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Cost for Selling Your Home

The home selling process can seem like a black box if you are not informed of all aspects regarding the transaction. A seller must factor in the costs in selling their home to make an informed decision in the list price and if they are comfortable placing their home on the market at this time.

Below are several areas that sellers should consider.

Loan Payoff

The first factor to consider is the current balance of your home loan. The amount owed on the property is greater than the last statement amount due to interest being accrued daily and in arrears. This means that if you made a payment in December, then it paid off the interest that was due for November. Also, a seller must factor any additional equity or personal liens that exist which will prevent the home from closing before being paid off.

Closing Costs

Another area that must be considered is the cost to close the home. One of the most costly items is the title insurance and can usually start around \$900 but varies by region. Other costs can come from documentation preparation and attorney fees, tax prorations, and HOA prorations. The amount of fees can vary and the attorney should provide a HUD statement quoting the estimated closing costs before the closing takes place.

Broker Commissions

The biggest expense in selling a home can be the commission paid to the seller and buyer's agent and can range typically from 5% to 7% (the commission is negotiated between the seller and the seller's agent). This commission is usually paid strictly by the seller and therefore deducted from the proceeds at closing.

Fees Negotiated by the Buyer

There are costs that the buyer can negotiate within the contract to cover expenses associated with the sale of the home. These expenses can cover a repair costs, home warranty and home inspection. All of these expenses are negotiable and can be paid by either party.

Moving Costs

There are many moving costs that can add up quickly with the sell of a home. This is especially prominent in large homes with expensive furniture. Requesting a quote from a moving company that a seller is comfortable with will ensure that they have factored in the final cost of moving from their existing home.