



MOVING TO THE
big apple

New York is an enduring city, with dynamic education, arts, culture and healthcare sectors making it a truly global centre. Acquiring and renovating a property in Manhattan is a complex endeavour. This simple guide by Columbia Professor and General Contractor John Rusk breaks it down.



Image courtesy of Francesco Lagne

What kinds of real estate is available in NYC?

There's a rich vein from more traditional townhouses and cooperatives through to luxury condominiums. Each property type has its own benefits:

Townhouses

Townhouses are typically single-family private residences built at the turn of the century, before large multi-family properties became more commonplace. Properties provide privacy and anonymity, as they can be purchased by a corporation and the land and structure on it are yours. Owners nevertheless have to comply with the building code and potential restrictions related to New York's Landmark Commission. Options for construction are however relatively limitless including space for staff, pools and gyms. Typically over 450 square metres, the layouts are vertical, which means flights of stairs and often an elevator are incorporated. Owning an entire building also means being responsible for maintenance, including roofing, HVAC and other systems.

Cooperatives

Cooperatives are normally multi-family apartment buildings and a way to build multiple exclusive residences. The overall building is operated as a corporation in which residents share ownership in the overall building and have a lease on a specific apartment. The corporation is able to choose who they'll allow to become a partner. The purchase process

usually requires detailed financial information, interviews, and letters of reference.

Coops often have high staffing and service levels. The corporation protects the investment by carefully reviewing and approving construction work. They offer the advantage of centralised service and heating and many include gyms. Many of the apartments available are in remarkable condition, but some do need full renovation. In general, their purchase price is less for a condominium of similar size and with like-for-like amenities.

Condominiums

Condominiums evolved from cooperatives and are typical of new construction. They don't have the restrictions on purchase and don't typically require board approval. Corporate purchasing is also permitted. Newer buildings have amenities such as pools, theatres, gyms and more. They often feature newer technology and systems, such as centralised HVAC and increased electrical services. Construction work is still reviewed by the building management company, although there are usually fewer restrictions on what can be done compared to cooperative buildings. Because purchasing is easier, condominiums generally sell faster than cooperatives. Condominium pricing is normally higher than a coop unit of similar size and with similar amenities.

Image courtesy of Paul Rivera Architectural Photography

How do buyers decide which neighbourhood to move to?

There are many different neighbourhoods in NYC, each with its own distinct personality and traits. If you have the time and resources, staying in a few hotels and sampling the vibe throughout the city is worthwhile. After that, a qualified real estate broker focused in your preferred neighbourhood can help you focus on narrowing down property options. Brokers can be found through references from friends, architects, designers, or contractors. Our firm also frequently makes introductions. Buildings that are changing the NYC skyline are Hudson Yards, 432 Park, 520 Park, 220 Central Park South and 15 Central Park West.

Who assists with the purchase?

Your broker will be able to walk you through making an offer and purchasing your property. For your real estate contract, you should use a qualified real-estate attorney who specialises in NYC real estate transactions. Your broker will likely have an attorney that they recommend. This attorney will often work with your legal representative back home.

How do I build a team?

Construction in New York requires an Architect and General Contractor. The majority of projects will also require an Engineer; and most luxury projects use a Designer to create the vision. With the proper team in place, you can work together to develop a budget and scope of work.

First and foremost, you will need to choose your level of involvement in the process. As an owner, you're an important part of the process, and the productivity and attitude of the team will follow your lead. Homeowners experienced with renovations understand the commitment required to attend meetings, make timely decisions, and stay informed on what's happening on site. Many homeowners prefer the ease of an Owner's Representative to handle the coordination in New York.



Image courtesy of Sabrina Asch

You will then need to decide whether the project will be led by a Designer or Architect. Designers are often focused on lifestyle and entertaining, and in New York, they often lead luxury projects, imagining the look and feel of the residence, including selecting furnishings like artwork, and furniture to create a single, complete experience. Architects often work with the designer to translate these looks and feelings into clear, concise, buildable plans. Architects secure permissions and are the contractual party to oversee the contractor's work. They're also responsible for the details that will make the home beautiful and functional.

In my experience, the best projects have a New York Architect who has the connections and experience to build well and efficiently in NYC. Many clients bring their designers from past projects around the world, which is exciting for everyone involved.

At Rusk, we often make recommendations for these roles, and enjoy collaborating with people from around the world, using web-based technology that makes it easy to see, review, and approve. The key to success is finding professionals you trust and then listening to their advice and recommendations.

How do people decide to use a fixed price or a construction management model?

With the team in place, you can develop your budget and select a contract method. The two most common types of construction contract for luxury residential are stipulated sum and construction management. With a stipulated sum contract, the contractors provide a fixed price to complete the work depicted in the drawings and specifications created by your Architect.

This method works best when there is time to develop the drawings and specifications to a high level of detail, so a complete bid package can be sent to multiple contractors for pricing.

On larger projects or projects where construction must be completed quickly or as the plans evolve, construction management may be more practical. The construction management process involves the contractor at an earlier stage, often while the drawings and specifications are still being developed. Contractors are typically chosen early through a competitive process through interviews evaluating their resources, their fit with the team, and their rates including labour, profit and overhead mark-ups for subcontractors and vendors. The selected contractor then works with the design team to develop the project and create the control budget. This process allows for greater flexibility and financial transparency, since the contractor has a fiduciary responsibility to you as the owner.

For all your construction contracts, including the designer, architect and contractor, I strongly recommend using a New York attorney who specialises in construction law. This niche group will typically use standard contracts with adjustments that contribute to a fair and efficient project. These contracts should be considered the foundations to the project.



Image courtesy of Susan Fisher Plotner / Annie Schlecter

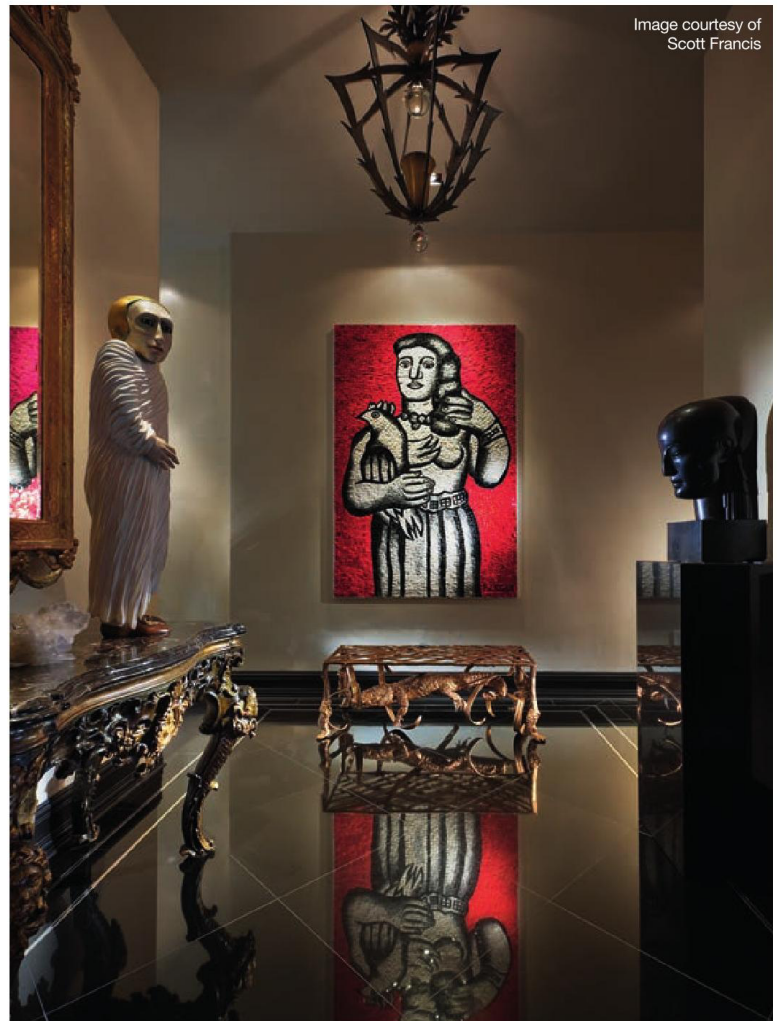


Image courtesy of Scott Francis

How do I obtain approvals for construction?

Condominiums and cooperative buildings will require the construction documents to be approved by the building management or board prior to submission to the NYC Department of Buildings (DOB).

This internal building review of the plans covers compliance with the building's rules and regulations and ensures that the standard of work will meet your building's expectations and requirements. There may be restrictions which are more stringent than the standard city code requirements. If your Contractor or Architect has worked in your building before, they'll likely be able to guide you during the design process so your design will gain approval quickly.

Once your plans have been approved by your building, your Architect can submit them to the DOB for approval. City approval reviews code compliance, but it's ultimately the Architect who is responsible for compliance.

How do I best build the project?

The construction project is typically your initial introduction to your neighbours. Condominium and cooperative residents often have completed renovations and will be understanding

of the process. Townhouse neighbours may be less receptive to your renovation, as it will more likely involve their property and the project duration will be a longer disruption to their lives. There are often access requirements to be negotiated as you may need to put scaffolding over adjacent properties to protect them and to dig under their foundations to strengthen them.

How do I plan for service and maintenance?

True luxury is a home that's maintained and serviced so that it's always beautiful and a comfort to its residents, whenever they walk in the door. The quality standards your builder uses to ensure that your home endures and can be maintained is as important as the length of their warranty and the training of their service staff.

New York is an incredible city to call home, and Rusk is keen to help.

Contact us now on:

Info@ruskinc.com

Www.ruskinc.com

+1 (212)544-0986

39 West 37th Street 15th Floor

New York NY 10018