



# THE REAL COST *of Selling* YOUR HOME

Are you thinking about selling your home? There is no doubt that selling kicks off a flurry of activity but before you put up a 'For Sale' sign, it is important to understand how much it will cost you. Some surprises are fun, but surprise expenses are NOT. Let's talk about all the possible costs you may incur as a seller so that you can budget accordingly.



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This is a guide and expenses will vary. Some of these expenses will apply to you, while others will not. The amount of each expense will vary based on several factors such as the age of your home, the price of your home, whether you hire it out or do it yourself, the state of the market, and more. If you want numbers specific to your home, you will find our contact information at the end of this guide. We are happy to walk you through these calculations, minimize your expenses, and sell your home for top dollar.

## Prior to Listing

Did you know that some expenses you incur as a seller will be paid before you even list your home for sale? It's true! Here are some items you may need to shell out cash for if you want your home to sell for top dollar.

### **#1: Cleaning**

When listing your home, you want it to sparkle inside and out. You can hire a professional to clean your home or you can do it yourself. Either way, be sure to factor this into your budget.

### **#2: Landscaping**

First impressions matter! The same is true for your home. You want to ensure your home has strong curb appeal. Spend a little time and money ensuring your home looks as good as possible. This may include a fresh coat of paint for the front door, planting flowers, trimming trees, and topping up mulch or rocks.

### #3: Repairs & Maintenance

It is important that your home looks well maintained and cared for. If there are any repairs (big or small) that you have been putting off, budget to have them fixed before listing.

### #4: Improvements & Upgrades

Depending on the specifics of your property and the state of the market you may be able to increase the value of your home by making improvements prior to listing it for sale. Be careful though, not all upgrades have a positive ROI (return on investment). Before you make any changes to your home, be sure to contact a trusted real estate professional who can advise you. You want to know that any renovations will increase the value of your home by more than it costs you out of pocket initially.



### #5: Staging

According to the National Association of REALTORS® “staging increased the dollar value of a residence between 6% and 10%” (2021 Profile of Home Staging). Whether your home would benefit from staging depends on several factors. Much like upgrading your home, it is worth speaking with your real estate professional first. Keep in mind that staging does not need to be expensive, and you may be able to use items you already have.



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## During your Sale

Once you are under contract you will start to incur other expenses. Some expenses you will want to plan for include:

### #1: Repairs

Didn't we budget for repairs already? Yes, we did, but depending on the state of the market and the outcome of your buyer's inspections you may need to do additional repairs. Your real estate agent will be able to give you an idea of what is typical in your area.

### #2: Commissions

The Seller will be responsible for paying commissions to the listing brokerage and sometimes the buyer's brokerage upon closing. Each real estate agent is responsible for setting their own rate. Be sure you understand what that expense is in advance and what you can expect for that fee.

### #3: Seller Concessions

Seller concessions are costs the seller agrees to pay for the buyer. In many cases this depends on the state of the market. If you find yourself selling in a strong seller's market (i.e. there are more buyers than sellers), you likely won't need to budget for any concessions. On the flip side, if you are in a strong buyer's market (i.e. there are many homes for buyers to choose from), you may offer to pay for a home warranty, interest rate buy down, etc. to entice a buyer to purchase your home.







#### **#4: Closing Costs**

These can include title, escrow, and/or legal fees depending on your market. As a seller, in most cases you will also need to budget for prorated property taxes and HOA fees.

#### **#5: Home Warranty**

In some cases you may be asked to pay for the buyer's home warranty. This policy protects the buyer from large expenses in the event that any of the major systems or appliances fail.

#### **#6: Moving Costs**

It's funny but this is one of the most forgotten expenses! Don't forget to budget for all packing and moving expenses. This includes boxes, tape, moving trucks, storage rentals, movers, etc.

#### **#7: Transitional Accommodation**

Do you need somewhere to stay in between selling your current home and buying your next one? If so, be sure to budget for all costs associated with that interim accommodation. This can include rent, deposits, utilities, and more. If you will be closing on your next home before you sell your current home be sure to budget for the ongoing expenses of both homes at the same time.

## #8: HOA Dues

Do you live in a community with an HOA or other governing body that imposes fees when selling your property? If so, ensure you understand those costs and add them to your budget. These may include capital improvement fees, disclosure fees, and fees to prepare necessary documents. If you have any outstanding fines you will also need to budget for these.



## #9: Mortgage Expenses

Be sure to read your mortgage documents carefully. Is there a fee for paying off your mortgage early? Are there any other processing fees you will incur from your lender? If so, be sure to add those to your total. If you aren't sure, call your lender and they will be able to assist you.

Keep in mind you will also be required to pay the taxes, utilities, insurance, mortgage, and HOA dues through to the day of closing. Don't forget to include these in your budget.

## How Much Should you Budget Overall?

As mentioned at the beginning, the costs associated with selling depend on many different factors. If you would like specific numbers for your home and your unique circumstances, please get in touch. It would be our pleasure to draw up a custom net sheet showing you exactly how much you can expect to net on the sale of your home in different scenarios.

Overall, you should budget roughly 10% of your home's sale price in expenses. If you end up spending less, you will be pleasantly surprised, and you can put that extra money towards your next home.



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