheet outlines the proposed terms of the property sale between interested parties, but it is not a binding document," Sykes says. That means you can negotiate the deal before and after the deal sheet is sent out. Most of the time you will have reached verbal agreements before the deal sheet is sent out.

Once it is sent out, and all information on it is confirmed accurate, your attorney will negotiate the contract as well as do the due diligence on the building.

"This will involve a deep dive into the building, its financials, its policies, and other high-level information," Allen says.

What are the steps between a deal sheet and a signed contract?

Your attorney will keep you updated on issues uncovered during the due diligence.

This point in the process can be stressful because contracts have deadlines and you'll want to know what's required of you once you are in contract on the apartment. "Speak to the real estate broker and start to familiarize yourself with the building's purchase application," Allen says.

If you are getting a mortgage, you'll want to reach out to your loan officer and find out what documents you'll need to provide.

Allen advises giving the lender a copy of the deal sheet as soon as it's confirmed as accurate. Then "the loan officer can confirm whether they can close the loan contemplated in the deal," he says. There are some situations where your mortgage application might be denied or delayed that have nothing to do with you. For example, your lender might not loan in buildings that lack reserve funds or there may be too many sublets throwing off the owner-occupied ratio.

"No one wants to waste their time on a deal that a specific lender simply cannot close," Allen says.

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