

Selling your home: Calculating Expenses & Costs

Here is a list of some typical costs associated with selling a home:

Legal fees and disbursements

When you're involved in a financial transaction as big as this, you want to be protected. Your real estate lawyer will ensure that the buyer has made good on all terms outlined in the offer to purchase, and that you have met your legal obligations so that the deal may close. Legal fees vary widely, and the total cost depends on the extent of services provided. You will also be responsible for disbursements (any costs related to handling your file, such as long distance calls and travel).

Utility and property tax adjustments

This might not be a cost for you, depending on how your property tax and utility bill payments are scheduled. If you prepay these expenses, then you can expect the buyer to refund you the difference by closing day. If, however, you don't pay these expenses in advance, it will be you paying the buyer for the amount accrued prior to possession date. The exact amount will be calculated by your real estate lawyer.

Home inspection

Although this is entirely optional, many sellers choose to commission a professional house inspection before the buyer's inspection (and sometimes even before the house is put up for sale). This protects you from any unpleasant surprises uncovered by the buyer's inspector that might jeopardize the sale. A little advance notice gives you time to repair these issues.

Repairs and renovations

When it comes time to show your home to prospective buyers you want your house looking its best. Some renovations can actually return your investment in the value they add to your selling price. Other fix-ups are expenses that you'll just have to absorb in order to make your house attractive to buyers. Too many serious issues left unfixed may make a home unsellable.

Moving costs

Following the sale of your house, you'll have to clear out your stuff and send it to your new home. So budget for the moving company and utility hookups and well as saving some for incidentals involved in buying and moving to a new home.

Depending on your circumstances and location, other costs may apply and the amounts will vary, which is why it's important to have someone knowledgeable working for you.