

What About New Construction?



“
If you're moving into a new building, you may need more patience than if you were moving into an established residential building.
 ”

**Think new could be for you?
 Drop us a line at
buy@corcoran.com
 to connect with an agent.**

If you're seeking a glassy, modern apartment with the latest bells and whistles—maybe top-of-the-line appliances, a golf simulator, a climbing wall, a pet spa, and a landscaped roof terrace—you may find new construction the most appealing. That said, you want to be sure you're investing in a building that's smartly designed and soundly constructed. If you think *new* is for you, here are five questions to ask your real estate agent that go beyond what's in the building's prospectus—and what good answers might look like.

What's the building developer's track record in the city?

A developer's reputation is everything, so you'll want your agent to reassure you that not only has the developer worked on a number of high-quality buildings around the city, but also that the developer has an excellent track record for completing high-quality buildings on time. You can also research this on your own by looking at the developer's previous projects and calling a broker who has sold apartments in those other buildings.

Will I face any additional fees?

When you buy an apartment in a new building, you will pay for things that a seller usually pays when they sell an apartment, including a 1.825 percent transfer tax (also known as a flip tax), and you may have to pay into a “working capital fund” that covers costs for the building to get up and running. This can be the equivalent of a month or two of common charges.

What if my move-in is delayed?

If you're moving into a new building, you may need more patience than if you were moving into an established residential building. That's because there could be construction issues or unforeseen delays. You'll want to speak to your agent about an opt-out clause if your apartment isn't ready for move-in within an extended period of time.

What if my building's empty units are bought by investors?

Early on, ask your agent to find out how many units in the building have been bought by investors who might be purchasing the apartments as investments without plans to occupy the units. If the investors plan to rent out their units, there may be a lot of move-ins and move-outs, which may leave the building feeling less neighborly than you'd like.

How do I know the walls aren't going to be paper-thin?

If you're worried that the building will have lousy soundproofing, ask your agent to find out what materials and acoustical treatments were used in the construction of each residence. While you're at it, ask about interior finishes, ceiling heights, and even whether windows open in the units.