

Confused about monthly costs for NYC apartments? This article breaks it down simply. As a first-time buyer in NYC, you've likely seen the wide range in monthly charges on listings. Some properties list common charges and real estate taxes separately, while others show a single maintenance fee. To make things even more confusing, some condo listings don't even mention real estate taxes, especially if they're high. By the end of this guide, you'll be able to interpret these numbers like a pro.

## **What Do Monthly Charges Cover?**

Regardless of the building type (co-op or condo), all buildings have ongoing expenses, such as maintenance, electricity, staff salaries, water, and trash removal. Each building's Board of Directors sets the budget annually, determining how funds are allocated based on priorities. They're not trying to make a profit; they're just covering costs. Luxury buildings with full-service amenities may have higher expenses than smaller, more budget-conscious buildings. Once the annual budget is set, the Board reviews revenue and decides whether monthly charges stay the same or increase. The monthly fee for each apartment is based on its size and location. Higher-floor units of the same size often have slightly higher charges.

Now, let's break down the differences between co-ops and condos.

### **Co-op Monthly Maintenance:**

#### **All-Inclusive, But Not What You Think**

When you buy a co-op, you're not purchasing real estate; you're buying shares in a corporation that owns the building. Instead of a deed, you get a stock certificate and a proprietary lease granting you the right to occupy your apartment. Since the co-op owns the entire building, it receives a single property tax bill.

That means your share of the taxes is included in your monthly maintenance fee, along with building expenses like staff salaries, utilities, and upkeep. Some co-ops even have a building-wide mortgage, and your portion of that loan's interest may also be factored in. In short, your co-op maintenance fee covers both your share of the building's operating costs and real estate taxes.

## **Condo Common Charges:**

### **Two Separate Bills**

Buying a condo is more like buying a traditional home. You receive a deed and own your apartment as real property. Each condo unit has its own tax lot, so you pay real estate taxes separately. Your monthly common charges only cover shared building expenses—doorman salaries, common area maintenance, and shared insurance. Real estate taxes are billed directly to you by the city, which is why condo listings usually display common charges and taxes as separate line items.

## **Why Does This Matter?**

Co-op maintenance fees look higher at first glance because they include real estate taxes, while condo common charges do not. But once you add in a condo's separate property tax bill, the total cost may be closer than it initially seems. Additionally, co-ops often cost less upfront than condos and may offer more space for the same budget—something to consider if you're open to different ownership structures.

## **Common Questions Answered:**

### **What's included in my monthly charges?**

Your personal electricity bill is always separate, but some buildings negotiate bulk deals with Con Edison, allowing them to charge you a reduced rate through your maintenance or common charges. The same may apply to Internet service if the building has a preferred provider, but you'll typically have the option to opt in or out.

### **What are assessments?**

Assessments are temporary additional charges imposed by a building to cover large capital improvements, like a new roof, boiler replacement, or mandatory facade repairs (Local Law 11). They're an alternative to permanently increasing monthly fees.

### **Are monthly charges negotiable?**

No, these fees are set by the building and are not negotiable. However, understanding why a building's fees are higher or lower than others can help you make an informed decision.

### **Are monthly charges tax-deductible?**

Condo common charges are not tax-deductible. Co-op maintenance may be tax-deductible, because it includes your share of the building's real estate taxes. Additionally, if the building has an underlying mortgage, your portion of the interest on that loan may also be deductible.

### **How are monthly charges calculated?**

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The same may apply to Internet service if the building has a preferred provider, but you'll typically have the option to opt in or out.

**Co-ops:** Charges are based on the number of shares you own in the corporation.

**Condos:** Charges are based on your percentage ownership of the building's common areas.

## **Why are some buildings' charges so much higher than others?**

Several factors can drive up costs, including:

- Large building staff (doormen, concierges, porters, maintenance workers)
- Extensive amenities (pools, gyms, children's playrooms, lounges)
- Buildings that lease the land instead of owning it (land-lease buildings)

If a building lacks major amenities and isn't a land-lease property but still has high fees, it's worth asking the listing agent why.

## **What's the typical annual increase in monthly charges?**

There's no set percentage, but looking at a building's history of past increases can help predict future trends. Keep in mind that past performance isn't a guarantee of future increases.

## **How can I compare monthly charges across apartments?**

One of the best ways is to compare charges on a per-square-foot basis. This helps normalize differences between units and buildings, giving you a clearer sense of relative value in the neighborhoods you're considering.

Still unsure which option is right for you? That's what I'm here for—let's find the best fit for your needs!