

Cooperatives (Co-Op)

Condominium (Condo)

Note: The following comparison is based on the Overall Co-Ops and Condos. Whenever you purchase, you must verify specifically with each building for its own policy.

Ownership	You're purchasing shares within the co-op corporation that entitles you, as a shareholder, to a "proprietary lease"	A condominium apartment is "real" property. A buyer receives a deed just as though he or she were buying a house.
Monthly Charge	<p>Maintenance (to cover heat, hot water, insurance, staff salaries, real estate taxes and the mortgage indebtedness of the building.)</p> <p>Portions of the monthly maintenance fees are tax deductible due to the building's underlying mortgage interest. Also, shareholders can deduct their portion of the building's real estate taxes.</p>	<p>Given that there are fewer condominiums than cooperatives and that they are easier to purchase, they are generally more expensive than co-ops.</p> <p>1. Common Charge Similar to Co-Op maintenance, however, excluding real estate tax)</p> <p>2. Real Estate Tax 100% tax deductible</p>
Financial Requirement	It varies by the buildings. Some Co-Ops focuses more on your income while the others might focus on your liquid fund after closing.	In general, there is no requirement as long as you are able to afford the down payment and monthly charge.
Down Payment	20% or more	10% or more (nowadays mostly 20% or more.)
Liquid Reserved Fund	It varies by Co-Ops. General 2-year worth of monthly cost including maintenance and mortgage payment.	In general, there's no requirement after the closing. (However, you still need to meet the lender's requirement.)
Board Approval	<p>Majority of the Co-Ops do have the Board Interview and approval process. Prior to the interview, prospective purchasers prepare a detailed "Board Package" which usually contains personal and professional letters of recommendations as well as a great deal of personal information concerning income and assets.</p> <p>The purchase approval is not guaranteed.</p>	<p>Rule of the thumb: 2 years or so to be safe</p> <p>There is no board approval required. You still need to submit a Board Package with similar requirements as Co-Ops to the Managing company. The waiver of First Right of Refusal will be issued. Normally, in Condo purchase, buyers are not rejected by the board. If the board rejects the purchase application, they need to purchase the unit.</p>
Sublease	<ul style="list-style-type: none"> In general, most Co-Ops require the shareholders to reside for at least 2-3 years. Under circumstances, you might be able to sublet your unit with the board approval. Most of the time, you might be able to sublet 2 or 3 years out of every 5 years. However, this varies by the Co-Ops. (Some Co-Ops do adopt Condo rules) In general, Co-Ops keep higher standard of living quality since it has more restrictive sublet policy. 	<ul style="list-style-type: none"> You can sublet your unit at anytime. Mostly, at least one-year lease is generally required although some allow 6 months while more and more Condos require 2-year leases. This makes Condo more popular than Co-Ops. It is investor-friendly. <p>Note: more and more Condos have set rules on the percentage of the sublet allowed in the building at a given time. OR a minimum of 2-year lease.</p>
Pet Policy	Varying by the buildings More buildings have No-Pet policy or limit the number of pets per unit is allowed as well as the size of the pets.	Varying by the buildings More buildings have No-Pet policy or limit the number of pets per unit is allowed as well as the size of the pets.
Non-Smoking Policy	Varying by the buildings We have seen more buildings that impose Non-Smoking Policy.	Varying by the buildings We have seen more buildings that impose Non-Smoking Policy.