



A BUYER'S GUIDE · NY · CT · NJ

The Complete Home Buyer's Guide

Everything you need to buy with confidence, from your first pre-approval to the day you get the keys. Written for first-time buyers, move-up buyers and investors.



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How buying a home works

Buying a home in New York, Connecticut or New Jersey follows the same basic path, whether it's your first condo, your forever home or your fifth rental. Most purchases take **60 to 90 days** from accepted offer to closing. Here are the eight steps, and the rest of this guide walks you through each one.

01 Get clear on your goals

Budget, towns, commute, schools, space and how long you plan to stay. Investors: define your strategy and target returns.

03 Sign a buyer agreement

Buyers now sign a written agreement with their agent before touring. It spells out services and compensation, which is negotiable.

05 Make a strong offer

Price and terms based on data: deposit, contingencies, closing date and how to stand out in competitive towns.

07 Appraisal & mortgage commitment

The lender appraises the home and completes underwriting. Title work and insurance get lined up.

02 Get pre-approved

A lender reviews your income, assets and credit and issues a pre-approval letter. It sets your true budget and strengthens your offers.

04 Tour homes and compare

Custom searches, private showings and recent comparable sales so you know what a home is really worth.

06 Inspections & contracts

Professional inspections, then attorneys negotiate and finalize the contract. Timing differs by state.

08 Walk-through & closing

Walk the home one last time, sign at closing and get your keys.

Start with the money. The single best first step is a conversation with a lender. Pre-approval takes a few days, costs little or nothing, and tells you exactly what you can afford before you fall in love with a house.

Budget and pre-approval

Lenders look at your income, debts, credit history and savings. Many guidelines aim for total monthly debt, including the new mortgage, at or below roughly **43% to 45% of gross monthly income**, though programs vary. A payment you can comfortably afford may be lower than the maximum you qualify for.

Common loan options

Loan type	Down payment	Good to know
Conventional	As little as 3% for qualified first-time buyers	Under 20% down usually means private mortgage insurance (PMI), which can be removed later.
FHA	3.5%	Flexible credit guidelines. Can be used to buy a 2–4 family home you live in.
VA	Often 0%	For eligible veterans, service members and some surviving spouses.
USDA	0%	For eligible rural areas, including parts of the Hudson Valley. Income limits apply.
Jumbo	Often 10% to 20%	For loan amounts above conforming limits, common in higher-priced towns.
Investor / DSCR	Often 20% to 25%	For rentals. DSCR loans qualify based on the property's rental income.

What your lender will ask for

- ☐ Recent pay stubs and W-2s (2 years)
- ☐ Tax returns (2 years if self-employed or 1099)
- ☐ Bank and investment statements (2 months)
- ☐ Photo ID and Social Security number
- ☐ Gift letter, if family is helping

Protect your approval

- ✓ Don't open new credit cards or loans
- ✓ Don't change jobs without telling your lender
- ✓ Don't move large sums without a paper trail
- ✓ Keep paying every bill on time

Help with your down payment

State and county programs can lower your down payment, closing costs or interest rate. Many require a homebuyer education course and a participating lender, so ask early.

New York: SONYMA

The State of New York Mortgage Agency offers first-time buyer mortgages and down payment assistance loans through participating lenders.

hcr.ny.gov

Westchester County

The Home Ownership Initiative has offered up to \$25,000 toward down payment and closing costs for eligible first-time buyers at or below 80% of area median income.

homes.westchestercountyny.gov

Connecticut: CHFA

The Connecticut Housing Finance Authority offers below-market-rate mortgages and down payment assistance for eligible buyers.

chfa.org

New Jersey: NJHMFA

The New Jersey Housing and Mortgage Finance Agency offers first-time buyer mortgages and down payment assistance programs.

njhousing.gov

Program terms, income limits and funding change often. We'll connect you with lenders who participate in these programs to confirm what you qualify for.

First-time buyer tips

- ✓ **Know your all-in monthly cost:** mortgage, taxes, insurance and any HOA, condo or co-op fees.
- ✓ **Save beyond the down payment** for closing costs, moving and a repair cushion.
- ✓ **Consider a 2-4 family.** Rental income from the other units can help you qualify and pay the mortgage.
- ✓ **Don't skip the inspection,** especially with older Northeast homes.
- ✓ **Compare property taxes** town by town. They vary widely across Westchester, Fairfield and Bergen.
- ✓ **Ask about assistance first,** before you choose a lender.

COSTS

What it really costs to buy

Typical buyer costs

- ✓ **Down payment:** 0% to 20% or more, depending on the loan.
- ✓ **Deposit:** often around 10% in NY and CT, held in escrow. NJ deposits vary.
- ✓ **Lender & appraisal fees**
- ✓ **Title insurance & search**
- ✓ **Attorney fees:** attorneys handle contracts and closings in all three states.
- ✓ **Inspections:** home, termite, radon, sewer and others as needed.
- ✓ **Prepays & escrows:** taxes, insurance and interest.

State-specific costs

- ✓ **New York mansion tax:** buyers pay 1% on purchases of \$1 million or more.
- ✓ **New York mortgage recording tax:** charged on most purchase mortgages; the rate varies by county.
- ✓ **Connecticut:** conveyance taxes are generally paid by the seller.
- ✓ **New Jersey:** transfer fees are generally paid by the seller, and since July 2025 so is the mansion tax on sales over \$1 million.
- ✓ **Co-ops:** application, move-in and lender fees, but no title insurance.

Your monthly cost worksheet

Item	Monthly
Mortgage principal & interest	
Property taxes (annual ÷ 12)	
Homeowner's insurance (annual ÷ 12)	
Private mortgage insurance (if under 20% down)	
HOA, condo or co-op maintenance fees	
Utilities and upkeep (budget 1% to 2% of price per year)	
= Total monthly housing cost	

Closing costs commonly run a few percent of the purchase price. Your lender and attorney will provide exact figures.

Offers and contracts by state

All three states use real estate attorneys, but the timing of a binding deal differs. Knowing the local process helps you move fast without taking on unnecessary risk.

New York

An accepted offer isn't binding until both sides sign a contract. Attorneys negotiate the contract after the inspection, and the buyer typically puts down a deposit at signing.

Connecticut

Offers often start with a binder. Attorneys then prepare the purchase contract, and inspections usually happen during a short contingency period.

New Jersey

After both parties sign, there is a three-business-day attorney review period during which either attorney can propose changes or cancel.

What makes an offer strong

- ✓ **Pre-approval** or proof of funds for cash buyers
- ✓ **Data-backed price** based on recent comparable sales
- ✓ **Clean terms** and a closing date that suits the seller
- ✓ **Speed.** In competitive towns, the first strong offer often wins.

Common contingencies

- ✓ **Mortgage:** cancel if financing isn't approved
- ✓ **Inspection:** negotiate repairs or credits
- ✓ **Appraisal:** protection if the home appraises low
- ✓ **Board approval:** required for co-ops

Co-op, condo or townhouse?

Co-op

You buy shares in a corporation that owns the building. Expect a board application, financial review and interview, plus rules on financing, sublets and minimum down payments. Common in Westchester and often less expensive.

Condo

You own your unit plus a share of common areas. Usually more flexible financing and renting. Review the budget, reserves and any planned assessments.

Townhouse / HOA

Monthly HOA fees and community rules. Check what's covered, such as exteriors, landscaping and snow removal.

From inspection to keys

Inspections to consider

General home	Structure, roof, systems, plumbing and electrical. Plan for this on every purchase.
Wood-destroying insects	Termites and carpenter ants are common in the Northeast and often required by lenders.
Radon	A naturally occurring gas found in parts of NY, CT and NJ. Testing is simple and mitigation is common.
Oil tank & chimney	Older homes may have buried oil tanks or chimneys that need repair. A tank sweep is wise in NJ and CT.
Sewer, well & septic	A camera scope of the sewer line, or water and septic tests for homes on wells and septic systems.

Before closing

- ☐ Lock your interest rate
- ☐ Order homeowner's insurance
- ☐ Receive your mortgage commitment
- ☐ Review the Closing Disclosure (at least 3 days before closing)
- ☐ Wire funds only after calling your attorney at a known number
- ☐ Schedule movers and utilities

Closing day

- ☐ Final walk-through: condition, appliances, repairs
- ☐ Bring photo ID
- ☐ Certified funds or confirmed wire
- ☐ Sign the loan and transfer documents
- ☐ Get your keys

Beware of wire fraud. Criminals send fake emails that look like they're from your attorney or agent with new wiring instructions. Always confirm wiring details by phone at a number you already know. We will never email you wiring instructions.

Buying investment property

Whether it's your first two-family or your tenth rental, the right numbers and the right location make the difference. These are the strategies our investors use most.

House hacking	Buy a 2–4 family, live in one unit and rent the others. Owner-occupants can use FHA or conventional loans with lower down payments.
Long-term rentals	Single-family and multifamily rentals near transit, hospitals and universities.
Value-add	Buy below market, renovate and rent or resell. Estate and inherited properties are a frequent source.
Portfolio growth	DSCR loans based on rental income, and tax strategies such as 1031 exchanges (consult your tax advisor).

Deal analysis worksheet

Item	Annual
Gross rents (all units, based on market rent comparables)	
– Vacancy allowance (often 5%)	
– Taxes, insurance, utilities you pay	
– Repairs, maintenance and management	
= Net operating income (NOI)	
Cap rate = $\text{NOI} \div \text{purchase price}$	
Cash flow = $\text{NOI} - \text{annual mortgage payments}$	
Cash-on-cash return = $\text{cash flow} \div \text{total cash invested}$	

Also check: condition and capital needs (roof, systems, code issues), certificates of occupancy, rental registration and inspections, and in some Westchester municipalities, rent stabilization for older buildings with six or more units.

YOUR NEXT STEP

Buy with a team that knows the market



Michael Vasquez

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From first-time buyers to seasoned investors, our team helps clients buy across Westchester, the Hudson Valley, Fairfield and Bergen counties. As active investors ourselves, we know how to read a deal and how to win one.

- ✓ Custom searches and early alerts on new listings
- ✓ Comparable sales for every home you consider
- ✓ Offer strategy and negotiation
- ✓ Trusted lenders, attorneys and inspectors
- ✓ Rent and return analysis for investors
- ✓ Every deadline managed through closing

Your must-haves

Must have

Nice to have

Let's start your search

Call **(914) 483-2883**, email **info@pspteam.com** or visit **pspteam.com/buyers-guide**.

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